

**DUZI-UMNGENI CONSERVATION
TRUST**

(Registration No. 2006/006370/08)

ANNUAL FINANCIAL STATEMENTS

28 February 2015

DUZI-UMNGENI CONSERVATION TRUST

(Registration No. 2006/006370/08)

ANNUAL FINANCIAL STATEMENTS

28 FEBRUARY 2015

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

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Preparation of financial statements

These financial statements were internally compiled by:

C D Gold C D G


Approval

The annual financial statements set out on pages 1 to 21 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

 21/08/2015
Date



C S Everson

 21/08/2015
Date

DUZI-UMNGENI CONSERVATION TRUST

GENERAL INFORMATION

Company 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	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 7 to 21, which comprise the statement of financial position as at 28 February 2015, the statement of profit and loss, 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 Standards 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 internally compiled.

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.

Basis for qualified audit opinion

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 2015 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.

Other reports required by the Companies Act

As part of our audit of the financial statements for the year ended 28 February 2015, we have read the Directors' Report for the purpose of identifying whether there are material inconsistencies between this report and the audited financial statements. The Directors' Report is the responsibility of the directors. Based on reading the Directors' Report we have not identified material inconsistencies between this report and the audited financial statements. However, we have not audited the Directors' Report and accordingly do not express an opinion thereon.

Report on other legal and regulatory requirements

With the written consent of all shareholders, we have performed certain accounting and secretarial duties.



Colenbrander Incorporated

Per: G L Banfield

Registered Auditors

Chartered Accountants (S.A.)

Hilton

Date: 21.08.2015

DUZI-UMNGENI CONSERVATION TRUST

DIRECTORS' REPORT

FOR THE YEAR ENDED 28 FEBRUARY 2015

The directors have pleasure in submitting their report together with the annual financial statements for the year ended 28 February 2015.

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 2015 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 the International Financial Reporting Standards 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.

These financial statements will be presented at the entity's annual general meeting for the approval of shareholders. It is possible that amendments may be required prior to shareholder approval being given.

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.

Events after the end of the reporting period

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

DUZI-UMNGENI CONSERVATION TRUST

DIRECTORS' REPORT

FOR THE YEAR ENDED 28 FEBRUARY 2015

Directors and secretary

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

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 terms of the Companies Act.

DUZI-UMNGENI CONSERVATION TRUST

STATEMENT OF FINANCIAL POSITION

AT 28 FEBRUARY 2015

	Notes	2015 R	2014 R
Assets			
Non-current assets			
Plant and equipment	2	556 591	485 090
Current assets			
Inventories	3	61 103	53 790
Trade and other receivables	4	289 456	374 891
Bank, cash and cash equivalents	5	2 779 452	3 238 659
Total assets		3 686 602	4 152 430
Equity and liabilities			
Equity			
Retained earnings		1 359 790	1 294 378
Current liabilities			
Trade and other payables	6	1 184 496	770 467
Project funds	7	1 142 316	2 087 585
Total equity and liabilities		3 686 602	4 152 430

DUZI-UMNGENI CONSERVATION TRUST

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 28 FEBRUARY 2015

	Notes	2015 R	2014 R
Income		16 849 346	14 037 975
Other income		<u>303 919</u>	<u>103 370</u>
Total income		<u>17 153 265</u>	<u>14 141 345</u>
Expenses			
Operating expenses		(17 087 801)	(13 869 962)
Finance expenses	8	<u>(52)</u>	<u>(14)</u>
Net surplus for the year	9	<u><u>65 412</u></u>	<u><u>271 369</u></u>

DUZI-UMNGENI CONSERVATION TRUST

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 28 FEBRUARY 2015

	Retained earnings R	Total R
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
Net surplus for the year	65 412	65 412
Balance at 28 February 2015	1 359 790	1 359 790

DUZI-UMNGENI CONSERVATION TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 28 FEBRUARY 2015

	Notes	2015 R	2014 R
Net cash retained in operating activities		598 738	553 148
Cash generated from operating activities	11.1	541 599	472 599
Interest paid		(52)	(14)
Interest received		57 191	80 563
Cash flows from investing activities		(112 676)	(87 193)
Purchase of plant and equipment	11.2	(119 829)	(110 000)
Proceeds from sale of assets		7 153	22 807
Cash flows from financing activities		(945 270)	181 136
Utilisation of project funds		(12 722 475)	(19 562 748)
Advancements from project funds		11 777 205	19 743 884
Net (decrease) / increase in cash and cash equivalents		(459 208)	647 091
Cash and cash equivalents at beginning of year		3 238 659	2 591 568
Cash and cash equivalents at end of year	11.3	2 779 451	3 238 659

DUZI-UMNGENI CONSERVATION TRUST

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 FEBRUARY 2015

1. Basis of preparation and accounting policies

The basis of preparation and principal accounting policies of the company, 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. They are presented in South African Rands.

