Ion Exchange Safic Proprietary Limited
(Registration Number: 2002/009690/07)

Annual Financial Statements
For the year ended 31 March 2023

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Water treatment, liquid waste treatment and recycle, pollution control, solid and hazardous waste management, generation of energy from waste and related matters
Directors	G Chakravorty DM Cutter JP Pathare MP Patni EW Platt FC Platt LRR Quinn NM Ranadive R Sharma
Registered office	Safic Business Park 32 Steele Street Steeledale Johannesburg 2197
Postal address	PO Box 1754 Alberton 1450
Ultimate holding company	Ion Exchange India Limited incorporated in Mumbai, India
Auditors	BDO South Africa Incorporated Registered Auditors
Secretary	Sirkien Van Schalkwyk, Juba Statutory Services
Company registration number	2002/009690/07
Level of assurance	These financial statements have been audited in compliance with section 30(2)(b)(ii) of the Companies Act of South Africa
Preparer	The annual financial statements were prepared by Reporting Partners Proprietary Limited under the supervision of: Luke Quinn Associate Company Financial Director

Contents

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

The following supplementary information does not form part of the annual financial statements and is unaudited:

Statement of Responsibility of the Board of Directors

The directors are required in terms of the Companies Act of South Africa 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 International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the 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 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 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 2024 and, in light of this review and the current financial position, they are 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 financial statements. The financial statements have been examined by the company's external auditors and their report is presented on pages 6 to 7.

The annual financial statements set out on pages 8 to 39, which have been prepared on the going concern basis, were approved by the board of directors on 16 May 2023 and were signed on their behalf by:

G Chakravorty

EW Platt

Report of the Directors

The directors have pleasure in submitting their report on the annual financial statements of Ion Exchange Safic Proprietary Limited for the year ended 31 March 2023.

1. Nature of business

The principal activities of the company are water treatment, liquid waste treatment and recycle, pollution control, solid and hazardous waste management, generation of energy from waste and related matters.

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 Standards and the requirements of the Companies Act of South Africa. The accounting policies have been applied consistently compared to the prior year.

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

Ion Exchange India Limited (a company not within South Africa) is the ultimate holding company with 60% shareholding in Ion Exchange Safic Proprietary Limited.

SAFIC Proprietary Limited's (a company incorporated in South Africa) shareholding is 40% in Ion Exchange Safic Propriety Limited.

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

4. Dividends

No dividends were declared or paid to the shareholders (2022: R Nil).

5. Directorate

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

Directors	Designation	Nationality
G Chakravorty	Executive	Indian
DM Cutter	Executive	South African
JP Pathare	Alternate	Indian
MP Patni	Executive	Indian
EW Platt	Executive	South African
FC Platt	Non-Executive	South African
LRR Quinn	Alternate	South African
NM Ranadive	Alternate	Indian
R Sharma	Executive	Indian

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

6. Directors' interests in share capital of the company

The directors have no interest in the share capital of the company.

7. Directors' interests in contracts

During the financial year, no contracts were entered into which directors or officers of the company had an interest and which significantly affected the business of the company.

Report of the Directors

8. 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 other than the intention of the shareholders investing additional capital as noted in note 22 of the annual financial statements.

9. Going concern

As at 31 March 2023, the company had accumulated losses of R 7 044 898 and the company's total liabilities exceeded its assets by R 2 744 898.

Aware that the company has an accumulated loss, its going concern is dependent on a number of factors. The most significant of those factors being:

- Shareholders continue to provide financial support for the foreseeable future, which is not less than 12 months, to ensure settlement of debts, as and when they are due.
- The subordination agreements mentioned in these financial statements will remain in force for as long as it takes to restore the solvency of the company.

The cash flows of the company have been reviewed and considered by the directors in accordance with the preparation of the financial statements. The company has sufficient cash and other resources to pay its debts as they become due and continue its operations for the foreseeable future. The company has met all of its debt and interest payment obligations during the year and has no known external events or circumstances that could affect its ability to operate as a going concern.

Over and above this, both shareholders; Ion Exchange India Limited and SAFIC Propriety Limited commit, as per the letters of support, to:

- Provide Ion Exchange Safic Propriety Limited with the financial means to meet its obligations of completing applicable fixed asset commitments and operational cash requirements, until cash break-even.
- Arrange for Ion Exchange Safic Propriety Limited commitments to its creditors, to be performed in a satisfactory way.
- Exert full influence over Ion Exchange Safic Propriety Limited as well as projects to repay all its creditors on maturity.

The shareholders are currently in the process of investing an additional R 5 000 000 (five million rand) in equity, which will provide the company with additional working capital and financial resources to continue its operations. This investment, when completed, will strengthen the company's financial position and ensure its ability to continue its operations as a going concern in the future.

10. Auditors

BDO South Africa Incorporated continued in office as company auditors in accordance with the Companies Act of South Africa for the financial year ended 31 March 2023.

Tel: +27 011 488 1700
Fax: +27 010 060 7000
www.bdo.co.za

Wanderers Office Park
52 Corlett Drive
Illovo, 2196

Private Bag X60500
Houghton, 2041
South Africa

Independent Auditor's Report

To the shareholders of

Ion Exchange Safic Proprietary Limited

Opinion

We have audited the financial statements of Ion Exchange Safic Proprietary Limited (the company) set out on pages 8 to 39, which comprise the statement of financial position as at 31 March 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Ion Exchange Safic Proprietary Limited as at 31 March 2023, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the 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 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 corresponding sections of the *International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards)*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Ion Exchange Safic Proprietary Limited Annual Financial Statements for the year ended 31 March 2023", which includes the Directors' Report as required by the Companies Act of South Africa. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 Directors for the Financial Statements
The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 Financial Statements
Our objectives are to obtain reasonable assurance about whether the 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 ISAs 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 financial statements.
As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 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 financial statements, including the disclosures, and whether the 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.

BDO South Africa Inc.

