



**ANNUAL
REPORT
2016**



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Vision

To remain a leading non-profit organisation that harnesses resources, to benefit socio-economic development initiatives in South Africa.

Mission

We, the management of the Uthungulu Community Foundation (UCF), here set forth our belief and purpose for which the Foundation was established: to harness resources from local, national and international donors, to support and develop mutually beneficial partnerships that promote socio-economic values based on sustainability, self-development and public accountability.

The basic purpose of the Foundation is to perpetuate a community foundation that engages with local communities, to render needed and necessary services to its communities. We do this through grant-issuing, capacity-building training, research and development, as well as through promotion of socio-economic values based on public accountability and social justice.

Objectives

UCF's objectives are to:

- Improve the quality of life in local communities
- Establish, promote and maintain a sound community-rooted growth fund, to support deserving community-based non-profit organisations
- Mobilise diverse community resources and public support for UCF's programmes
- Instil confidence in local communities, through revival of traditional and other forms of philanthropic practices
- Promote and develop socio-economic values based on fairness, mutual respect, integrity and public accountability.





What is UCF?

The will to win is worthless if you do not have the will to prepare

The Uthungulu Community Foundation (UCF) is a non-profit organisation officially launched on 03 July 1999. The organisation dedicates itself to improving the quality of life in its defined geographical areas: The uThungulu and uMkhanyakude District Municipalities.

At the official launch His Majesty, King Goodwill Zwelithini, the Foundation's Patron, unveiled a memorial plaque that remains displayed at the Foundation's offices in Richards Bay, South Africa.

Seed funding for the establishment of the Foundation had come from Ford Foundation, Charles Stewart Mott Foundation, BHP Billiton and Rio Tinto, through Richards Bay Minerals (RBM). Southern African Grant-Makers Association and the Zululand Chamber of Business had facilitated this process.

In the process of developing and building local communities, UCF works with and through carefully identified community-based organisations. Internationally, UCF remains an active participant between South Africa and global community foundations. These strategic networks ensure that UCF remains a global player in the field of community foundations.



How does UCF operate?

As a community-based organisation, UCF, in the process of developing local communities, works with and through other non-profit and community-based organisations that subscribe to the Foundation's values, mission and objectives. To this end, everybody qualifies to remain a donor to the Foundation: individuals, and private and public sector organisations.

The shared approach to generating funds for the Foundation helps pool together resources, to benefit local communities, in the form of grants issued to deserving and needy non-profit and community-based organisations.

UCF's primary objective with small grants to deserving and needy organisations is to encourage charitable organisations to save "for a rainy day", and to assist local communities on a continuous basis.

As a Community Foundation, UCF accepts a variety of donations: cash, property, shares and stock. Donors can contribute, for example, to improve the state of education in their local community, help the unemployed or deal with criminal activities.



What you can do,

or dream you can do, begin it...

Begin it and the work will be completed



OUR ASPIRATIONS ARE OUR POSSIBILITIES

His Majesty, King Goodwill Zwelithini: UCF Patron

I would like to take this opportunity and register my deepest gratitude to all stakeholders who continue to lend support to the Foundation. The Foundation, as articulated in its mission and objectives, exists, among other things, to address the socio-economic challenges of poverty, unemployment, and starvation, as well as serve as a convener of conflicting interests within our local communities. I would also like to members of the Board for volunteering their time and talents, to benefit the Foundation.

During the year under review the Foundation managed to issue grants to some deserving and needy community-based organisations. In this regard, the Foundation clearly demonstrated that as it continues to develop and grow, other non-profit organisations also need to be developed. I suppose I am right to state that no individuals or organisation would fail to thank the Foundation for constantly demonstrating that it subscribes to strict financial controls and principles of corporate governance.

It should also be mentioned that without contributions from individuals and donor organisations, the Foundation would have struggled to achieve its development objectives. As Patron of the Foundation, please accept my sincere thanks to each of you. As I normally do every year in my review of the Foundation's operations, this year I would also like to reiterate my call to individuals, and private and public sector organisations to find ways of working with the Foundation in the process of developing local communities. The Foundation has been in the community development field for over 15 years. Such years of experience can certainly be strengthened through collaboration among identified development partners.



