

ROTO PUMPS AFRICA PROPRIETARY LIMITED
(REGISTRATION NUMBER 2014/084040/07)
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

accounting · tax · statutory

JOHANNESBURG | CAPE TOWN | DURBAN

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DIRECTORS: C.M. Johnston | D. Sewnarain | B.A. Szoke | N. Aldrighetti | R. Eales | R. van der Walt | A. Dewlal

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Roto Pumps Africa Proprietary Limited
(Registration number: 2014/084040/07)
Annual Financial Statements for the year ended 31 March 2022

Index

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

	Page
Directors' Responsibilities and Approval	2
Independent Auditors Report	3 - 4
Directors' Report	5 - 6
Statement of Financial Position	7
Statement of Comprehensive Income	8
Statement of Changes in Equity	9
Statement of Cash Flows	10
Accounting Policies	11 - 13
Notes to the Annual Financial Statements	14 - 18
The following supplementary information does not form part of the Annual Financial Statements and is unaudited:	
Detailed Income Statement	19 - 20
Tax Computation	21

Level of assurance

These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.

Preparer

1.2.3. Consulting Proprietary Limited
represented by B. Szoke, Professional Accountant (SAIPA)

Published

23 May 2022



Roto Pumps Africa Proprietary Limited
(Registration number: 2014/084040/07)
Annual Financial Statements for the year ended 31 March 2022

Directors' Responsibilities and Approval

The directors are required by the Companies Act 71 of 2008, to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors 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 focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the Annual Financial Statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company's cash flow forecast for the year to 31 March 2023 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on page 3 to 4.

The annual financial statements set out on pages 5 to 21, which have been prepared on the going concern basis, were approved by the board of directors on 23 May 2022 and were signed on its behalf by:



Vinay Kumar Dhar



Ravin Munsook Sewnarain



Independent Auditors Report

To the shareholders of Roto Pumps Africa Proprietary Limited

Opinion

We have audited the annual financial statements of Roto Pumps Africa Proprietary Limited set out on pages 7 to 18, which comprise the statement of financial position as at 31 March 2022, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year 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 Roto Pumps Africa Proprietary Limited as at 31 March 2022, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities 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.

Material uncertainty related to going concern

We draw attention to note 22 in the annual financial statements, which indicates that management anticipate the health risk of the COVID-19 virus and the declared South African national disaster to have a negative impact on future income. The events and conditions stated in the respective notes indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Uncertainties related to the potential effects of COVID-19 are relevant to understanding our audit of the annual financial statements. All audits assess and challenge the reasonableness of estimates made by the company, the related disclosures and the appropriateness of the going concern assumption of the annual financial statements. The appropriateness of the going concern assumption depends on assessments of the future economic environment and the company's future prospects and performance. The COVID-19 pandemic is a "black-swan" event which is anticipated to create challenges for humanity and for the global economy, and at the date of this report its effects are subject to levels of uncertainty. An audit cannot predict the unknown factors or all possible future implications for the company and this is particularly the case in relation to COVID-19.

Other information

The directors are responsible for the other information. The other information comprises the Directors' Report and the Detailed Income Statement as required by the Companies Act 71 of 2008, 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 on the other information obtained prior to the date of this auditor's report, 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.

Independent Auditors Report

Responsibilities of the directors for the Annual Financial Statements

The directors are responsible for the preparation and fair presentation of the annual financial statements in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008, and for such internal control as the directors determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

TGS South Africa Incorporated

TGS South Africa Incorporated
F. Aldrighetti
Director
Chartered Accountants (SA)
Registered Auditors

23 May 2022
Johannesburg

Roto Pumps Africa Proprietary Limited
(Registration number: 2014/084040/07)
Annual Financial Statements for the year ended 31 March 2022

Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of Roto Pumps Africa Proprietary Limited for the year ended 31 March 2022.

1. Nature of business

Roto Pumps Africa Proprietary Limited was incorporated in South Africa with interests in the distribution of pumps and pumping projects industry. The company operates principally in South Africa.