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 company 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 on other assets 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	5-10
Other	1-5
Furniture and fittings	1

DUZI-UMNGENI CONSERVATION TRUST

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 FEBRUARY 2015

1. Basis of preparation and accounting policies (continued)

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.

Inventories

Inventories are initially measured at cost and subsequently stated at the lower of estimated selling price less costs to complete and sell. 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 reporting 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.

DUZI-UMNGENI CONSERVATION TRUST

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2015

2. Plant and equipment

	2015			2014		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
	R	R	R	R	R	R
Computer equipment	58 438	(30 379)	28 059	37 267	(31 117)	6 150
Office equipment	19 095	(19 095)	-	19 095	(19 095)	-
Motor vehicles	891 928	(363 396)	528 532	811 928	(332 988)	478 940
Other	78 571	(78 571)	-	78 571	(78 571)	-
Furniture and fittings	24 201	(24 201)	-	17 293	(17 293)	-
	<u>1 072 233</u>	<u>(515 642)</u>	<u>556 591</u>	<u>964 154</u>	<u>(479 064)</u>	<u>485 090</u>

The carrying amounts for 2015 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	6 150	32 921	(6 149)	-	(4 863)
Motor vehicles	478 940	80 000	-	-	(30 408)	528 532
Furniture and fittings	-	6 908	-	-	(6 908)	-
	<u>485 090</u>	<u>119 829</u>	<u>(6 149)</u>	<u>-</u>	<u>(42 179)</u>	<u>556 591</u>

3. Inventories

Inventories comprise:

Clothing

	2015	2014
	R	R
Clothing	<u>61 103</u>	<u>53 790</u>

DUZI-UMNGENI CONSERVATION TRUST

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2015

	2015 R	2014 R
4. Trade and other receivables		
Staff Loans	6 090	200
VAT refundable	-	7 709
Accrued income	283 366	367 185
	<u>289 456</u>	<u>375 094</u>
5. Bank, cash and cash equivalents		
Bank and cash balances at year end comprise:		
Nedbank Limited - DGC call account	7 735	1 829 581
Nedbank Limited - DUCT call account	11 005	1 176 563
Nedbank Limited - call account	518 878	22 787
Nedbank Limited - current account	1 137 970	95 904
Nedbank Limited - DGC current account	251 871	113 192
DEA Call Account	550 490	-
DEA Current Account	300 728	-
Petty cash	775	632
	<u>2 779 452</u>	<u>3 238 659</u>
6. Trade and other payables		
Trade creditors	846 433	494 719
VAT payable	109 147	-
Other payables	-	125 951
Accruals	-	150 000
Hulamin - payments received in advance	183 426	-
Salary Control Account	45 490	-
	<u>1 184 496</u>	<u>770 670</u>

DUZI-UMNGENI CONSERVATION TRUST

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2015

	2015 R	2014 R
7. Project funds		
<i>National Lottery Fund</i>		
Opening balance	34 354	1 700 080
Interest received	-	55 983
Utilised	<u>(34 354)</u>	<u>(1 721 709)</u>
	<u>-</u>	<u>34 354</u>
<i>Durban Green Corridor</i>		
Opening balance	1 950 279	136 857
Funds received	8 855 602	17 436 003
Interest received	17 251	-
Utilised	<u>(10 525 814)</u>	<u>(15 622 581)</u>
	<u>297 319</u>	<u>1 950 279</u>
<i>Global Greengrants Fund</i>		
Opening balance	34 270	70 720
Funds received	-	70 720
Utilised	<u>(2 500)</u>	<u>(107 170)</u>
	<u>31 770</u>	<u>34 270</u>
<i>Richmond Project Fund</i>		
Opening balance	22 787	-
Funds received	878 152	1 318 229
Utilised	<u>(640 721)</u>	<u>(1 295 442)</u>
	<u>260 218</u>	<u>22 787</u>
<i>WWF Nedbank Green Fund</i>		
Opening balance	45 895	-
Funds received	1 428 000	861 741
Utilised	<u>(1 421 324)</u>	<u>(815 846)</u>
	<u>52 571</u>	<u>45 895</u>

DUZI-UMNGENI CONSERVATION TRUST

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2015

	2015 R	2014 R
7. Project funds (continued)		
KZN Wetland Forum		
Opening balance	-	-
Funds received	48 200	-
Utilised	(17 360)	-
	<u>30 840</u>	<u>-</u>
WWF MGC		
Opening balance	-	-
Funds received	500 000	-
Utilised	(80 402)	-
	<u>419 598</u>	<u>-</u>
ACT PMMB Trust donation		
Opening balance	-	-
Funds received	50 000	-
	<u>50 000</u>	<u>-</u>
	<u>1 142 316</u>	<u>2 087 585</u>