BDO South Africa Incorporated
Registered Auditors

TM Rahiman
Director
Registered Auditor

16 May 2023

Wanderers Office Park
52 Corlett Drive
Illovo, 2196

Statement of Financial Position as at 31 March 2023

	Notes	2023 R	2022 R
Assets			
Non-Current Assets			
Property, plant and equipment	3	71 588	44 844
Right-of-use assets	4	398 545	804 157
Deferred tax	5	681 273	671 659
		1 151 406	**1 520 660**
Current Assets			
Inventories	6	12 416 660	5 089 809
Trade and other receivables	7	5 682 166	4 002 935
Advance payments		-	92 471
Cash and cash equivalents	8	2 637 384	3 302 817
		20 736 210	**12 488 032**
Total Assets		**21 887 616**	**14 008 692**
Equity and Liabilities			
Equity			
Ordinary share capital and share premium	9	4 300 000	4 300 000
Accumulated loss		(7 044 898)	(8 457 491)
		(2 744 898)	**(4 157 491)**
Liabilities			
Non-Current Liabilities			
Lease liabilities	10	-	530 626
Current Liabilities			
Trade and other payables	11	24 304 449	12 334 019
Lease liabilities	10	328 065	301 538
Bank overdraft	8	-	5 000 000
		24 632 514	**17 635 557**
Total Liabilities		**24 632 514**	**18 166 183**
Total Equity and Liabilities		**21 887 616**	**14 008 692**

Statement of Profit or Loss and Other Comprehensive Income

	Notes	2023 R	2022 R
Revenue	12	42 330 329	28 112 144
Cost of sales		(29 563 835)	(18 349 271)
Gross profit		**12 766 494**	**9 762 873**
Other income	13	836 246	46 967
(Loss) gain on exchange rate and sale of assets		(1 529 679)	6 392
Other operating expenses		(9 428 297)	(6 532 019)
Operating profit	14	**2 644 764**	**3 284 213**
Finance income	15	64 676	10 698
Finance costs	16	(1 306 461)	(736 370)
Profit before taxation		**1 402 979**	**2 558 541**
Income tax expense	17	9 614	73 411
Total comprehensive income for the year		**1 412 593**	**2 631 952**

Ion Exchange Safic Proprietary Limited
(Registration number 2002/009690/07)
Annual Financial Statements for the year ended 31 March 2023

Statement of Changes in Equity

	Share capital	Share premium	Total share capital	Accumulated loss	Total equity
	R	R	R	R	R
Balance at 01 April 2021	**1 000**	**999 000**	**1 000 000**	**(11 089 443)**	**(10 089 443)**
Profit for the year	-	-	-	2 631 952	2 631 952
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	**-**	**-**	**-**	**2 631 952**	**2 631 952**
Issue of shares	1 000	3 299 000	3 300 000	-	3 300 000
Total contributions by and distributions to owners of company recognised directly in equity	**1 000**	**3 299 000**	**3 300 000**	**-**	**3 300 000**
Balance at 01 April 2022	**2 000**	**4 298 000**	**4 300 000**	**(8 457 491)**	**(4 157 491)**
Profit for the year	-	-	-	1 412 593	1 412 593
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	**-**	**-**	**-**	**1 412 593**	**1 412 593**
Balance at 31 March 2023	**2 000**	**4 298 000**	**4 300 000**	**(7 044 898)**	**(2 744 898)**

Statement of Cash Flows

	Notes	2023 R	2022 R
Cash flows from operating activities			
Profit before taxation		1 402 979	2 558 541
Adjustments for:			
Depreciation and amortisation		503 466	174 463
Loss on disposals of assets		-	1 543
Interest received		(64 676)	(10 698)
Finance costs		1 306 461	736 370
Changes in working capital:			
Inventories		(7 326 851)	1 920 696
Trade and other receivables		(1 679 231)	(1 898 898)
Advance payments		92 471	(92 471)
Trade and other payables		11 970 430	825 440
Cash generated from operations		**6 205 049**	**4 214 986**
Interest received		64 676	10 698
Finance costs		(1 306 461)	(560 547)
Net cash from operating activities		**4 963 264**	**3 665 137**
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(50 877)	(25 251)
Net cash from investing activities		**(50 877)**	**(25 251)**
Cash flows from financing activities			
Proceeds on share issue	9	-	1 980 000
Repayment of loans payable		-	(2 459 826)
Repayment of lease liabilities		(577 820)	(193 847)
Net cash from financing activities		**(577 820)**	**(673 673)**
Total cash movement for the year		**4 334 567**	**2 966 213**
Cash at the beginning of the year		(1 697 183)	(4 663 396)
Total cash at end of the year	8	**2 637 384**	**(1 697 183)**

Accounting Policies

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 in accordance with International Financial Reporting Standards, and the Companies Act of South Africa. The annual financial statements have been prepared on the historical cost basis, except as indicated below 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.

1.2 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

Key sources of estimation uncertainty

Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. For details of the key assumptions and inputs used, refer to the individual notes addressing financial assets.

Taxation

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The company recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the company to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the company to realise the net deferred tax assets recorded at the end of the reporting period could be impacted.

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 year.

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 year in which they are incurred.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses.

Accounting Policies

1.3 Property, plant and equipment (continued)

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
Furniture and fixtures	Straight line	10 years
IT equipment	Straight line	3 - 5 years
Computer software	Straight line	5 years
Leasehold improvements	Straight line	10 years
Branding	Straight line	1 - 3 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. 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 year 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

Financial instruments held by the company are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Broadly, the classification possibilities, which are adopted by the company, as applicable, are as follows:

Financial assets which are equity instruments:
- Mandatorily at fair value through profit or loss; or
- Designated as at fair value through other comprehensive income. (This designation is not available to equity instruments which are held for trading or which are contingent consideration in a business combination).

Financial assets which are debt instruments:
- Amortised cost. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows); or
- Fair value through other comprehensive income. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is achieved by both collecting contractual cash flows and selling the instruments); or
- Mandatorily at fair value through profit or loss. (This classification automatically applies to all debt instruments which do not qualify as at amortised cost or at fair value through other comprehensive income); or
- Designated at fair value through profit or loss. (This classification option can only be applied when it eliminates or significantly reduces an accounting mismatch).

Accounting Policies

1.4 Financial instruments (continued)

Derivatives which are not part of a hedging relationship:
- Mandatorily at fair value through profit or loss.

Financial liabilities:
- Amortised cost; or
- Mandatorily at fair value through profit or loss. (This applies to contingent consideration in a business combination or to liabilities which are held for trading); or
- Designated at fair value through profit or loss. (This classification option can be applied when it eliminates or significantly reduces an accounting mismatch; the liability forms part of a group of financial instruments managed on a fair value basis; or it forms part of a contract containing an embedded derivative and the entire contract is designated as at fair value through profit or loss).

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the company are presented below:

Trade and other receivables

Classification

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost (note 7).

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the company's business model is to collect the contractual cash flows on trade and other receivables.

Recognition and measurement

Trade and other receivables are recognised when the company becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Impairment and estimated credit losses (ECL)

The company recognises a loss allowance for expected credit losses on trade and other receivables, excluding deposits, other receivables, VAT and prepayments. The amount of expected credit losses is updated at each reporting date.

