

**DUZI-UMNGENI CONSERVATION  
TRUST**

**(Registration No. 2006/006370/08)**

**ANNUAL FINANCIAL STATEMENTS**

**28 February 2014**

# DUZI-UMNGENI CONSERVATION TRUST

(Registration No. 2006/006370/08)

## ANNUAL FINANCIAL STATEMENTS

28 FEBRUARY 2014

These annual financial statements include statements which have been audited in compliance with the Companies Act and are presented as follows:

	Pages
General information	2
Independent auditor's report	3 - 4
Independent compiler's report	5
Directors' report	6 - 7
Statement of financial position	8
Statement of income and retained earnings	9
Statement of changes in equity	10
Statement of cash flows	11
Notes to the annual financial statements	12 - 17
Detailed income statement	18 - 19

### Preparation of financial statements

These financial statements were prepared by:

I S Colenbrander

### Approval

The annual financial statements set out on pages 3 to 19 are the responsibility of the directors and have been approved for publication by the Board of Directors and are signed on their behalf by:



\_\_\_\_\_  
D A Still

31 August 2014

\_\_\_\_\_  
Date



\_\_\_\_\_  
C S Everson

1 September 2014

\_\_\_\_\_  
Date

# DUZI-UMNGENI CONSERVATION TRUST

## GENERAL INFORMATION

Entity name	Duzi-Umngeni Conservation Trust
Registration number	2006/006370/08
Country of incorporation and domicile	Republic of South Africa
Nature of business and principal activities	To assess, monitor, champion and enhance river health along the length of the Msunduzi and Umngeni rivers.
Directors	I W Bailey - resigned during November 2013 S Ndawonde - appointed during November 2013 S D Cohen E J Taylor C S Everson T R Gorven P M Graham J D Lindsay K Oliver D A Still
Registered office	51 Roberts Road Clarendon Pietermaritzburg 3201
Business address	4 Edmond Place Campsdrift Pietermaritzburg 3201
Postal address	P O Box 101648 Scottsville Pietermaritzburg 3200
Bankers	Nedbank Limited
Auditors	Colenbrander Incorporated

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF DUZI-UMNGENI CONSERVATION TRUST

### Report on the financial statements

We have audited the financial statements of Duzi-Umngeni Conservation Trust set out on pages 8 to 19, which comprise the statement of financial position as at 28 February 2014, the statement of income and retained earnings, the statement of changes in equity and the statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

### Directors' responsibility for the financial statements

The entity's directors are responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa, 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.

### Compilation of the financial statements

These financial statements were compiled by an independent accounting professional whose compilation report is presented on page 5.

### Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Qualification

As is common to non profit organisations which receive a significant amount of their income by way of donations, we are unable to satisfy ourselves as to the completeness of income disclosed in the financial statements.

## Qualified audit opinion

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to satisfy ourselves as to the completeness of income, the financial statements present fairly, in all material aspects, the financial position of the entity at 28 February 2014 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards for Small and Medium-sized Entities, and in the manner required by the Companies Act of South Africa.



Colenbrander Incorporated

Per: G L Banfield

Registered Auditors

Chartered Accountants (S.A.)

Hilton

Date: 1/9/2014

**INDEPENDENT COMPILER'S REPORT TO THE MEMBERS OF  
DUZI-UMNGENI CONSERVATION TRUST**

**Report on the financial statements**

I have compiled the financial statements of Duzi-Umngeni Conservation Trust based on information provided by management. These financial statements are presented in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the requirements of the Companies Act of South Africa. They comprise the statement of financial position as at 28 February 2014, the statement of income and retained earnings, the statement of changes in equity and statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory notes, as set out on pages 6 to 19.

**Management responsibility for the financial statements**

The entity's management are responsible for these financial statements, including adoption of the applicable reporting framework, and the accuracy and completeness of the information used to compile the financial statements.

**Compiler's responsibility**

I have performed this compilation engagement in accordance with International Standard on Related Services 4410, Compilation Engagements. This Standard requires that I comply with quality control standards and relevant ethical requirements, including ethical principles of integrity, objectivity, professional competence and due care.

A compilation engagement involves applying expertise in accounting and financial reporting to assist management in preparing and presenting financial information. A compilation engagement does not include gathering evidence for the purpose of expressing an audit opinion or a review conclusion. Accordingly, I do not express an audit opinion or a review conclusion on these financial statements.