KNOWLEDGE IS A TREASURE BUT PRACTICE IS THE KEY TO IT

Busisane Mathebula: UCF Chairperson

The year under review marks the second year of UCF's strategic plan conducted at the beginning of the year 2015. This is the year of taking stock while challenging ourselves to aim for higher and better results amid a rapid and changing development environment, complicated by severe drought conditions and high levels of unemployment and criminal activities.

Looking back, we have made great strides as an organisation in continuing with our services to local communities. We issued, as in the past years, grants and managed to provide various services and advice to other non-profit organisations. Above all, and with help from some local organisations, we provided training workshops to 47 young and unemployed job seekers.

Interestingly, the year under review is probably one of the best performing years in the Foundation's 16 years of existence. This is largely attributed to the diligence and hard work of management, staff and a very supportive Board. These achievements occurred against widespread negative global socio-economic growth and shrinking economies. The direct felt impact on UCF was that a number of traditional donor organisations that have been supporting the Foundation in the past phased out their support, without providing reasons for doing so. We will continue to approach these organisations.

Long-term investments made over the years helped sustain the organisation and run its normal programmes. However, this situation requires of the Foundation to make some adjustments in the way we have been operating. We do hope this situation will improve and prevent us from resorting to dramatic and drastic changes that might impact negatively on local communities. We will continue to monitor and manage the situation to the best of our ability.

Lastly, let me take this opportunity and invite you to have a pleasant read of what we have been doing and, also, welcome your feedback on what we can do better.



REAL LEADERS ARE ORDINARY PEOPLE WITH EXTRAORDINARY DETERMINATION

Chris Mkhize: UCF CEO

“No man really becomes a fool until he stops asking questions”

The year under review was certainly a significant year in the history of the UCF. Funding to non-profit organisations in our region affected negatively almost all non-profit organisations. In this drama, UCF could also not be spared. To keep our heads above water, and continue to issue grants and manage our normal operations, we had to tap into our long-term investments.

Other local non-profit organisations came to us for advice or guidance on how they could go about devising survival strategies. We were lucky in that we had some understanding of operations of global and domestic markets. Whilst we managed to make adjustments to our spending patterns, we had not strategy of exercising some control over global and domestic markets. We also did not want to exert pressure on local donor organisations. We understood clearly the challenges they were also facing.

We hope the socio-economic conditions of the years 2014/2015 will improve for the better in the years 2016/2017. We will again visit our local individual donors and private and public sector donor organisations for continued financial and other forms of support to the UCF. The Foundation renders a variety of services to local communities, and these include services to educational institutions and others. In this regard, the Foundation continues to persuade private and public sector organisation to consider partnering with the Foundation in the process of investing in local communities on a sustained basis.

Over the past years, the Foundation enjoyed full support from local individuals and private and public sector organisations in the Zululand region, KZN, South Africa. These relationships continue to benefit immensely local communities and non-profit organisations that do good work in our local communities. Indeed, the UCF remains proud of the way in which some local individuals, and private and public donor organisations continue to lend a hand of support to the Foundation. Please keep up the good work you do for your local communities!

Principles

“Communities are built across generations. We grow, learn and thrive in the surroundings sewn by those before us. As time goes on, we till the ground anew, to leave our own mark. For the past 101 years global community foundations have provided the tools, expertise and leadership, to facilitate and foster the spirit of generosity” - American Council on Foundations (2015).

The following are community foundation principles

- Build and maintain a reputation of integrity, competence and professionalism
- Make their mission, goals and programmes public, so that they could be accessible to anyone who might benefit from them
- Use the resources they manage solely for charitable and public benefit purposes
- Ensure maximum transparency of their actions and decisions, thus improving public awareness and confidence in the non-profit sector
- Base their work and grant-making decisions on objectivity
- Adhere to the principles of tolerance and non-discrimination of applicants
- Introduce and encourage policies to avoid all forms of conflict of interest
- Treat all applicants with respect and protect the confidentiality of intellectual ideas and personal information they may have become privy to in processing applications for funding
- Use their financial and human resources in the most effective manner to the benefit of society
- Ensure constant improvement of their organisations, staff and activities, through evaluation and self-evaluation.