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

8. Finance expenses

Nedbank Limited - credit card account	<u>52</u>	<u>14</u>
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DUZI-UMNGENI CONSERVATION TRUST

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 FEBRUARY 2015

	2015 R	2014 R
9. Net surplus for the year		
Profit from operations is arrived at after taking into account the following:		
Income		
Revenue from:		
DURBAN - Income	5 000	-
Durban funds - Durban Green Corridor	10 526 421	7 133 824
Duzi Canoe Marathon	123 313	182 289
Education, environmental awareness	100 000	275 410
Eugene Moll - Tree Course Income	-	-
General donations and miscellaneous	116 705	224 311
KNCU levies	-	-
Miscellaneous	-	-
Project income	5 827 907	4 414 786
River Care Teams - lottery income	150 000	1 687 354
Trail runs	-	60 000
Expenses		
Auditors remuneration		
Audit fees and general assistance	31 349	25 155
Depreciation	42 179	10 120
Computer equipment	4 863	-
Motor vehicles	30 408	10 120
Furniture and fittings	6 908	-

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 2015

	2015 R	2014 R
11. Notes to the cash flow statement		
11.1 Reconciliation of net profit before taxation to cashflows from operations		
Net profit before taxation	65 412	271 369
Adjustments for :		
Depreciation	42 179	10 120
Profit on disposal of property, plant and equipment	(1 004)	(22 807)
Interest received	(57 191)	(80 563)
Finance expenses - net	52	14
Operating profit before working capital changes	<u>49 448</u>	<u>178 133</u>
Working capital changes		
Increase in inventories	(7 313)	(53 790)
Decrease / (increase) in trade receivables	85 435	(219 006)
Increase in trade and other payables	414 029	567 262
Cash generated from operations	<u><u>541 599</u></u>	<u><u>472 599</u></u>
11.2 Property, plant and equipment		
During the year the entity acquired plant and equipment with a cost of R 119 829	119 829	110 000
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>2 779 452</u></u>	<u><u>3 238 659</u></u>

DUZI-UMNGENI CONSERVATION TRUST

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2015

2015	2014
R	R

12. Related party disclosures

The following material related parties have been identified:

Related party	Relationship
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 STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 28 FEBRUARY 2015

	Notes	2015 R	2014 R
Revenue		16 849 346	13 977 974
Durban funds - Durban Green Corridor		10 526 421	7 133 824
Duzi Canoe Marathon		123 313	182 289
Education, environmental awareness		100 000	275 410
General donations and miscellaneous		27 145	139 311
KNCU levies		94 560	85 000
Project income		5 827 907	4 414 786
River Care Teams - lottery income		150 000	1 687 354
Trail runs		-	60 000
Other income		303 919	103 370
Disposal of assets		1 004	22 807
Interest received		57 191	80 563
Youth Wage Subsidy		245 724	-
Total Income		17 153 265	14 081 344
Operating expenses (refer to page 21)		(17 087 801)	(13 809 959)
Finance expenses	8	(52)	(14)
Net surplus for the year	9	65 412	271 371

DUZI-UMNGENI CONSERVATION TRUST

DETAILED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 28 FEBRUARY 2015

	2015	2014
	R	R
Operating expenses	(2 037 958)	(1 671 621)
Advertising and marketing	57 659	77 522
Audit fees and general assistance	31 349	25 155
Bank charges	14 296	10 979
Cleaning maintenance and sundries	11 281	6 553
Computer and internet expenses	20 958	13 943
Courier and postage	449	1 902
Depreciation	42 179	10 120
Insurance	82 431	88 834
Legal costs	-	628
Management costs	1 216 989	867 061
Meetings and functions	23 659	19 547
Office rental, electricity and security	125 880	106 733
Staff training	18 037	-
Stationery, subscriptions and printing	31 150	24 280
Statutory costs	171 883	207 362
Sundry expenses	4 646	19 640
Telephone	50 201	39 917
Transport	134 911	151 445
Project expenses	(15 049 843)	(12 138 338)
Durban funds - Durban Green Corridor	9 936 541	6 564 283
Duzi Canoe Marathon	1 716	33 183
Environmental Education	61 619	238 445
NLB River Care Teams	12 014	1 382 238
Project costs	5 018 195	3 895 649
Trail runs and benefit races	19 758	24 540
	<u><u>(17 087 801)</u></u>	<u><u>(13 809 959)</u></u>