C Clover

Date: 31/08/2014

# **DUZI-UMNGENI CONSERVATION TRUST**

## **DIRECTORS' REPORT**

**FOR THE YEAR ENDED 28 FEBRUARY 2014**

The directors have pleasure in submitting their report together with the audited annual financial statements for the year ended 28 February 2014.

### **General review**

Duzi-Umngeni Conservation Trust is an entity incorporated in the Republic of South Africa. The principal activities of the entity are to assess, monitor, champion and enhance river health along the length of the Msunduzi and Umngeni rivers.

No matter which is material to the financial affairs of the entity has occurred between 28 February 2014 and the date of approval of the financial statements.

### **Statements of responsibility**

The directors are responsible for the maintenance of adequate accounting records and the preparation and integrity of the financial statements and related information.

The auditors are responsible to report on the fair presentation of the financial statements. The financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities, and in the manner required by the Companies Act, 2008.

The directors are also responsible for the entity's system of internal financial controls. This is designed to provide reasonable, but not absolute, assurance as to the reliability of the financial statements, and to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect misstatement and loss. Nothing has come to the attention of the directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The financial statements have been prepared on the going concern basis, since the directors have every reason to believe that the entity has adequate resources in place to continue in operation for the foreseeable future.

### **Financial results**

The results of the entity for the year under review are fully set out in the attached financial statements and require no further comment.

### **Post balance sheet events**

No material fact or circumstance, which requires comment, has occurred between the accounting date and the date of this report.

# DUZI-UMNGENI CONSERVATION TRUST

## DIRECTORS' REPORT

FOR THE YEAR ENDED 28 FEBRUARY 2014

### Directors

The directors of the entity during the accounting period and up to the date of this report were as follows:

I W Bailey - resigned during November 2013

S Ndawonde - appointed during November 2013

S D Cohen

E J Taylor

C S Everson

T R Gorven

P M Graham

J D Lindsay

K Oliver

D A Still

### Auditors

Colenbrander Incorporated will continue in office in accordance with the Companies Act, 2008.



# DUZI-UMNGENI CONSERVATION TRUST

## STATEMENT OF FINANCIAL POSITION

AT 28 FEBRUARY 2014

	Notes	2014 R	2013 R
<b>Assets</b>			
<b>Non-current assets</b>			
Plant and equipment	2	485 090	386 418
<b>Current assets</b>			
Inventories	3	53 790	-
Trade and other receivables	4	375 094	156 088
Bank, cash and cash equivalents	5	3 238 659	2 591 568
<b>Total assets</b>		<u>4 152 633</u>	<u>3 134 074</u>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Retained earnings		1 294 378	1 023 009
		1 294 378	1 023 009
<b>Current liabilities</b>			
Trade and other payables	6	770 670	203 408
Project funds	7	2 087 585	1 907 657
<b>Total equity and liabilities</b>		<u>4 152 633</u>	<u>3 134 074</u>

*Colombander Inc.*

# DUZI-UMNGENI CONSERVATION TRUST

## STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 28 FEBRUARY 2014

	Notes	2014 R	2013 R
<b>Income</b>		13 977 974	10 407 222
Other income		<u>103 370</u>	<u>7 657</u>
<b>Total income</b>		14 081 344	10 414 879
<b>Expenses</b>			
Operating expenses		(13 809 961)	(10 119 722)
Finance expenses	8	<u>(14)</u>	<u>(13 929)</u>
<b>Net surplus for the year</b>	9	<u><u>271 369</u></u>	<u><u>281 228</u></u>

# DUZI-UMNGENI CONSERVATION TRUST

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 28 FEBRUARY 2014

	Retained earnings R	Total R
Balance at 29 February 2012	741 781	741 781
Net surplus for the year	281 228	281 228
Balance at 28 February 2013	1 023 009	1 023 009
Net surplus for the year	271 369	271 369
Balance at 28 February 2014	1 294 378	1 294 378