Challenges

“This time, like all other times, is a very good one if we but know what to do with it”

- Non-profit and community-based organisations depend entirely on donations and long-term investments to sustain their organisations. These resources may not always be available to drive the organisation’s programmes
- Duplication of services among the development sectors: non-profit organisations, and private and public sector organisations remain a challenge to coordinated and integrated socio-economic development
- Inadequate funding to meet the needs of local community-based organisations that do good work in the local community also remain a challenge for community development agencies
- Developing a sustained culture of philanthropy in South Africa remains a challenge
- High challenge of poverty, unemployment and limited access to information required for sustained socio-economic development.is still a challenge for some community development agencies.

2015 Funded Projects

Amangwe Village

Amangwe Village is located at KwaMbonambi Area, under the uMfolozi Municipality. The organisation was established as a project of the Zululand Chamber of Business Foundation to address the impact of HIV/AIDS in rural communities, through strengthening the capacity of communities to deal with the Aids pandemic. Amangwe Village became an independent NPO in May 2012. The organisation is currently rendering services to 28,000 people in the rural areas. The group members suffer from chronic diseases such as HIV/AIDS, TB, Cancer, Heart, Diseases, and Epilepsy etc. The organisation's aim is to support groups to provide support to patients disclosing their HIV/AIDS status, and, also, support members not to default on treatment. This initiative is supported by Government Clinics and patients receive their treatment now at the group meetings. Clinics staff is taking the treatment to the group members during their monthly meetings.

Grant received from the Uthungulu Community Foundation assisted the Centre to purchase Gardening tools, seedlings and training manuals.



Eshowe Environmental Education

Eshowe Environmental Education Centre is located within the uMlalazi Municipality, Eshowe, next to the Dlinza Forest. This Centre provides support for teaching and learning processes. Local schools utilise the Centre for accessing resources they may not have. The Centre also helps local schools develop programmes that create opportunities for schools to have capacity to enrich the provided school curricular.

The project was initiated to coordinate teaching and learning processes in schools surrounding the area of Eshowe, improve the quality of teaching and learning, and support curriculum implementation within the education system. This project seeks to produce competent teachers and learners in South Africa. Grant funding from the Uthungulu Community Foundation assisted the Centre to buy shelves to display books in the Library, 20 tables to mount computers, and 20 chairs for the computer laboratory.



2015 Funded Projects

Lungelo Youth Development

Lungelo Youth Development Project is located at the Mzingazi Current, Ward 1, uMhlathuze Municipality. This project seeks to address identified social ills within the local community. Some of the services the Lungelo Youth Development include a Day Care Facility, Library and a Life Skills Training Centre. The project provides life-orientation skills to children and youth, to grow and become responsible adults in their later years. These interventions help participating children and youth with education, to improve reading and numeracy skills. Above all, these interventions help instil in participants a culture of learning and reading. Participants are also taught and encouraged to learn to think of various ways of respecting and preserving the environment.

The Day Care Facility takes mainly children from child-headed families and teenage learners who still want to go back to school and complete their Grade 12. The Centre provides an environment where children can feel loved, protected, respected, and provided with a balanced nutrition for personal growth and development. As a developmental educational centre, Lungelo Youth Development also provides assistance with homework to participating learners. The Centre also provides English lessons (reading and writing), motivational talks, educational workshops (life skills), netball team, and gospel music. Grant funding from Uthungulu Community Foundation provided a crèche at the project with kitchen equipment, classroom equipment, library books and teaching aids.



Okwethu Multi-Services

Tusani Trading Enterprise Trading as Okwethu Multi-Services is located at the Zululand Chamber of Business Foundation. The services that Okwethu offers are signage, printing, branding, banners, screen printing, business cards, PPE, heat press, embroidery and other handwork. The project is managed by young, and hard-working and energetic youth. Grant from the Uthungulu Community Foundation helped the organisation to develop further develop its business.