The company measures the loss allowance for trade and other receivables at an amount equal to lifetime expected credit losses (lifetime ECL), which represents the expected credit losses that will result from all possible default events over the expected life of the receivable.

Accounting Policies

1.4 Financial instruments (continued)

Measurement and recognition of expected credit losses

The company makes use of a provision matrix as a practical expedient to the determination of expected credit losses on trade and other receivables. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date, including the time value of money, where appropriate.

The customer base is widespread and does not show significantly different loss patterns for different customer segments. The loss allowance is calculated on a collective basis for all trade and other receivables in totality. Details of the provision matrix is presented in note 7.

An impairment gain or loss is recognised in profit or loss with a corresponding adjustment to the carrying amount of trade and other receivables, through use of a loss allowance account. The impairment loss is included in other operating expenses in profit or loss as a movement in credit loss allowance (note 14).

Write off policy

The company writes off a receivable when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Receivables written off may still be subject to enforcement activities under the company recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Trade and other payables

Classification

Trade and other payables (note 11), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

They are recognised when the company becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

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 financial assets are classified as financial assets carried at amortised cost.

Bank overdrafts

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

Accounting Policies

1.4 Financial instruments (continued)

Derecognition

Financial assets

The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities

The company derecognises financial liabilities when, and only when, the company obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

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.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

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. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses 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

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.

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.

Accounting Policies

1.6 Leases

The company assesses whether a contract is, or contains a lease, at the inception of the contract.

A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

In order to assess whether a contract is, or contains a lease, management determine whether the asset under consideration is "identified", which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial right of substitution throughout the period of use. Once management has concluded that the contract deals with an identified asset, the right to control the use thereof is considered. To this end, control over the use of an identified asset only exists when the company has the right to substantially all of the economic benefits from the use of the asset as well as the right to direct the use of the asset.

In circumstances where the determination of whether the contract is or contains a lease requires significant judgement, the relevant disclosures are provided in the significant judgments and sources of estimation uncertainty section of these accounting policies.

Company as lessee

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the company is a lessee, except for short-term leases of 12 months or less, or leases of low value assets. For these leases, the company recognises the lease payments as an operating expense (note 14) on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The various lease and non-lease components of contracts containing leases are accounted for separately, with consideration being allocated to each lease component on the basis of the relative stand-alone prices of the lease components and the aggregate stand-alone price of the non-lease components (where non-lease components exist).

Details of leasing arrangements where the company is a lessee are presented in note 10 Lease liabilities (company as lessee).

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:
- fixed lease payments, including in-substance fixed payments, less any lease incentives; and
- lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option.

The lease liability is presented as a separate line item on the Statement of Financial Position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease payments made. Interest charged on the lease liability is included in finance costs (note 16).

The company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) when:
- there has been a change to the lease term, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- there has been a change in the assessment of whether the company will exercise a purchase, termination or extension option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- there has been a change to the lease payments due to a change in an index or a rate, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used);
- there has been a change in expected payment under a residual value guarantee, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate;
- a lease contract has been modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised payments using a revised discount rate.

Accounting Policies

1.6 Leases (continued)

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recognised in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Right-of-use assets

Right-of-use assets are presented as a separate line item on the Statement of Financial Position.

Lease payments included in the measurement of the lease liability comprise the following:

- the initial amount of the corresponding lease liability;
- any lease payments made at or before the commencement date;
- any initial direct costs incurred;
- any estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, when the company incurs an obligation to do so, unless these costs are incurred to produce inventories; and
- less any lease incentives received.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. However, if a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Depreciation starts at the commencement date of a lease.

For right-of-use assets which are depreciated over their useful lives, the useful lives are determined consistently with items of the same class of property, plant and equipment. Refer to the accounting policy for property, plant and equipment for details of useful lives.

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate. Each part of a right-of-use asset with a cost that is significant in relation to the total cost of the asset is depreciated separately.

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

1.7 Inventories

Inventories are measured at the lower of cost and net realisable value on the weighted average cost formula.

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.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

Accounting Policies

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.

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.

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.

If the company reacquires its own equity instruments, the consideration paid, including any directly attributable incremental costs (net of income taxes) on those instruments are deducted from equity until the shares are cancelled or reissued. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the company's own equity instruments. Consideration paid or received shall be recognised directly in equity.

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 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.

Accounting Policies

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.

1.12 Revenue from contracts with customers

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.

Performance obligations and timing of revenue recognition

The majority of the company’s revenue is derived from selling goods with revenue recognised at a point in time when control of the goods has transferred to the customer. This is generally when the goods are delivered to the customer.

However, for export sales, control might also be transferred when delivered either to the port of departure or port of arrival, depending on the specific terms of the contract with a customer. There is limited judgement needed in identifying the point control passes: once physical delivery of the products to the agreed location has occurred, the company no longer has physical possession, usually will have a present right to payment (as a single payment on delivery) and retains none of the significant risks and rewards of the goods in question.

A small minority of contracts are negotiated on a bill and hold basis. In such arrangements revenue is recognised even though the company still has physical possession only if:
- the arrangement is substantive (i.e. requested by the customer);
- the finished goods have been identified separately as belonging to the customer;
- the product is ready for physical transfer to the customer; and
- An Ion Exchange Safic (Pty) Ltd company does not have the ability to use the product to direct it to another customer.

The company has a small division which carries out consultancy-type services for clients, with revenue recognised as the services accrue. This is because some of the "plants" require further "consultancy/service to continue in a productive state, the alternative being that the contracts would require payment to be received for the time and effort spent by the company on progressing the contracts in the event of the customer cancelling the contract prior to completion for any reason other than the company's failure to perform its obligations under the contract. On partially complete design contracts, Ion Exchange Safic (Pty) Ltd recognises revenue based on stage of completion of the project which is estimated by comparing the number of hours actually spent on the project with the total number of hours expected to complete the project (i.e. an input based method) or utilising a costing sheet with estimations of project lead time and stages of completion by percentage. This is considered a faithful depiction of the transfer of services as the contracts are initially priced on the basis of anticipated hours, material usage and services to complete the projects and therefore also represents the amount to which the company would be entitled based on its performance to date.

Accounting Policies

1.12 Revenue from contracts with customers (continued)

Determining the transaction price

Most of the company’s revenue is derived from a fixed contract formula by market sector and product type, therefore the amount of revenue to be earned from each contract is determined by reference to those fixed percentage prices.