# DUZI-UMNGENI CONSERVATION TRUST

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 28 FEBRUARY 2014

	Notes	2014 R	2013 R
<b>Net cash retained in operating activities</b>		575 955	1 170 885
<b>Cash generated from operating activities</b>	11.1	472 599	1 177 157
Interest received		80 563	-
Interest paid		(14)	(13 929)
Sundry income		22 807	7 657
<b>Cash flows from investing activities</b>			
Purchase of plant and equipment	11.2	(110 000)	(325 640)
<b>Cash flows from financing activities</b>		181 136	1 909 594
Utilisation of project funds		(19 562 748)	(18 244 884)
Advancements from project funds		19 743 884	20 154 478
<b>Net increase in cash and cash equivalents</b>		647 091	2 754 839
<b>Cash and cash equivalents at beginning of year</b>		2 591 568	(163 271)
<b>Cash and cash equivalents at end of year</b>	11.3	<u>3 238 659</u>	<u>2 591 568</u>

# DUZI-UMNGENI CONSERVATION TRUST

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2014

### 1. Basis of preparation and accounting policies

The basis of preparation and principal accounting policies of the entity, are consistent in all material respects with those applied in the previous year, except as otherwise indicated.

#### *Basis of preparation*

The financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa.

#### *Property, plant and equipment*

Property, plant and equipment are tangible assets that:

- (a) are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and
- (b) are expected to be used during more than one period.

Property, plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The cost of an item is its cash price equivalent at the recognition date.

The entity adds to the carrying amount of an item of property, plant and equipment the cost of replacing parts of such an item when that cost is incurred if the replacement part is expected to provide incremental future benefits. The carrying amount of the replaced part is also derecognised. All other repairs and maintenance and servicing costs are charged to profit or loss as incurred.

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

	Useful life
Computer equipment	1 - 3
Office equipment	1 - 3
Motor vehicles	3
Field equipment	1 - 5
Furniture and fittings	1

The residual values, useful lives and economic consumption patterns for all items of property, plant and equipment are reviewed if there is an indication that there has been a significant change since the last reporting date. If necessary, the consequent depreciable amounts, rates and methods are adjusted. Any changes are accounted for as changes in accounting estimates and included in profit or loss for the current and future periods by adjusting the relevant future depreciation charges.

Gains or losses on disposal are calculated by deducting the carrying value from the proceeds on the date of disposal and are included in profit or loss.

# DUZI-UMNGENI CONSERVATION TRUST

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2014

### 1. Basis of preparation and accounting policies (continued)

#### *Inventories*

Inventories are initially measured at cost and subsequently written down to the lower of cost and estimated net realisable value. Cost is calculated using the first-in-first-out method and comprises direct materials, packaging, labour costs and overheads. At each reporting date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell.

#### *Impairments*

The carrying value of the assets is reviewed at each balance sheet date to assess whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated. Where the carrying value exceeds the estimated recoverable amount, such assets are written down to their estimated recoverable amount.

#### *Revenue*

Income from donations received is recognised on receipt, in cash or any other form. Revenue from projects is recognised as and when the funds are utilised.

#### *Cash flows*

For the purposes of the cash flow statement, cash includes cash on hand, deposits held on call with banks, investments in money market instruments, and bank overdrafts.

#### *Comparative figures*

Where necessary, comparative figures have been reclassified to conform with changes in presentation for the current year.

### 2. Plant and equipment

	2014			2013		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
	R	R	R	R	R	R
Computer equipment	37 267	(31 117)	6 150	38 475	(31 117)	7 358
Office equipment	19 095	(19 095)	-	19 095	(19 095)	-
Motor vehicles	811 928	(332 988)	478 940	701 928	(322 868)	379 060
Field equipment	78 571	(78 571)	-	78 571	(78 571)	-
Furniture and fittings	17 293	(17 293)	-	17 293	(17 293)	-
	<u>964 154</u>	<u>(479 064)</u>	<u>485 090</u>	<u>855 362</u>	<u>(468 944)</u>	<u>386 418</u>

# DUZI-UMNGENI CONSERVATION TRUST

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2014

### 2. Plant and equipment (continued)

The carrying amounts for 2014 can be reconciled as follows:

	Carrying value at beginning of year	Additions	Disposals	Other	Depreciation	Carrying value at end of year
	R	R	R	R	R	R
Computer equipment	7 358	-	(1 208)	-	-	6 150
Motor vehicles	379 060	110 000	-	-	(10 120)	478 940
	<u>386 418</u>	<u>110 000</u>	<u>(1 208)</u>	<u>-</u>	<u>(10 120)</u>	<u>485 090</u>

### 3. Inventories

Inventories comprise:

Clothing	53 790	-
----------	--------	---

### 4. Trade and other receivables

Trade receivables	-	9 529
Staff loans	200	500
VAT refundable	7 709	-
Accrued income	367 185	146 059
	<u>375 094</u>	<u>156 088</u>

The directors consider that the carrying amount of trade and other receivables approximates their fair value.