2015 Funded Projects

Shayamoya Community Crèche

Shayamoya Community Crèche is located at Shayamoya area, Ward 12, KwesakwaMthethwa Reserve, under Mhlana Traditional Authority. The building infrastructure was donated by the uMfolozi Municipality. This project was established in the year 2011 and at present it accommodates 69 children. The project protects the interest of children and promotes their well-being. To enable these children to acquire necessary life skills and also obtain an early education, the projects remains accessible to a number of schools in the area. Grant received from the Uthungulu Community Foundation assisted the crèche to buy jolly tables, chairs, mattresses and install playground equipment.



Sokhulu Ebenezer Crèche

Sokhulu Ebenezer Crèche Project is located at Malaleni Reserve, KwaSokhulu Ward 4, uMfolozi Municipality. This project was established in the year 2012. At the moment the project enrolls 79 children. Its aim is to provide quality basic education, to enable young children to acquire necessary life skills, and also provide some early education to participating children. Grant received from Uthungulu Community Foundation assisted the crèche to buy office equipment and install a jungle gym.

Other 2015 Community Projects:

- Umhlathuze Crèche
- Crossroads Educational Interventions
- Swana School and Assessment
- Isivandesethu Agricultural Co-operative
- Tshalanathi Youth Project
- Nhlabosini Co-operative LTD
- Umthanduze Blocks Making Co-operative
- The Rainbow Circle Organisation
- Nazi Disabled Multipurpose Co-operative



Board of Trustees



Busisani Mathebula
Chairperson

Chief Community Facilitation Officer
(CCF)



Natalie Keegan
Trustee

Communication Practitioner/Specialist:
Tronox KZN Sands



Jim Matsho
Trustee

KZN - BMF Chairperson



Bonga Strydom
Trustee

Community Development Manager:
Ntambanana Municipality



Thabatha Shange
Trustee

Owner & Managing Member:
Ubuqotho Integrity Institute (Pty) Ltd



Tom Buthelezi
Trustee

Chief Executive Officer:
Umbele Trust



Bhekani Thabethe
Trustee

Managing Director:
Khula Art Centre



Zinhle Ndaba
Trustee

Community Developer/Teacher



Nondumiso Ndebele
Trustee

Project Administrator/Co-ordinator



Sipho Mkhwanazi
Trustee

SHERC Manager:
TRONOX KZN Sands

Donors

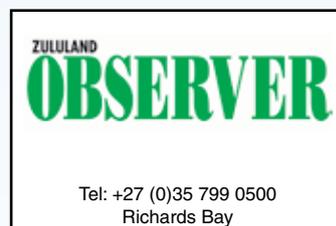


The uThungulu Community Foundation gratefully received a donation of R100 000 from First National Bank. Through the Foundations' multi-faceted services to local communities, First National Bank decided to partner with the Foundation by joining other local private sector organisations already making annual contributions to the process of developing local communities.

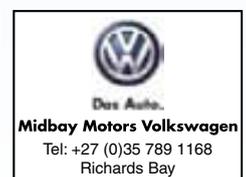
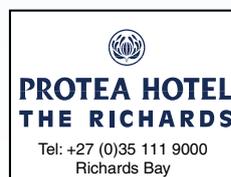
The Foundation believes that a strong civil society is built upon and draws its

strength from people and organisations who work together for the betterment of that society. One expression

of this concept of people and organisations helping people for the common good can be found at the local community. This donation was mainly used for education and small enterprise development, which are key areas in the growth of local communities and its' economy.



Sponsors



General Information

Country of incorporation and domicile	South Africa
Business Address	ZCBF Community Park South Central Arterial Alton Richards Bay 3900
Postal Address	P.O. Box 1748 Richards Bay 3900
Bankers	FirstRand Bank Limited
Auditors	Hills & Associates Inc. Chartered Accountants (S.A.) Registered Auditors
Tax reference number	9089065164

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

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Trustees' Responsibilities and Approval

The trustees are required 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 foundation as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standards of Small and Medium-sized Entities. The external auditors are engaged to express an independent opinion on the annual financial statements.