There have been no material changes to the nature of the company's business from the prior year.

2. Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008. The accounting policies have been applied consistently compared to the prior year with the exception of the depreciation as referred to in the accounting policies note 1.1.

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

3. Share capital

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

4. Dividends

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

Given the current state of the global economic environment, the board of directors 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 board of directors has resolved not to declare a dividend for the financial year ended 31 March 2022.

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

5. Directors

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

Directors

Abdool Hamid Muhammad
Ramesh Chandra Vaish
Vinay Kumar Dhar
Ravin Munsook Sewnarain

There have been no changes to the directorate for the period under review.

6. Property, plant and equipment

There was no change in the nature of the property, plant and equipment of the company or in the policy regarding their use with the exception of the depreciation as referred to in the accounting policies note 1.1.

At 31 March 2022 the company's investment in property, plant and equipment amounted to R596 012 (2021:R750 328), of which R16 598 (2021: R90 035) was added in the current year through additions.

7. Events after the reporting period

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



Roto Pumps Africa Proprietary Limited
(Registration number: 2014/084040/07)
Annual Financial Statements for the year ended 31 March 2022

Directors' Report

8. 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.

Management anticipate the health risk of the COVID-19 virus and the declared South African national disaster to have a negative impact on future income of the company, and the existence of this material uncertainty may cast significant doubt on the company's ability to continue as a going concern. However the appropriateness of the going concern assumption depends on assessments of the future economic environment and the company's future prospects and performance which are unknown. The COVID-19 pandemic is a "black-swan" event which is anticipated to create challenges for humanity and for the global economy as a whole, and at the date of this report its effects are subject to levels of uncertainty out of managements control.

Although management at this stage cannot predict the unknown factors or all possible future implications for the company they have concluded, due to the strength of its financial resources, the company will continue to operate as a going concern.

9. Auditors

TGS South Africa Incorporated continued in office as auditors for the company for 2022.



Roto Pumps Africa Proprietary Limited
(Registration number: 2014/084040/07)
Annual Financial Statements for the year ended 31 March 2022

Statement of Financial Position as at 31 March 2022

Figures in Rand	Note(s)	2022	2021
Assets			
Non-Current Assets			
Property, plant and equipment	2	596 012	750 328
Deferred tax	3	-	47 226
		596 012	797 554
Current Assets			
Inventories	4	8 938 278	7 280 905
Trade and other receivables	5	3 809 591	3 356 050
Cash and cash equivalents	6	450 002	467 835
		13 197 871	11 104 790
Total Assets		13 793 883	11 902 344
Equity and Liabilities			
Equity			
Share capital	7	2 000 100	2 000 100
Retained income		3 365 399	1 561 256
		5 365 499	3 561 356
Liabilities			
Non-Current Liabilities			
Loan from shareholder	8	4 498 249	4 628 039
Other financial liabilities	9	236 282	414 317
Deferred tax	3	27 520	-
		4 762 051	5 042 356
Current Liabilities			
Trade and other payables	10	3 394 303	3 130 544
Other financial liabilities	9	176 790	162 757
Current tax payable		95 240	5 331
		3 666 333	3 298 632
Total Liabilities		8 428 384	8 340 988
Total Equity and Liabilities		13 793 883	11 902 344



Roto Pumps Africa Proprietary Limited
(Registration number: 2014/084040/07)
Annual Financial Statements for the year ended 31 March 2022

Statement of Comprehensive Income

Figures in Rand	Note(s)	2022	2021
Revenue	11	18 695 354	13 332 626
Cost of sales	12	(11 724 572)	(9 051 298)
Gross profit		6 970 782	4 281 328
Other income	13	116 513	1 361 066
Operating expenses		(4 534 655)	(3 928 533)
Operating profit	14	2 552 640	1 713 861
Investment revenue	15	419	500
Finance costs	16	(46 930)	(64 114)
Profit before taxation		2 506 129	1 650 247
Taxation	17	(701 986)	(462 070)
Total comprehensive income for the year		1 804 143	1 188 177



