

DUZI-UMNGENI CONSERVATION TRUST
(ASSOCIATION INCORPORATED UNDER SECTION 21)
(Registration No. 2006/006370/08)

ANNUAL FINANCIAL STATEMENTS
29 February 2008

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(Registration No. 2006/006370/08)

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29 FEBRUARY 2008

The following reports and statements are presented in compliance with the Sectional Titles Act:

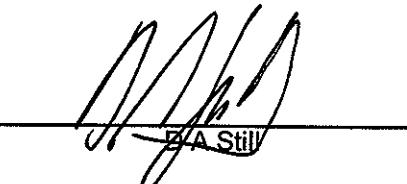
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The supporting schedule does not form part of the statutory components of the annual financial statements and is presented solely for the information of management. Accordingly, the auditors do not express an opinion on this schedule.	
Detailed income statement	12

Approval

The annual financial statements set out on pages 3 to 12 are the responsibility of the directors and have been approved by them on 23 May 2008 and are signed on their behalf by:



T R Gorven



B A Still

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DUZI-UMNGENI CONSERVATION TRUST (ASSOCIATION INCORPORATED UNDER SECTION 21)

Report on the financial statements

We have audited the annual financial statements of Duzi-Umngeni Conservation Trust (Association Incorporated Under Section 21), which comprise the directors' report, the balance sheet as at 29 February 2008, the income statement and the statement of changes in equity for the year then ended, a summary of significant accounting policies and other explanatory notes, as set out on pages 3 to 12.

Directors' responsibility for the financial statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with South African Statements of Generally Accepted Accounting Practice. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Except as discussed in the following paragraph, we conducted our audit in accordance with International Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

As is common to non profit organisations who 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 these financial statements.

Qualified audit opinion

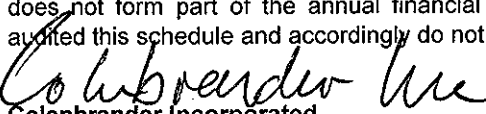
In our opinion, except for the effects of the abovementioned qualification, the financial statements present fairly, in all material aspects, the financial position of the company at 29 February 2008, and the results of its financial performance and cash flows for the year then ended in accordance with South African Statements of Generally Accepted Accounting Practice, and in the manner required by the Companies Act of South Africa.

Emphasis of matter

Without qualifying our opinion we draw attention to Note 11 in the financial statements which indicates that the company incurred a net deficit of R15,625 during the year ended 29 February 2008 and, as of that date, the company's total liabilities exceed its total assets by R18,467. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern.

Supplementary information

Without qualifying our opinion, we draw attention to the fact that the supplementary schedule set out on page 12 does not form part of the annual financial statements and is presented as additional information. We have not audited this schedule and accordingly do not express an opinion on it.


Colenbrander Incorporated
Chartered Accountants (S.A.)
Registered Auditors

Pietermaritzburg
Date:

23 Jun 2008

**DUZI-UMNGENI CONSERVATION TRUST
(ASSOCIATION INCORPORATED UNDER SECTION 21)**

DIRECTORS' REPORT FOR THE YEAR ENDED 29 FEBRUARY 2008

The directors have pleasure in submitting their report together with the audited annual financial statements for the year ended 29 February 2008.

General review

The company commenced operations in 2006. The main business which the company carries on is to assess, monitor, champion and enhance river health along the length of the uMsunduzi and uMngeni rivers through research and strategic partnerships with communities and organisations and raising, facilitating and channelling funding for such purpose.

Financial results

The results of the company 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.

Directors and secretary

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

I W Bailey
S D Cohen
G F Evans
C S Everson
T R Gorven
P M Graham
C A Haycock
B M James
D A Still

The company secretary during the accounting period and up to the date of this report was as follows:

Colenbrander Incorporated
PO Box 3699
Pietermaritzburg
3200

Auditors

Colenbrander Incorporated will be available for re-appointment as auditor at the Annual General Meeting.

**DUZI-UMNGENI CONSERVATION TRUST
(ASSOCIATION INCORPORATED UNDER SECTION 21)**

BALANCE SHEET AT 29 FEBRUARY 2008

	Notes	2008 R	2007 R
ASSETS			
Non-current assets			
Property, plant and equipment	2	25,550	40,511
Loans receivable	3	25,550	37,590
		-	2,921
Current assets			
Contract work in progress	4	128,031	45,879
Trade receivables		66,000	-
Bank and cash balances	5	-	3,542
		62,031	42,337
Total assets		<u>153,581</u>	<u>86,390</u>
EQUITY AND LIABILITIES			
Equity			
Accumulated deficit		(18,467)	(2,842)
		(18,467)	(2,842)
Non-current liabilities			
Long-term borrowings	6	105,049	66,975
		105,049	66,975
Current liabilities			
Trade and other payables		66,999	22,257
		66,999	22,257
Total equity and liabilities		<u>153,581</u>	<u>86,390</u>