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

The trustees acknowledge that they are ultimately responsible for the system of internal financial control established by the foundation and place considerable importance on maintaining a strong control environment. To enable the trustees to meet these responsibilities, the board 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 foundation and all employees are required to maintain the highest ethical standards in ensuring the foundation's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the foundation is on identifying, assessing, managing and monitoring all known forms of risk across the foundation. While operating risk cannot be fully eliminated, the foundation endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The trustees 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 trustees have reviewed the foundation's cash flow forecast for the year to 28 February 2017 and, in the light of this review and the current financial position, they are satisfied that the trust has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the trust's annual financial statements. The annual financial statements have been examined by the foundation's external auditors and their report is presented on page 15.

The annual financial statements set out on pages 16 to 19 which have been prepared on the going concern basis, were approved by the board on 26 May 2016 and were signed on its behalf by



Chairperson Of The Board



Board Member

Richards Bay
26 May 2016

Independent Auditor's Report

To the trustees of Uthungulu Community Foundation

We have audited the annual financial statements of Uthungulu Community Foundation, as set out on pages 16 to 19, which comprise the statement of financial position as at 29 February 2016, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Trustees' Responsibility for the Annual Financial Statements

The foundation's trustees are responsible for the preparation and fair presentation of these annual financial statements in accordance with the International Financial Reporting Standards of Small and Medium-sized Entities and requirements of the Non-profit Organisations Act, and for such internal control as the trustees determine is necessary to enable the preparation of annual financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these annual 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 whether the annual financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the annual financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the foundation's preparation and fair presentation of the annual 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 foundation'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 annual financial statements.

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

Opinion

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Uthungulu Community Foundation as at 29 February 2016, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small to Medium-sized Entities.



Hills & Associates
Chartered Accountants (S.A.)
Registered Auditors

26 May 2016
Empangeni

Statement of Financial Position as at 29 February 2016

Figures in Rand	Note(s)	2016	2015
Assets			
Non-current Assets			
Property, plant and equipment	2	7,637	6,140
Other financial assets	3	18,530,045	19,109,456
		18,537,682	19,115,596
Current Assets			
Trade and other receivables	4	-	5,000
Cash and cash equivalents	5	2,104,895	39,386
		2,104,895	44,386
Total Assets		20,642,577	19,159,982
Equity and Liabilities			
Equity			
Capital		5,606,621	5,606,621
Accumulated surplus		14,870,217	13,430,612
		20,476,838	19,037,233
Liabilities			
Current Liabilities			
Trade and other payables	6	116,511	122,749
Retained funds	7	49,228	-
		165,739	122,749
Total Equity and Liabilities		20,642,577	19,159,982

Statement of Comprehensive Income

Figures in Rand	Note(s)	2016	2015
Revenue			
Donations received		2,117,680	772,559
Other income			
Dividends received	8	123,226	121,901
Fair value adjustments to investments	9	571,995	1,485,645
Fundraising income		-	30,800
Interest received	8	352,203	396,802
		1,047,424	2,035,148
Operating expenses			
Administration and management fees		77,466	70,424
Advertising		27,933	32,096
Auditors remuneration		16,986	16,197
Bank charges		4,679	4,626
Computer expenses		1,593	-
Consulting and professional fees		990	6,500
Depreciation		6,101	5,096
Donations and grants paid		484,583	533,443
Employee costs		831,050	742,365
Fundraising expenses		-	54,700
Insurance		10,143	13,812
Lease rentals on operating lease		87,680	79,709
Meetings and board expenses		43,846	45,080
Motor vehicle expenses		17,163	11,581
Petrol and oil		42,255	40,791
Printing and stationery		15,186	12,233
Repairs and maintenance		12,950	14,636
Staff welfare		1,777	2,075
Telephone and fax		13,630	11,647
Training		8,637	25,904
Travel		20,851	8,490
		1,725,499	1,731,405
Operating surplus		1,439,605	1,076,302
Finance costs		-	(12)
Surplus for the year		1,439,605	1,076,290