Roto Pumps Africa Proprietary Limited
(Registration number: 2014/084040/07)
Annual Financial Statements for the year ended 31 March 2022

Statement of Changes in Equity

Figures in Rand	Share capital	Retained income	Total equity
Balance at 01 April 2020	2 000 100	373 079	2 373 179
Total comprehensive income for the year	-	1 188 177	1 188 177
Balance at 01 April 2021	2 000 100	1 561 256	3 561 356
Total comprehensive income for the year	-	1 804 143	1 804 143
Balance at 31 March 2022	2 000 100	3 365 399	5 365 499

Note

7



Roto Pumps Africa Proprietary Limited
(Registration number: 2014/084040/07)
Annual Financial Statements for the year ended 31 March 2022

Statement of Cash Flows

Figures in Rand	Note(s)	2022	2021
Cash flows from operating activities			
Cash generated from operations	18	876 399	1 037 367
Interest income		419	500
Finance costs		(46 930)	(64 114)
Tax paid	19	(537 331)	(238 000)
Net cash from operating activities		292 557	735 753
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(16 598)	(90 035)
Cash flows from financing activities			
Net movement in other financial liabilities		(164 002)	(144 867)
Net movement in shareholder's loan		(129 790)	(776 931)
Net cash from financing activities		(293 792)	(921 798)
Total cash movement for the year		(17 833)	(276 080)
Cash at the beginning of the year		467 835	743 915
Total cash at end of the year	6	450 002	467 835



Roto Pumps Africa Proprietary Limited
(Registration number: 2014/084040/07)
Annual Financial Statements for the year ended 31 March 2022

Accounting Policies

1. Basis of preparation and summary of significant accounting policies

The Annual Financial Statements have been prepared on a going concern basis in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act 71 of 2008. The Annual Financial Statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 Property, plant and equipment

Property, plant and equipment are tangible assets which the company holds for its own use or for rental to others and which are expected to be used for more than one period.

Property, plant and equipment is carried at cost less accumulated depreciation and accumulated impairment losses.

Cost includes costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Depreciation is provided using the reducing balance method which results in the depreciation reducing as the life of the asset progresses and have been assessed as follows:

Item	Depreciation method	Average useful life
Motor vehicles	Reducing balance	5 years
IT equipment	Reducing balance	3 years
Workshop equipment	Reducing balance	5 years

During the current year, the depreciaton method was changed from the straight line method to the reducing balance method. This change had no material impact on the figures for the current and prior financial years.

The residual value, depreciation method and useful life of each asset are reviewed only where there is an indication that there has been a significant change from the previous estimate.

Gains and losses on disposals are recognised in profit or loss.

1.2 Financial instruments

Initial measurement

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

Financial instruments at amortised cost

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

Financial instruments at cost

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably without undue cost or effort are measured at cost less impairment.

Financial instruments at fair value

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



Roto Pumps Africa Proprietary Limited
(Registration number: 2014/084040/07)
Annual Financial Statements for the year ended 31 March 2022

Accounting Policies

1.3 Tax

Current tax assets and liabilities

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

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 reporting date.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences.

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised.

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

Tax expenses

Tax expense is recognised in the same component of total comprehensive income or equity as the transaction or other event that resulted in the tax expense.

1.4 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. All other leases are operating leases.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term unless:

- another systematic basis is representative of the time pattern of the benefit from the leased asset, even if the payments are not on that basis, or
- the payments are structured to increase in line with expected general inflation (based on published indexes or statistics) to compensate for the lessor's expected inflationary cost increases.

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

1.5 Inventories

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

1.6 Impairment of assets

The company assesses at each reporting date whether there is any indication that assets may be impaired.

If there is any such indication, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of assets) in prior years. A reversal of impairment is recognised immediately in profit or loss.