### 5. Bank, cash and cash equivalents

Bank and cash balances at year end comprise:

Nedbank Limited - DGC call account	1 829 581	101 987
Nedbank Limited - DUCT call account	1 176 563	607 657
Nedbank Limited - 24 hour call account	-	1 700 080
Nedbank Limited - call account	22 787	-
Nedbank Limited - current account	95 904	149 928
Nedbank Limited - DGC current account	113 192	25 342
Petty cash	632	6 574
	<u>3 238 659</u>	<u>2 591 568</u>

### 6. Trade and other payables

Trade creditors	494 719	112 954
VAT payable	-	90 454
Other payables	125 951	-
Accruals	150 000	-
	<u>770 670</u>	<u>203 408</u>

# DUZI-UMNGENI CONSERVATION TRUST

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2014

	2014 R	2013 R
<b>7. Project funds</b>		
<i>National Lottery Fund</i>		
Opening balance	1 700 080	-
Funds received	-	7 828 338
Interest received	55 983	61 728
Utilised	<u>(1 721 709)</u>	<u>(6 189 986)</u>
	<u>34 354</u>	<u>1 700 080</u>
<i>Durban Green Corridor</i>		
Opening balance	136 857	(2 387)
Funds received	17 436 003	4 528 142
Interest received	-	1 986
Loan - G Cullen	-	(20 000)
Utilised	<u>(15 622 581)</u>	<u>(4 370 884)</u>
	<u>1 950 279</u>	<u>136 857</u>
<i>Global Greengrants Fund</i>		
Opening balance	70 720	-
Funds received	70 720	70 720
Utilised	<u>(107 170)</u>	<u>-</u>
	<u>34 270</u>	<u>70 720</u>
<i>Nedbank Limited Project Fund</i>		
Opening balance	-	-
Funds received	1 318 229	-
Utilised	<u>(1 295 442)</u>	<u>-</u>
	<u>22 787</u>	<u>-</u>
<i>WWF Nedbank Green Fund</i>		
Opening balance	-	-
Funds received	861 741	-
Utilised	<u>(815 846)</u>	<u>-</u>
	<u>45 895</u>	<u>-</u>
	<u>2 087 585</u>	<u>1 907 657</u>

These funds are advanced according to certain performance criteria and the retention is conditional.



# DUZI-UMNGENI CONSERVATION TRUST

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2014

	2014	2013
	R	R
<b>8. Finance expenses</b>		
Nedbank Limited - current account	-	623
Nedbank Limited - credit card account	14	13 306
	<u>14</u>	<u>13 929</u>

### 9. Net surplus for the year

Profit from operations is arrived at after taking into account the following:

#### Income

##### Revenue from:

Durban funds - DGC	7 133 824	4 165 740
Duzi Canoe Marathon	182 289	42 484
Education, environmental awareness	275 410	53 330
General donations	126 479	330 389
Howick - income	-	6 000
KNCU levies	85 000	90 200
Miscellaneous	12 832	53 881
Project income	4 414 786	971 404
River Care Teams - lottery income	1 687 354	4 584 528
Trail runs	60 000	109 266

#### Expenses

##### Auditors remuneration

Audit fees and general assistance	25 155	18 793
-----------------------------------	--------	--------

##### Depreciation

Office equipment	-	1 482
Motor vehicles	10 120	86 451

### 10. Taxation

Taxation has not been provided for as the entity is registered with the South African Revenue Services as a Non Profit Organisation and is therefore, not liable for income tax in terms of Section 10(1)(Cn) of the Income Tax Act.