The selling price is derived by formulating the 'Cost price (Intercompany Transfer Price + Import Cost) + % Sales Margin = Sales Price
Chemicals –% Sales Margin - Pricing is quoted per Kg, Distributors are quoted at 35% of GP and customers at 55% of GP
Resin – % Sales Margin – Pricing is quoted per LT, Distributors are quoted at 30-40% of GP and customers at 45% of GP
Membranes - % Sales Margin – Pricing is quoted per Unit/EA, Distributors are quoted at 20% of GP and customers at 35% of GP

The Exceptions are:
- Variable consideration relating to volume rebates has been constrained in estimating contract revenue in order that it is highly probable that there will not be a future reversal in the amount of revenue recognised when the amount of volume rebates has been determined.

Allocating amounts to performance obligations

For most contracts, there is a fixed unit price for each product sold, with reductions given for bulk orders placed at a specific time. Therefore, there is no judgement involved in allocating the contract price to each unit ordered in such contracts (it is the total contract price divided by the number of units ordered). Where a customer orders more than one product line, the company is able to determine the split of the total contract price between each product line by reference to each product’s standalone selling prices (all product lines are capable of being, and are, sold separately).

In order to win significant repeat business with key customers, the company might enter into contracts entitling them to discounts if it places repeat orders in the future. Such discounts constitute a ‘material right’ and result in some of the consideration received for the initial sale being deferred and recognised as revenue when subsequent sales are fulfilled or (if later) when the rights to receive a discount expire. The company estimates both the probability that the customer will take up its future discount offer and the value of future purchases that might be made in order to estimate the value of the rights granted. This has to be done on a contract–by-contract basis for each customer to whom material rights have been granted.

The directors do not consider past experience an appropriate basis for estimating the amount of total contract revenue to allocate to future discount rights for two reasons. Firstly, there is not a significant number of such contracts on which past experience can be extrapolated. And secondly, each customer has unique circumstances which will impact both the probability and value of additional orders being placed. Therefore, the estimates are made by reference to discussions had with the relevant customers as to the extent the discount options will be taken up when the original contracts were negotiated.

Costs of obtaining long-term contracts and costs of fulfilling contracts

Incremental commissions paid to sales staff for work in obtaining design contracts of periods longer than one year are recorded in prepayments and amortised based on the stage of completion of the contract, i.e. in the same pattern as revenue is recognised.

No judgement is needed to measure the amount of costs of obtaining contracts – it is the commission paid.

The costs of fulfilling contracts do not result in the recognition of a separate asset because:
-such costs are included in the carrying amount of inventory for contracts involving the sale of goods; and
-for service contracts, revenue is recognised over time by reference to the stage of completion meaning that control of the asset (the design service) is transferred to the customer on a continuous basis as work is carried out.

Consequently, no asset for work in progress is recognised.

Accounting Policies

1.13 Cost of sales

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, 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.

Contract costs comprise:
- costs that relate directly to the specific contract;
- costs that are attributable to contract activity in general and can be allocated to the contract; and
- such other costs as are specifically chargeable to the customer under the terms of the contract.

1.14 Borrowing costs

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

1.15 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.

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

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 Financial Statements

2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

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

Standard/ Interpretation:	Effective date: Years beginning on or after	Impact:
• Annual Improvement to IFRS Standards 2018-2020: Amendments to IFRS 1	01 January 2022	No impact
• Reference to the Conceptual Framework: Amendments to IFRS 3	01 January 2022	No impact
• Annual Improvement to IFRS Standards 2018-2020: Amendments to IFRS 9	01 January 2022	No impact
• Property, Plant and Equipment: Proceeds before Intended Use: Amendments to IAS 16	01 January 2022	No impact
• Onerous Contracts - Cost of Fulfilling a Contract: Amendments to IAS 37	01 January 2022	No impact
• Annual Improvement to IFRS Standards 2018-2020: Amendments to IAS 41	01 January 2022	No impact

2.2 Standards and interpretations not yet effective

The company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the company’s accounting periods beginning on or after 01 April 2023 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• Initial application of IFRS 17 and IFRS 9 - Comparative information	01 January 2023	Unlikely there will be a material impact
• Deferred tax related to assets and liabilities arising from a single transaction - Amendments to IAS 12	01 January 2023	Unlikely there will be a material impact
• Disclosure of accounting policies: Amendments to IAS 1 and IFRS Practice Statement 2	01 January 2023	Unlikely there will be a material impact
• Classification of Liabilities as Current or Non-Current - Amendment to IAS 1	01 January 2024	Unlikely there will be a material impact
• IFRS 17 Insurance Contracts	01 January 2023	Unlikely there will be a material impact

	2023 R	2022 R

3. Property, plant and equipment

	2023			2022		
	Cost	**Accumulated depreciation**	**Carrying value**	**Cost**	**Accumulated depreciation**	**Carrying value**
Furniture and fixtures	10 127	(8 439)	1 688	10 127	(7 426)	2 701
IT equipment	168 307	(125 518)	42 789	140 781	(106 286)	34 495
Computer software	21 502	(13 583)	7 919	18 352	(10 706)	7 646
Leasehold improvements	20 200	(1 010)	19 190	-	-	-
Branding	31 657	(31 655)	2	31 657	(31 655)	2
Total	**251 793**	**(180 205)**	**71 588**	**200 917**	**(156 073)**	**44 844**

Reconciliation of property, plant and equipment - 2023

	Opening balance	**Additions**	**Depreciation**	**Total**
Furniture and fixtures	2 701	-	(1 013)	1 688
IT equipment	34 495	27 527	(19 233)	42 789
Computer software	7 646	3 150	(2 877)	7 919
Leasehold improvements	-	20 200	(1 010)	19 190
Branding	2	-	-	2
	44 844	**50 877**	**(24 133)**	**71 588**

Reconciliation of property, plant and equipment - 2022

	Opening balance	**Additions**	**Disposals**	**Depreciation**	**Total**
Furniture and fixtures	3 713	-	-	(1 012)	2 701
IT equipment	31 906	17 895	(1 543)	(13 763)	34 495
Computer software	2 334	7 356	-	(2 044)	7 646
Branding	2	-	-	-	2
	37 955	**25 251**	**(1 543)**	**(16 819)**	**44 844**

Notes to the Annual Financial Statements

	2023	2022
	R	R

4. Right-of-use assets

	2023			2022		
	Cost	**Accumulated depreciation**	**Carrying value**	**Cost**	**Accumulated depreciation**	**Carrying value**
Land and buildings	1 028 646	(657 261)	371 385	1 028 646	(224 489)	804 157
Plant, machinery and motor vehicles	73 721	(46 561)	27 160	-	-	-
Total	**1 102 367**	**(703 822)**	**398 545**	**1 028 646**	**(224 489)**	**804 157**

Reconciliation of right-of-use assets - 2023

	Opening balance	**Additions**	**Amortisation**	**Total**
Land and buildings	804 157	-	(432 772)	371 385
Plant, machinery and motor vehicles	-	73 721	(46 561)	27 160
	804 157	**73 721**	**(479 333)**	**398 545**

Reconciliation of right-of-use assets - 2022

	Opening balance	**Additions**	**Disposals**	**Amortisation**	**Total**
Land and buildings	559 231	1 028 646	(626 076)	(157 644)	804 157
Plant, machinery and motor vehicles	48 599	-	(48 599)	-	-
	607 830	**1 028 646**	**(674 675)**	**(157 644)**	**804 157**

Refer to note 10 for further details regarding the leases.