1.7 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.



Roto Pumps Africa Proprietary Limited
(Registration number: 2014/084040/07)
Annual Financial Statements for the year ended 31 March 2022

Accounting Policies

1.8 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 leave pay 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.

1.9 Revenue

Revenue is recognised to the extent that the company has transferred the significant risks and rewards of ownership of goods to the buyer, or has rendered services under an agreement provided the amount of revenue can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the company. Revenue is measured at the fair value of the consideration received or receivable, excluding sales taxes and discounts.

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

1.10 Borrowing costs

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

1.11 Foreign exchange

Foreign currency transactions

Exchange differences arising on monetary items are recognised in profit or loss in the period in which they arise.

All transactions in foreign currencies are initially recorded in Rand, using the spot rate at the date of the transaction. Foreign currency monetary items at the reporting date are translated using the closing rate. All exchange differences arising on settlement or translation are recognised in profit or loss.



Roto Pumps Africa Proprietary Limited
(Registration number: 2014/084040/07)
Annual Financial Statements for the year ended 31 March 2022

Notes to the Annual Financial Statements

Figures in Rand 2022 2021

2. Property, plant and equipment

	2022			2021		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Motor vehicles	1 081 600	(575 437)	506 163	1 081 600	(443 037)	638 563
IT equipment	102 827	(83 905)	18 922	86 229	(65 798)	20 431
Workshop equipment	102 035	(31 108)	70 927	102 035	(10 701)	91 334
Total	1 286 462	(690 450)	596 012	1 269 864	(519 536)	750 328

Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Depreciation	Closing balance
Motor vehicles	638 563	-	(132 400)	506 163
IT equipment	20 431	16 598	(18 107)	18 922
Workshop equipment	91 334	-	(20 407)	70 927
	750 328	16 598	(170 914)	596 012

Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Depreciation	Closing balance
Motor vehicles	798 451	-	(159 888)	638 563
IT equipment	36 089	-	(15 658)	20 431
Work equipment	5 200	90 035	(3 901)	91 334
	839 740	90 035	(179 447)	750 328

Property, plant and equipment encumbered as security

The following assets have been encumbered as security for the long-term borrowings as disclosed in note 9:

Motor vehicles	284 166	353 011
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3. Deferred tax

Deferred tax liability	(64 342)	(31 331)
Deferred tax asset	36 822	78 557
Total net deferred tax (liability) asset	(27 520)	47 226

The major components of the deferred tax balance are as follows:

Deferred tax liability

Arising as a result of temporary differences on:

Property, plant and equipment	(43 285)	(31 331)
Deferred exchange losses/(gains)	(21 057)	-
Total deferred tax liability	(64 342)	(31 331)

Deferred tax asset

Arising as a result of temporary differences on:

Provisions	36 822	28 075
Deferred exchange losses/(gains)	-	50 482
Total deferred tax asset	36 822	78 557



Roto Pumps Africa Proprietary Limited
(Registration number: 2014/084040/07)
Annual Financial Statements for the year ended 31 March 2022

Notes to the Annual Financial Statements

Figures in Rand	2022	2021
4. Inventories		
Finished goods	8 938 278	7 280 905
5. Trade and other receivables		
Trade receivables	3 376 519	3 044 127
Value Added Tax	433 072	311 923
	3 809 591	3 356 050
6. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	-	15
Bank balances	450 002	467 820
	450 002	467 835
7. Share capital		
Authorised		
3 000 000 ordinary shares at no par value	-	-
999 900 unissued ordinary shares are under the control of the directors 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.		
Issued		
2 000 100 ordinary shares at no par value	2 000 100	2 000 100
8. Loan from shareholder		
Roto Overseas Pte Ltd	(4 498 249)	(4 628 039)
This loan is unsecured, interest free and will not be repaid within the next 12 months.		
The above loan consists of two parts, namely R1 672 000 which is denominated in Rands and the remaining balance of R2 826 249 (2021: R2 956 039) which is denominated in Singapore Dollars to the value of SGD 264 000.		
9. Other financial liabilities		
At amortised cost		
Instalment sales	413 072	577 074
The loans are secured by the assets disclosed in note 2, bear interest at market related rates between 8% and 10% per annum and are repayable through monthly instalments over 60 months.		
Non-current liabilities		
At amortised cost	236 282	414 317
Current liabilities		
At amortised cost	176 790	162 757
	413 072	577 074