# DUZI-UMNGENI CONSERVATION TRUST

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2014

	2014 R	2013 R
<b>11. Notes to the cash flow statement</b>		
<b>11.1 Reconciliation of net surplus to cashflows from operations</b>		
Net surplus for the year	271 369	281 228
Adjustments for :		
Depreciation	10 120	87 933
Profit on disposal of property, plant and equipment	(22 807)	-
Sundry income	(80 563)	(7 657)
Finance expenses - net	14	13 929
Operating profit before working capital changes	<u>178 133</u>	<u>375 433</u>
Working capital changes		
(Increase) / decrease in trade and other receivables	(219 006)	1 197 082
Increase / (decrease) in trade and other payables	567 262	(395 358)
Cash generated from operations	<u><u>472 599</u></u>	<u><u>1 177 157</u></u>

### 11.2 Property, plant and equipment

During the period, the entity acquired plant and equipment with a cost of R110 000.

	110 000	325 640
--	---------	---------

### 11.3 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and balances with banks and investments in money market instruments. Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:

Bank, cash and cash equivalents	<u><u>3 238 659</u></u>	<u><u>2 591 568</u></u>
---------------------------------	-------------------------	-------------------------

## 12. Related party disclosures

The following material related parties have been identified:

Related party	Relationship
I W Bailey	Director - resigned during November 2013
S Ndawonde	Director - appointed during November 2014
S D Cohen	Director
E J Taylor	Director
C S Everson	Director
T R Gorven	Director
P M Graham	Director
J D Lindsay	Director
K Oliver	Director
D A Still	Director
Partners in Development (Pty) Ltd	Common director

# DUZI-UMNGENI CONSERVATION TRUST

## DETAILED INCOME STATEMENT FOR THE YEAR ENDED 28 FEBRUARY 2014

	Notes	2014 R	2013 R
<b>Income</b>		13 977 974	10 407 222
Durban funds - DGC		7 133 824	4 165 740
Duzi Canoe Marathon		182 289	42 484
Education, environmental awareness		275 410	53 330
General donations		126 479	330 389
Howick - income		-	6 000
KNCU levies		85 000	90 200
Miscellaneous		12 832	53 881
Project income		4 414 786	971 404
River Care Teams - lottery income		1 687 354	4 584 528
Trail runs		60 000	109 266
<b>Other income</b>		103 370	7 657
Disposal of assets		22 807	-
Interest received		80 563	7 657
<b>Total income</b>		14 081 344	10 414 879
<b>Operating and project expenses (refer to page 19)</b>		(13 809 961)	(10 119 722)
Finance expenses	8	(14)	(13 929)
<b>Net surplus for the year</b>	9	271 369	281 228

# DUZI-UMNGENI CONSERVATION TRUST

## DETAILED INCOME STATEMENT FOR THE YEAR ENDED 28 FEBRUARY 2014

	2014 R	2013 R
<b>Operating expenses</b>	(1 671 623)	(1 554 064)
Advertising and marketing	77 522	107 873
Audit fees and general assistance	25 155	18 793
Bank Charges	10 981	14 897
Cleaning maintenance and sundries	6 553	7 780
Computer and internet expenses	13 943	12 392
Courier and postage	1 902	1 904
Depreciation	10 120	87 933
Insurance	88 834	107 703
Legal costs	628	2 529
Management costs	867 061	556 928
Meetings and functions	19 547	35 611
Office rental, electricity and security	106 733	101 179
Stationery, subscriptions and printing	24 280	28 139
Statutory costs	207 362	244 228
Sundry expenses	19 640	62 184
Telephone	39 917	40 187
Transport	151 445	123 804
<b>Project expenses</b>	(12 138 338)	(8 565 658)
DEA Eco Furniture	676 397	-
DUCT field teams	783 516	-
Durban funds - DGC	6 564 283	3 832 135
Duzi Canoe Marathon	33 183	3 152
Environmental Education	238 445	60 209
Global Greengrants Fund	7 990	-
Independent Development Trust	626 808	496 224
Mayday for rivers	1 575	143 188
NLB Richmond Food Gardens	989 899	-
NLB River Care Teams	1 382 238	3 619 936
Pollution control	-	70 165
SANBI Jobsfund	176 844	-
Trail runs and benefit races	24 540	86 941
UMDM Mphopomeni sanitation education	30 694	253 708
WWF Nedbank Greentrust	601 926	-
	<u>(13 809 961)</u>	<u>(10 119 722)</u>

*Coleman Inc.*