Notes to the Annual Financial Statements

	2023 R	2022 R

5. Deferred tax

Deferred tax liability

	2023 R	2022 R
Prepayments	(33 238)	(26 038)
IFRS 16 right-of-use asset & lease liability	(19 030)	-
Total deferred tax liability	**(52 268)**	**(26 038)**

Deferred tax asset

	2023 R	2022 R
Provision for leave pay	74 240	58 244
Provision for obsolete stock	82 310	184 057
Amounts received in advance	214 127	413 331
Unrealised forex gain	317 337	2 142
Provision for bad debts	45 527	32 361
IFRS 16 right-of-use asset & lease liability	-	7 562
Deferred tax balance from temporary differences other than unused tax losses	733 541	697 697
Total deferred tax asset	**733 541**	**697 697**

The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position as follows:

	2023 R	2022 R
Deferred tax liability	(52 268)	(26 038)
Deferred tax asset	733 541	697 697
Total net deferred tax asset	**681 273**	**671 659**

Deferred tax is calculated in full on temporary differences under the liability method using an applicable tax rate of 27%.

Reconciliation of deferred tax asset

	2023 R	2022 R
Deferred tax balance at the beginning of the financial year	671 659	598 248
Taxable / (deductible) temporary difference movement	9 614	73 411
Deferred tax balance at the end of the financial year	**681 273**	**671 659**

Recognition of deferred tax asset

Deferred tax assets have been recognised in respect of other temporary differences giving rise to deferred tax assets where the company and its directors believe it is probable that these assets will be recovered.

Notes to the Annual Financial Statements

	2023 R	2022 R

6. Inventories

Finished goods	12 721 510	5 771 503
	12 721 510	5 771 503
Provision for obsolete inventory	(304 850)	(681 694)
	12 416 660	**5 089 809**

7. Trade and other receivables

Financial instruments:		
Trade receivables	5 798 453	4 067 170
Loss allowance	(224 825)	(159 805)
Trade receivables at amortised cost	5 573 628	3 907 365
Non-financial instruments:		
VAT	21 282	95 570
Prepayments	87 256	-
Total trade and other receivables	**5 682 166**	**4 002 935**

Financial instrument and non-financial instrument components of trade and other receivables

At amortised cost	5 573 628	3 907 365
Non-financial instruments	108 538	95 570
	5 682 166	**4 002 935**

Exposure to credit risk

Trade receivables inherently expose the company to credit risk, being the risk that the company will incur financial loss if customers fail to make payments as they fall due.

A loss allowance is recognised for all trade receivables, in accordance with IFRS 9 Financial Instruments, and is monitored at the end of each reporting period. In addition to the loss allowance, trade receivables are written off when there is no reasonable expectation of recovery, for example, when a debtor has been placed under liquidation. Trade receivables which have been written off are not subject to enforcement activities.

The company measures the loss allowance for trade receivables by applying the simplified approach which is prescribed by IFRS 9. In accordance with this approach, the loss allowance on trade receivables is determined as the lifetime expected credit losses on trade receivables. These lifetime expected credit losses are estimated using a provision matrix, which is presented below. The provision matrix has been developed by making use of past default experience of debtors but also incorporates forward looking information and general economic conditions of the industry as at the reporting date.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

	2023 R	2022 R

7. Trade and other receivables (continued)

The company's historical credit loss experience does not show significantly different loss patterns for different customer segments. The provision for credit losses is therefore based on past due status without disaggregating into further risk profiles. The loss allowance provision is determined as follows:

	2023	2023	2022	2022
Expected credit loss rate:	**Estimated gross carrying amount at default**	**Loss allowance (Lifetime expected credit loss)**	**Estimated gross carrying amount at default**	**Loss allowance (Lifetime expected credit loss)**
Less than 30 days past due: 0.07% (2022: 0%)	4 805 904	(3 134)	2 605 582	-
31 - 60 days past due: 0% (2022: 0%)	528 504	-	846 348	-
61 - 90 days past due: 0% (2022: 0.59%)	242 354	-	477 406	(2 803)
91 - 120 days past due: 100% (2022: 100%)	10 098	(10 098)	3 450	(3 450)
121 - 150 days past due: 100% (2022: 100%)	46 196	(46 196)	20 677	(20 677)
More than 150 days past due: 100% (2022: 100%)	165 397	(165 397)	132 875	(132 875)
Total	**5 798 453**	**(224 825)**	**4 086 338**	**(159 805)**

Reconciliation of loss allowances

The following table shows the movement in the loss allowance (lifetime expected credit losses) for trade receivables:

	2023	2022
Opening balance in accordance with IFRS 9	**(159 805)**	**(501 769)**
Provision raised on new trade receivables	(88 438)	(159 805)
Provisions reversed on settled trade receivables	23 418	501 769
Closing balance	**(224 825)**	**(159 805)**

8. Cash and cash equivalents

Cash and cash equivalents consist of:

	2023	2022
Cash on hand: Petty cash	367	192
Cash at Banks: FNB	2 637 017	3 302 625
Bank overdraft: ICICI	-	(5 000 000)
	2 637 384	**(1 697 183)**

	2023	2022
Current assets	2 637 384	3 302 817
Current liabilities	-	(5 000 000)
	2 637 384	**(1 697 183)**

Cession of FirstRand Deposit / Credit Balances Unlimited Pledges / Notices / Withdrawal Cost R 55 000.

Notes to the Annual Financial Statements

	2023 R	2022 R

9. Ordinary share capital and share premium

	2023 R	2022 R
Authorised		
50 000 ordinary shares of no par value	50 000	50 000
Issued		
2 000 ordinary shares of no par value	2 000	2 000
Share premium	4 298 000	4 298 000
	4 300 000	**4 300 000**

10. Lease liabilities

The lease balances below have been recognised from the sub-lease of office space and warehouse space from Safic Proprietary Limited with an option to renew, since Safic has the current primary contract with the lessor, the lease in respect of Safic has been calculated to the end of Safic's lease term which is September 2023 (2022: September 2023). In the current year, Ion Exchange Safic also sub-let a forklift from Safic, since Safic has the current primary contract with the lessor, the lease in respect of Safic has been calculated to the end of Safic's lease term which is September 2023.