Roto Pumps Africa Proprietary Limited
(Registration number: 2014/084040/07)
Annual Financial Statements for the year ended 31 March 2022

Notes to the Annual Financial Statements

Figures in Rand	2022	2021
10. Trade and other payables		
Trade payables	3 208 698	2 967 188
Accrued employee costs	185 605	163 356
	3 394 303	3 130 544
11. Revenue		
Sale of goods	18 695 354	13 332 626
12. Cost of sales		
Sale of goods		
Cost of goods sold	11 724 572	9 051 298
13. Other income		
Other income	5 044	516
Profit on exchange differences	34 947	1 360 550
Recoveries	76 522	-
	116 513	1 361 066
14. Operating profit		
Operating profit for the year is stated after accounting for the following:		
Operating lease charges		
Premises		
• Contractual amounts	93 000	81 200
Depreciation on property, plant and equipment	170 914	179 447
Employee costs	2 401 569	1 774 756
15. Investment revenue		
Interest revenue		
Bank	419	500
16. Finance costs		
Other financial liabilities	46 930	64 114
17. Taxation		
Major components of the tax expense		
Current taxation		
South African normal tax - year	627 240	231 619
Deferred taxation		
South African deferred tax - current year	74 746	230 451
	701 986	462 070



Roto Pumps Africa Proprietary Limited
(Registration number: 2014/084040/07)
Annual Financial Statements for the year ended 31 March 2022

Notes to the Annual Financial Statements

Figures in Rand	2022	2021
18. Cash generated from operations		
Profit before taxation	2 506 129	1 650 247
Adjustments for:		
Depreciation and amortisation	170 914	179 447
Interest received	(419)	(500)
Finance costs	46 930	64 114
Changes in working capital:		
Inventories	(1 657 373)	117 108
Trade and other receivables	(453 541)	495 871
Trade and other payables	263 759	(1 468 920)
	876 399	1 037 367
19. Tax paid		
Balance at beginning of the year	(5 331)	(11 712)
Current tax for the year recognised in profit or loss	(627 240)	(231 619)
Balance at end of the year	95 240	5 331
	(537 331)	(238 000)
20. Related parties		
Relationships		
Common directors/shareholder		Roto Overseas Pte Limited
Members of key management		A.H. Muhammad R.C. Vaish V.K. Dhar R.M. Sewnarain
Related party balances and transactions		
Related party balances		
Loan accounts - Owing (to) by related parties		
Roto Overseas Pte Ltd	(4 498 249)	(4 628 039)
Amounts included in Trade receivable (Trade Payable) regarding related parties		
Roto Pumps Limited	(2 458 954)	(2 208 551)
21. Directors' remuneration		
Executive		
2022		
	Emoluments	Total
Ravin Munsook Sewnarain	970 772	970 772
2021		
	Emoluments	Total
Ravin Munsook Sewnarain	831 570	831 570



Roto Pumps Africa Proprietary Limited
(Registration number: 2014/084040/07)
Annual Financial Statements for the year ended 31 March 2022

Notes to the Annual Financial Statements

Figures in Rand

2022

2021

22. 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.

Management anticipate the health risk of the COVID-19 virus and the declared South African national disaster to have a negative impact on future income of the company, and the existence of this material uncertainty may cast significant doubt on the company's ability to continue as a going concern. However the appropriateness of the going concern assumption depends on assessments of the future economic environment and the company's future prospects and performance which are unknown. The COVID-19 pandemic is a "black-swan" event which is anticipated to create challenges for humanity and for the global economy as a whole, and at the date of this report its effects are subject to levels of uncertainty out of managements control.