**DUZI-UMNGENI CONSERVATION TRUST
(ASSOCIATION INCORPORATED UNDER SECTION 21)**

INCOME STATEMENT FOR THE YEAR ENDED 29 FEBRUARY 2008

	Note	2008 R	2007
Income		349,213	314,949
Expenses		(364,838)	(317,791)
Deficit for the year	7	<u>(15,625)</u>	<u>(2,842)</u>

**DUZI-UMNGENI CONSERVATION TRUST
(ASSOCIATION INCORPORATED UNDER SECTION 21)**

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED
29 FEBRUARY 2008**

	Revaluation reserve R	Accumulated deficit R	Total R
Balance at 28 February 2007	-	(2,842)	(2,842)
Net loss for the period	-	(15,625)	(15,625)
Balance at 29 February 2008	<u>-</u>	<u>(18,467)</u>	<u>(18,467)</u>

**DUZI-UMNGENI CONSERVATION TRUST
(ASSOCIATION INCORPORATED UNDER SECTION 21)**

CASH FLOW STATEMENT FOR THE YEAR ENDED 29 FEBRUARY 2008

	Notes	2008 R	2007 R
Net cash withdrawn from / retained in operating activities		(21,301)	29,450
Cash (utilised by)/generated from operating activities	8.1	(21,301)	29,450
Cash flows from investing activities		2,921	(54,088)
Purchase of property, plant and equipment		-	(51,167)
To increase operating capacity		-	(51,167)
Repayment / (issue) of long term loan		2,921	(2,921)
Cash flows from financing activities		38,074	66,975
Proceeds from long term borrowing		38,074	66,975
Net increase in cash & cash equivalents		19,694	42,337
Cash and cash equivalents at beginning of period		42,337	-
Cash and cash equivalents at end of period	8.2	62,031	42,337

**DUZI-UMNGENI CONSERVATION TRUST
(ASSOCIATION INCORPORATED UNDER SECTION 21)**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED
29 FEBRUARY 2008**

1. Accounting policies

The following are the principal accounting policies of the company, which 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 on the historical cost basis, except as modified by the revaluation of freehold land and buildings.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation. Other than freehold land and buildings on which depreciation is not provided, depreciation is recorded by a charge to income computed on the straight line basis so as to write off the cost of the assets over their expected useful lives. The expected useful lives are as follows:

Equipment	Years 3 - 7
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Contract work in progress

Contract work in progress is valued at the estimated recoverable value of work performed not invoiced.

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 once received in cash or any other form.

Comparative figures

Where necessary, comparative figures may be adjusted to conform with any changes in presentation in the current year.

2. Property, plant and equipment	2008			2007		
	Cost R	Accum. deprec R	Carrying value R	Cost R	Accum. deprec R	Carrying value
<i>Owned assets</i>						
Equipment	48,500	(22,950)	25,550	48,500	(10,910)	37,590
	<u>48,500</u>	<u>(22,950)</u>	<u>25,550</u>	<u>48,500</u>	<u>(10,910)</u>	<u>37,590</u>

The carrying amounts can be reconciled as follows:

Owned assets	Carrying value at beginning of year R	Additions R	Impairment of asset R	Disposals R	Deprec. R	Carrying value at end of year R
	Equipment	37,590	-	-	-	(12,040)
	<u>37,590</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(12,040)</u>	<u>25,550</u>

**DUZI-UMNGENI CONSERVATION TRUST
(ASSOCIATION INCORPORATED UNDER SECTION 21)**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED
29 FEBRUARY 2008**

	2008 R	2007 R
3. Loans receivable		
N Chonco		
Balance at beginning of year	2,921	-
Advances	2,186	3,115
Repayments	(5,107)	(194)
Balance at end of year	<u>-</u>	<u>2,921</u>

The above loan is unsecured, bears no interest and has no fixed terms of repayment.

4. Contract work in progress

WRC Storm Water Ingress	60,000	-
CSIR Dialogue	6,000	-
	<u>66,000</u>	<u>-</u>

The above work in progress items relate to contract work which has been done but was not yet invoiced at year end.

5. Bank and cash balances

Bank and cash balances at year end comprise:

Petty cash	550	1,081
Nedbank current account	61,481	41,256
	<u>62,031</u>	<u>42,337</u>

6. Long-term borrowings

Partners In Development (Pty) Ltd loan which is unsecured, will bear interest at 1% per month from 1 March 2008, and has no fixed terms of repayment but is considered to be long term in nature.