2023	**Land and buildings**	**Plant, machinery and motor vehicles**	**Total**
Lease liabilities at the beginning of the year	832 164	-	832 164
Additions / (disposals)	-	73 721	73 721
Interest expense	71 955	6 375	78 330
Lease payments	(602 580)	(53 570)	(656 150)
Lease liabilities at the end of the year	**301 539**	**26 526**	**328 065**

2022	**Land and buildings**	**Plant, machinery and motor vehicles**	**Total**
Lease liabilities at the beginning of the year	636 109	45 204	681 313
Additions / (disposals)	392 537	(45 204)	347 333
Interest expense	49 918	-	49 918
Lease payments	(246 400)	-	(246 400)
Lease liabilities at the end of the year	**832 164**	**-**	**832 164**

	Leases up to 3 months	**Between 3 and 12 months**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**
Lease liability balances as at 31 March 2023	-	328 065	-	-	-
Lease liability balances as at 31 March 2022	-	301 538	530 626	-	-

Notes to the Annual Financial Statements

	2023 R	2022 R

10. Lease liabilities (continued)

Commitments

Operating leases – as lessee

	2023 R	2022 R
Minimum lease payments due		
- within one year	328 065	301 538
- in second to fifth year inclusive	-	530 626
	328 065	**832 164**

The lease payments represent rentals payable by the company for certain of its office properties, warehouse spaces and a forklift.

11. Trade and other payables

	2023 R	2022 R
Financial instruments:		
Trade payables	22 695 658	11 745 997
Accrued leave pay and bonus	274 963	215 720
Payroll accruals	132 550	118 691
Accrued audit fees	206 175	174 108
Sundry accruals	228 365	79 503
Non-financial instruments:		
Amounts received in advance	766 738	-
	24 304 449	**12 334 019**

Included in trade payables are amounts due to the shareholders to the value of R 2 568 715 (2022: R 8 355 974) which have been subordinated in favour of the other creditors until such time as the assets fairly valued exceed the liabilities.

12. Revenue

	2023 R	2022 R
Revenue from contracts with customers		
Sales	41 737 746	27 788 918
Technical fees received	602 902	376 356
Debtor discount allowed	(10 319)	(53 130)
	42 330 329	**28 112 144**

13. Other income

	2023 R	2022 R
Commission received	507 926	-
Bad debts recovered	4 948	-
CFC bank account revaluation gain	323 239	46 659
Other income	-	300
Discount received	133	8
	836 246	**46 967**

Notes to the Annual Financial Statements

	2023 R	2022 R

14. Operating profit

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

	2023 R	2022 R
Auditor's remuneration - external		
Audit fees	213 317	175 210
Employee costs		
Salaries, wages, bonuses and other benefits	4 392 585	3 897 062
M/V allowance salary	384 000	374 000
Company cost disability/death benefits	73 193	54 883
Medical contribution salary	299 777	300 700
Provident contribution salary	187 427	187 157
Total employee costs	**5 336 982**	**4 813 802**
Leases		
Operating lease charges		
Premises - short term / low value leases	25 013	227 775
Equipment	-	46 800
	25 013	**274 575**
Depreciation and amortisation		
Amortisation of right-of-use assets	479 332	157 644
Depreciation of property, plant and equipment	24 133	16 819
Total depreciation and amortisation	**503 465**	**174 463**
Other		
Accounting fees	635 106	426 751
Fuel and oil	204 399	173 748

15. Finance income

	2023 R	2022 R
Interest income		
Bank	64 676	10 698

16. Finance costs

	2023 R	2022 R
Interest paid - Intergroup	228 877	185 096
Interest on lease liabilities IFRS 16	78 330	43 281
Interest paid - Local bank account	117 636	394 512
Interest paid - Foreign bank account	880 610	112 781
Interest paid - Other	1 008	700
Total finance costs	**1 306 461**	**736 370**

Notes to the Annual Financial Statements

	2023 R	2022 R

17. Taxation

Major components of the tax recovery

	2023 R	2022 R
Deferred tax recovery		
Originating and reversing temporary differences	(9 614)	(73 411)

Reconciliation of the tax recovery

Reconciliation between accounting profit and tax recovery.

	2023 R	2022 R
Accounting profit	1 402 979	2 558 541
Tax at the applicable tax rate of 27% (2022: 28%)	378 804	716 391
Tax effect of adjustments on taxable income		
Non-deductible expenses	1 620	5 387
Assessed loss utilised	(390 038)	(790 777)
Change in tax rate	-	(4 412)
	(9 614)	**(73 411)**

No provision has been made for 2023 tax as the company has no taxable income. The estimated tax loss available for set off against future taxable income is R 5 776 607 (2022: R 7 221 191).

18. Changes in liabilities arising from financing activities

Reconciliation of liabilities arising from financing activities - 2023

	Opening balance	Non-cash movements	Cash flows	Closing balance
Lease liabilities	832 164	73 721	(577 820)	328 065
Total liabilities from financing activities	**832 164**	**73 721**	**(577 820)**	**328 065**

Reconciliation of liabilities arising from financing activities - 2022

	Opening balance	Non-cash movements	Cash flows	Closing balance
Loans payable	3 594 730	(1 134 904)	(2 459 826)	-
Lease liabilities	681 313	344 698	(193 847)	832 164
Total liabilities from financing activities	**4 276 043**	**(790 206)**	**(2 653 673)**	**832 164**

Notes to the Annual Financial Statements

	2023 R	2022 R
19. Related parties		
Relationships		
Parent company	Ion Exchange India Limited	
40% shareholder	Safic Proprietary Limited	
Related party balances		
Amounts included in trade receivables regarding related party		
Ion Exchange India Limited	632 926	-
Safic Proprietary Limited	48 357	16 093
Amounts included in trade payables regarding related parties		
Ion Exchange India Limited	2 267 709	8 161 155
Safic Proprietary Limited	301 005	194 818
Related party transactions		
Sales to related party		
Safic Proprietary Limited	283 059	314 664
Purchases from related parties		
Ion Exchange India Limited	19 895 106	10 872 391
Safic Proprietary Limited	471 823	618 255
Rent paid to related party		
Safic Proprietary Limited	620 836	363 175
Admin and management fees paid to related party		
Safic Proprietary Limited	750 134	426 751
Interest paid to related parties		
Ion Exchange India Limited	215 343	122 253
Safic Proprietary Limited	13 534	63 020
Operational cost paid to related party		
Safic Proprietary Limited	1 063 980	522 373

Notes to the Annual Financial Statements

20. Directors' emoluments

Executive

2023

Directors' emoluments	Emoluments	Annual bonus	Other emoluments	Total
Services as director				
G Chakravorty	1 344 996	112 083	450 945	1 908 024

No other executive or alternate director received any remuneration from the company during the current year.