Although management at this stage cannot predict the unknown factors or all possible future implications for the company they have concluded, due to the strength of its financial resources, the company will continue to operate as a going concern.



Roto Pumps Africa Proprietary Limited
(Registration number: 2014/084040/07)
Annual Financial Statements for the year ended 31 March 2022

Detailed Income Statement

Figures in Rand	Note(s)	2022	2021
Revenue			
Sale of goods		18 695 354	13 332 626
Cost of sales			
Opening stock		(7 280 905)	(7 398 013)
Purchases		(13 381 945)	(8 934 190)
Closing stock		8 938 278	7 280 905
	12	(11 724 572)	(9 051 298)
Gross profit		6 970 782	4 281 328
Other income			
Interest received	15	419	500
Profit on exchange differences		34 947	1 360 550
Recoveries		76 522	-
Sundry income		5 044	516
		116 932	1 361 566
Expenses (Refer to page 20)			
		(4 534 655)	(3 928 533)
Operating profit	14	2 553 059	1 714 361
Finance costs	16	(46 930)	(64 114)
Profit before taxation		2 506 129	1 650 247
Taxation	17	(701 986)	(462 070)
Total comprehensive income for the year		1 804 143	1 188 177



Roto Pumps Africa Proprietary Limited
(Registration number: 2014/084040/07)
Annual Financial Statements for the year ended 31 March 2022

Detailed Income Statement

Figures in Rand	Note(s)	2022	2021
Operating expenses			
Accounting fees		713 242	608 625
Advertising		159 375	-
Bad debts		-	683 305
Bank charges		26 702	27 908
Computer expenses		51 378	32 427
Consulting and professional fees		194 617	113 500
Consumables		48 140	46 903
Depreciation, amortisation and impairments		170 914	179 447
Dispatch		96 420	28 250
Employee costs		2 401 569	1 774 756
Entertainment		24 190	16 263
Insurance		94 840	80 291
Lease rentals on operating lease		93 000	81 200
Legal expenses		34 678	4 000
Motor vehicle expenses		216 323	111 857
Printing and stationery		18 122	2 866
Protective clothing		2 882	3 082
Repairs and maintenance		-	10 893
Small asset written off		9 285	-
Staff welfare		69 591	6 355
Telephone and fax		102 471	112 774
Travel - local		6 916	3 831
		4 534 655	3 928 533



Roto Pumps Africa Proprietary Limited

(Taxpayer reference number 9455090184)

Annual Financial Statements for the year ended 31 March 2022

Tax Computation

Figures in Rand	2022
Net profit per income statement	2 506 129
Permanent differences (Non-deductible/Non taxable items)	
Interest, penalties paid in respect of taxes (s23(d))	964
Temporary differences	
Depreciation according to financial statements	170 914
Wear and tear allowance (s11(e))	(213 608)
Provision for leave pay not deductible current year	131 508
Reversal of provisions previously raised	(100 269)
Unrealised foreign exchange profit adjustment (s24I (10A))	(75 204)
Unrealised foreign exchange loss adjustment (s24I (10A)) previously raised	(180 292)
	<u>(266 951)</u>
Assessed loss brought forward	-
Taxable income for 2022	<u>2 240 142</u>
Tax thereon @ 28% in the Rand	<u>627 240</u>
Reconciliation of tax balance	
Amount owing/(prepaid) at the beginning of year	5 331
Interest on provisional tax	964
Amount refunded/(paid) in respect of prior year	(6 295)
Amount owing/(prepaid) in respect of prior year	<u>-</u>
Tax owing/(prepaid) for the current year:	
Normal tax	
Per calculation	627 240
1st provisional payment	(210 000)
2nd provisional payment	(322 000)
Other payments	-
	<u>95 240</u>
Amount owing/(prepaid) at the end of year	<u>95 240</u>