<u>105,049</u>	<u>66,975</u>
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7. Deficit for the year

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

Income from:		
Levies	70,030	61,940
Auditors remuneration		
Audit fees	435	1,964
Depreciation		
Equipment	12,040	10,910

**DUZI-UMNGENI CONSERVATION TRUST
(ASSOCIATION INCORPORATED UNDER SECTION 21)**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED
29 FEBRUARY 2008**

	2008 R	2007 R
8. Notes to the cash flow statement		
8.1 Reconciliation of net profit before taxation to cashflows from operations		
Net profit before taxation	(15,625)	(2,842)
Adjustments for :		
Depreciation	12,040	10,910
Impairment of assets	-	2,667
Operating (loss) / profit before working capital changes	<u>(3,585)</u>	<u>10,735</u>
Working capital changes		
Decrease/(Increase) in trade receivables	3,542	(3,542)
Increase in trade and other payables	44,742	22,257
Cash generated from operations	<u>(21,301)</u>	<u>29,450</u>
8.2 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:		
Cash on hand and balances with banks	<u>62,031</u>	<u>42,337</u>
	<u><u>62,031</u></u>	<u><u>42,337</u></u>

9. Taxation

No taxation has been provided for as the company has been registered as an association incorporated under section 21 of the Companies Act, as well as with SARS as a Non Profit Organisation and is therefore not liable for any income tax expense.

**DUZI-UMNGENI CONSERVATION TRUST
(ASSOCIATION INCORPORATED UNDER SECTION 21)**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED
29 FEBRUARY 2008**

	2008 R	2007 R
10. Related party disclosure		
<i>Related party relationships:</i>		
- I W Bailey		Director
- S D Cohen		Director
- G F Evans		Director
- C S Everson		Director
- T R Gorven		Director
- P M Graham		Director
- C A Haycock		Director
- B M James		Director
- D A Still		Director
- Partners In Development (Pty) Ltd		D A Still is director of this entity
<i>Related party transactions:</i>		
Purchases	14,444	87,799
For convenience some of the entity's purchases are made using Partners In Development (Pty) Ltd trade accounts. The purchases are refunded within the next two months and no interest is charged.		
<i>Related party balances:</i>		
Long-term borrowings	105,049	66,975
Trade payables	-	(210)
	<u>105,049</u>	<u>66,765</u>
This long term loan has arisen as a result of Partners In Development (Pty) Ltd employee, Su Erskine, who had rendered services to Duzi-Umngeni Conservation Trust. Her salary has continued to be paid by Partners In Development (Pty) Ltd.		

11. Going concern

As at 29 February 2008, the company is technically insolvent. It incurred a net loss of R15,625 and its total liabilities exceed its total assets by R18,457. In our opinion the going concern assumption is still adequate due to the following factors:

- This is the company's second year in operation
- This is a company incorporated under section 21 and is not created to be profitable, but rather to achieve its main objects and to be sustainable.
- The directors are not aware of any reason why the entity may not continue as a going concern for the foreseeable future.
- The forecasts and budgets of the management of the entity, indicate that the company will be sustainable and that the company will be solvent in the coming financial period.

**DUZI-UMNGENI CONSERVATION TRUST
(ASSOCIATION INCORPORATED UNDER SECTION 21)**

**DETAILED INCOME STATEMENT FOR THE YEAR ENDED
29 FEBRUARY 2008**

	2008 R	2007 R
Income	349,213	314,949
General donations	66,615	124,077
Equipment donations	-	27,780
KNCU Levies	70,030	61,940
Dusi Charity Batch	55,597	40,831
Ngwenya Charity Batch	3,330	4,942
Duzi-Mfula race	11,952	-
September river clean up	47,203	24,742
Equipment hire	2,170	150
Project income	17,271	10,544
Blue Lagoon Conservancy	7,200	12,700
Campsdrift Conservancy	600	-
Howick	1,245	5,500
Contract work in progress	66,000	-
Miscellaneous	-	1,743
Expenses	(364,838)	(317,791)
Accounting fees	435	1,964
Finance costs		
- Bank charges	852	(21)
- Depreciation	12,040	10,910
- Impairment loss	-	2,667
Office expenses		
- Stationery	799	2,592
- Website	2,451	342
- Office rental	-	-
- Printing and photography	8,106	293
- Catering and room hire	4,931	4,178
- Equipment	-	686
- Telephone	1,818	-
- Legal costs	1,770	2,000
- Advertising costs	5,358	48
- Postage and courier	940	337
Project expenditure		
- Blue Lagoon	10,200	9,895
- September river clean up	41,464	24,829
- Duzi Canoe Marathon	2,318	3,799
- Duzi-Mfula race	7,080	-
- Duzi PMB workers	44,137	50,191
- Trash booms	6,648	14,982
- Erosion control	3,002	7,852
- Howick	391	4,651
- Equipment	1,247	3,509
- Msunduzi sewers	3,375	-
- Ngwenya Charity Batch	34	1,450
- Signage	2,500	-
- Project costs	67,093	10,544
- Sundry expenses	684	1,863
Staff costs		
- Clothing	314	1,382
- Transport	7,650	1,788
- Wages	127,201	155,060
Net deficit for the year	(15,625)	(2,842)

This supplementary schedule does not form part of the annual financial statements and is unaudited.