2022

Directors' emoluments	Emoluments	Annual bonus	Other emoluments	Total
Services as director				
G Chakravorty	1 224 996	25 521	342 272	1 592 789

No other executive or alternate director received any remuneration from the company during the previous year.

Non-executive

2023

Directors' emoluments	Fees for services as director	Total
Services as director		
FC Platt	120 000	120 000

2022

Directors' emoluments	Fees for services as director	Total
Services as director		
FC Platt	120 000	120 000

Notes to the Annual Financial Statements

21. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

2023

	Notes	Amortised cost	Total	Fair value
Trade and other receivables	7	5 573 628	5 573 628	5 573 628
Cash and cash equivalents	8	2 637 384	2 637 384	2 637 384
		8 211 012	**8 211 012**	**8 211 012**

2022

	Notes	Amortised cost	Total	Fair value
Trade and other receivables	7	3 907 365	3 907 365	3 907 365
Cash and cash equivalents	8	3 302 817	3 302 817	3 302 817
		7 210 182	**7 210 182**	**7 210 182**

Categories of financial liabilities

2023

	Notes	Amortised cost	Leases	Total	Fair value
Trade and other payables	11	23 537 711	-	23 537 711	23 537 711
Lease liabilities	10	-	328 065	328 065	328 065
		23 537 711	**328 065**	**23 865 776**	**23 865 776**

2022

	Notes	Amortised cost	Leases	Total	Fair value
Trade and other payables	11	12 334 019	-	12 334 019	12 334 019
Lease liabilities	10	-	832 164	832 164	832 164
Bank overdraft	8	5 000 000	-	5 000 000	5 000 000
		17 334 019	**832 164**	**18 166 183**	**18 166 183**

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 shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Financial risk management

Overview

The company’s activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk

Notes to the Annual Financial Statements

21. Financial instruments and risk management (continued)

Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The company is exposed to credit risk on loans receivable (at amortised cost), trade and other receivables and cash and cash equivalents.

Credit risk exposure arising on cash and cash equivalents is managed by the company through dealing with well-established financial institutions with high credit ratings.

Credit loss allowances for expected credit losses are recognised for all debt instruments, but excluding those measured at fair value through profit or loss. Credit loss allowances are also recognised for loan commitments and financial guarantee contracts.

In order to calculate credit loss allowances, management determine whether the loss allowances should be calculated on a 12 month or on a lifetime expected credit loss basis. This determination depends on whether there has been a significant increase in the credit risk since initial recognition. If there has been a significant increase in credit risk, then the loss allowance is calculated based on lifetime expected credit losses. If not, then the loss allowance is based on 12 month expected credit losses. This determination is made at the end of each financial period. Thus the basis of the loss allowance for a specific financial asset could change year on year.

Management applies the principle that if a financial asset's credit risk is low at year end, then, by implication, the credit risk has not increased significantly since initial recognition. In all such cases, the loss allowance is based on 12 month expected credit losses. Credit risk is assessed as low if there is a low risk of default. When determining the risk of default, management consider information such as payment history to date, industry in which the customer is employed, period for which the customer has been employed, external credit references etc. Credit risk is not assessed to be low simply because of the value of collateral associated with a financial instrument. If the instrument would not have a low credit risk in the absence of collateral, then the credit risk is not considered low when taking the collateral into account. Trade receivables which do not contain a significant financing component are the exceptions and are discussed below.

Where necessary, the assessment for a significant increase in credit risk is made on a collective basis. Management typically adopt this approach when information relevant to the determination of credit risk is not available on an individual instrument level. Often, the only information available on individual instruments which could indicate an increase in credit risk, is "past due" information. It is typical that more forward-looking information is generally more readily available on a collective basis. Therefore, making the determination on a collective basis, helps to ensure that credit loss allowances are determined on the basis of lifetime expected credit losses before they reach the point of being past due. Forward looking, macro-economic information is applied on a collective basis when it is readily available without undue cost or effort. When loss allowances are determined on a collective basis, management determines the loss allowances by grouping financial instruments on the basis of shared credit risk characteristics.

For trade receivables which do not contain a significant financing component, the loss allowance is determined as the lifetime expected credit losses of the instruments.

The maximum exposure to credit risk is presented in the table below:

	2023			2022		
	Gross carrying amount	**Credit loss allowance**	**Amortised cost / fair value**	**Gross carrying amount**	**Credit loss allowance**	**Amortised cost / fair value**
Trade and other receivables	5 798 453	(224 825)	5 573 628	4 067 170	(159 805)	3 907 365
Cash and cash equivalents	2 637 384	-	2 637 384	3 302 817	-	3 302 817
	8 435 837	**(224 825)**	**8 211 012**	**7 369 987**	**(159 805)**	**7 210 182**

Notes to the Annual Financial Statements

21. Financial instruments and risk management (continued)

Liquidity risk

The company's risk to liquidity is a result of obligations associated with financial liabilities of the company and the availability of funds to meet those obligations. The company manages liquidity risk through an on-going review of future commitments and credit facilities.

Cash flow forecasts are prepared and adequately utilised borrowing facilities are monitored.

The table below analyses the company's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual cash flows. Balances due equal their carrying balances.

2023

	Less than 1 year	2 to 5 years	Total	Carrying amount
Current liabilities				
Trade and other payables	23 537 711	-	23 537 711	23 537 711
Lease liabilities	328 065	-	328 065	328 065
	23 865 776	**-**	**23 865 776**	**23 865 776**

2022

	Less than 1 year	2 to 5 years	Total	Carrying amount
Non-current liabilities				
Lease liabilities	-	530 626	530 626	530 626
Current liabilities				
Trade and other payables	12 334 019	-	12 334 019	12 334 019
Lease liabilities	301 538	-	301 538	301 538
Bank overdraft	5 000 000	-	5 000 000	5 000 000
	17 635 557	**530 626**	**18 166 183**	**18 166 183**

Notes to the Annual Financial Statements

	2023 R	2022 R

21. Financial instruments and risk management (continued)

Foreign currency risk

The company is exposed to foreign exchange risk arising primarily with respect to the US dollar. Foreign exchange risk arises from commercial transactions in foreign currencies. The company manages its foreign exchange risk using forward exchange contracts, transacted with financial institutions. Foreign exchange risk arises when commercial transactions are denominated in a currency that is not the entity's functional currency.

The company entered into forward exchange contracts (FECs) to buy and sell specified amounts of foreign currency in the future at a predetermined exchange rate. The contracts were entered into to manage the company's exposure to fluctuations in foreign currency exchange rates on specific transactions. The company did not use forward exchange contracts for speculative purposes.

Exposure in Rand

The net carrying amounts, in Rand, of the various exposures, are denominated in the following currencies. The amounts have been presented in Rand by converting the foreign currency amounts at the closing rate at the reporting date:

US Dollar exposure:

	2023 R	2022 R
Current assets:		
Cash and cash equivalents	1 229 427	1 075 832
Liabilities:		
Trade payables / Contract	(19 904 888)	(8 463 299)
Net US Dollar exposure	**(18 675 461)**	**(7 387 467)**

Exposure in foreign currency amounts

The net carrying amounts, in foreign currency of the above exposure was as follows:

US Dollar exposure:

	2023	2022
Current assets:		
Cash and cash equivalents	69 015	74 347
Liabilities:		
Trade payables / Contract	(1 117 380)	(584 866)
Net US Dollar exposure	**(1 048 365)**	**(510 519)**

Foreign currency sensitivity analysis

At 31 March 2023, if the Rand/dollar exchange rate had been 1% (2022: 1%) higher or lower during the year, with all other variables held constant, profit or loss for the year would have been R 186 755 (2022: R 73 875) higher or lower.

Interest rate risk

As the company has no significant interest-bearing assets, the company's income and operating cash flows are substantially independent of changes in market interest rates.

22. Going concern

As at 31 March 2023, the company had accumulated losses of R 7 044 898 and the company's total liabilities exceeded its assets by R 2 744 898.

Aware that the company has an accumulated loss, its going concern is dependent on a number of factors. The most significant of those factors being:

- Shareholders continue to provide financial support for the foreseeable future, which is not less than 12 months, to ensure settlement of debts, as and when they are due.
- The subordination agreements mentioned in these financial statements will remain in force for as long as it takes to restore the solvency of the company.

The cash flows of the company have been reviewed and considered by the directors in accordance with the preparation of the financial statements. The company has sufficient cash and other resources to pay its debts as they become due and continue its operations for the foreseeable future. The company has met all of its debt and interest payment obligations during the year and has no known external events or circumstances that could affect its ability to operate as a going concern.

Over and above this, both shareholders; Ion Exchange India Limited and SAFIC Propriety Limited commit, as per the letters of support, to:

- Provide Ion Exchange Safic Propriety Limited with the financial means to meet its obligations of completing applicable fixed asset commitments and operational cash requirements, until cash break-even.
- Arrange for Ion Exchange Safic Propriety Limited commitments to its creditors, to be performed in a satisfactory way.
- Exert full influence over Ion Exchange Safic Propriety Limited as well as projects to repay all its creditors on maturity.

The shareholders are currently in the process of investing an additional R 5 000 000 (five million rand) in equity, which will provide the company with additional working capital and financial resources to continue its operations. This investment, when completed, will strengthen the company's financial position and ensure its ability to continue its operations as a going concern in the future.

23. 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 other than the intention of the shareholders investing additional capital as noted in note 22 of the annual financial statements.

Detailed Statement of Profit or Loss and Other Comprehensive Income

	Notes	2023 R	2022 R
Revenue			
Sale of goods		41 737 746	27 788 918
Rendering of services		602 902	376 356
Discount allowed		(10 319)	(53 130)
	12	**42 330 329**	**28 112 144**
Cost of sales			
Opening stock		(5 771 503)	(7 305 367)
Purchases		(36 513 842)	(16 815 407)
Closing stock		12 721 510	5 771 503
		(29 563 835)	**(18 349 271)**
Gross profit		**12 766 494**	**9 762 873**
Other income			
Commission received		507 926	-
Bad debts recovered		4 948	-
CFC bank revaluation gain		323 239	46 659
Other income		-	300
Discount received		133	8
	13	**836 246**	**46 967**
Other operating (losses) gains			
Losses on disposal of assets		-	(1 543)
Foreign exchange (losses) gains		(1 529 679)	7 935
		(1 529 679)	**6 392**
Expenses (Refer to page 41)		**(9 428 297)**	**(6 532 019)**
Operating profit	14	**2 644 764**	**3 284 213**
Finance income	15	64 676	10 698
Finance costs	16	(1 306 461)	(736 370)
Profit before taxation		**1 402 979**	**2 558 541**
Income tax expense	17	9 614	73 411
Total comprehensive income for the year		**1 412 593**	**2 631 952**

Detailed Statement of Profit or Loss and Other Comprehensive Income

	Note(s)	2023 R	2022 R
Other operating expenses			
Advertising		(45 813)	(5 402)
Auditors remuneration - external auditors		(213 317)	(175 210)
BBBEE Enterprise and social development		(87 000)	-
Bad debts		(65 019)	341 964
Bank charges including EXIM		(353 115)	(139 013)
Computer expenses		(264 712)	(256 037)
Conference/training		(23 369)	(1 542)
Consulting and professional fees		(334 190)	(27 696)
Consumables		(7 121)	(521)
Courier		(7 878)	(3 359)
Debtor payment differences		4	(1)
Depreciation		(503 465)	(174 463)
Donations		(6 000)	(10 000)
Employee costs		(5 336 982)	(4 813 802)
Entertainment and meetings		(76 429)	(10 017)
Financial services		(635 106)	(426 751)
Fines and penalties		-	(9 238)
Insurance		(124 317)	(90 880)
Lease rentals on operating lease		(25 013)	(274 575)
Mobile and land lines		(86 359)	(94 982)
Motor vehicle expenses		(207 648)	(177 006)
Municipal expenses		(306 210)	(16 803)
Parking and toll fees		(19 163)	(17 001)
Payroll commission		(152 716)	(18 666)
Printing and stationery		(85 451)	(54 565)
Product testing		(55 415)	(16 323)
Protective clothing		(564)	(590)
Repairs and maintenance		(39 663)	(27 802)
Sales prizes and awards		(2 028)	(2 843)
Secretarial fees		(10 655)	(12 425)
Security		(98 885)	-
Staff refreshments		(18 632)	(5 472)
Staff training		(360)	-
Staff welfare including staff accomodation		(13 334)	(23 405)
Stock FG adjustment write off		(19 439)	42 527
Stock impairment		(24 284)	-
Subscriptions and membership fees		(14 932)	(16 197)
Travel and accomodation		(163 717)	(13 923)
		(9 428 297)	**(6 532 019)**