Statement of Changes in Equity

Figures in Rand	Trust capital	Accumulated surplus	Total equity
Balance at 01 March 2014	5,606,621	12,354,322	17,960,943
Surplus for the year	-	1,076,290	1,076,290
Balance at 01 March 2015	5,606,621	13,430,612	19,037,233
Surplus for the year	-	1,439,605	1,439,605
Balance at 29 February 2016	5,606,621	14,870,217	20,476,838

Statement of Cash Flows

Figures in Rand	Note(s)	2015	
Cash flows from operating activities			
Cash receipts from donors		2,035,000	718,650
Cash paid to suppliers and employees		(1,588,728)	(1,623,309)
Cash generated from (used in) operations	11	446,272	(904,659)
Interest received		352,203	396,802
Dividends received		123,226	121,901
Finance costs		-	(12)
Net cash from operating activities		921,701	(385,968)
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(7,598)	-
Net movements in investments		1,151,406	240,687
Net cash from investing operations		1,143,808	240,687
Total cash and cash equivalents movement for the year		2,065,509	(145,281)
Cash and cash equivalents at the beginning of the year		39,386	184,667
Total cash and cash equivalents at end of the year	5	2,104,895	39,386

Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities. The annual financial statements have been prepared on the historical cost basis, except for the measurement of certain financial instruments at fair value, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

1.1 Property, plant and equipment

Property, plant and equipment are tangible items that:

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

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

Cost includes all costs incurred to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is provided using the straight-line method to write down the cost, less estimated residual value over the useful life of the property, plant and equipment, which is as follows:

Item	Depreciation method	Average useful life
Motor vehicles	Straight line	4-5 years
IT equipment	Straight line	3 years

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss in the period.

1.2 Financial instruments

Initial measurement

Financial instruments are initially measured at the transaction price. This includes transaction costs, except for financial instruments which are measured at fair value through surplus or deficit.

Financial instruments at amortised cost

Debt instruments, as defined in the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At the end of each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If so, and impairment loss is recognised.

Financial instruments at cost

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably are measured at cost less impairment.

Financial instruments at fair value

All other financial instruments are measured at fair value through profit and loss.

1.3 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term except in cases where another systematic basis is representative of the time pattern of the benefit from the leased asset, even if the receipt of the payments is not on that basis, or where the payments are structured to increase in line with expected general inflation.

1.4 Impairment of assets

The foundation assesses at each reporting date whether there is any indication that an asset may be impaired.

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

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

1.5 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as leave pay and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

1.6 Revenue

Revenue from donations is recognised upon receipt of the donations.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

Dividends are recognised, in surplus or deficit, when the trust's right to receive payment has been established.

Notes to the Annual Financial Statements

Figures in Rand 2016 2015

2. Property, plant and equipment

	2016			2015		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Furniture and fixtures	3,420	(1,482)	1,938	3,420	(855)	2,565
Motor vehicles	151,696	(151,696)	-	151,696	(151,696)	-
IT equipment	24,127	(18,428)	5,699	16,528	(12,953)	3,575
Total	179,243	(171,606)	7,637	171,644	(165,504)	6,140

Reconciliation of property, plant and equipment - 2016

	Opening balance	Additions	Depreciation	Total
Furniture and fixtures	2,565	-	(627)	1,938
IT equipment	3,575	7,598	(5,474)	5,699
	6,140	7,598	(6,101)	7,637

Reconciliation of property, plant and equipment - 2015

	Opening balance	Depreciation	Total
Furniture and fixtures	3,192	(627)	2,565
IT equipment	8,044	(4,469)	3,575
	11,236	(5,096)	6,140

3. Other financial assets

At fair value

Allan Gray Stable Fund	2,164,081	2,000,313
Coronation Capital Plus Fund	1,832,442	1,949,214
Momentum Best Blend Flexible Income ABIL Retention	34,663	17,893
Momentum Best Blend Income Fund	463,849	938,626
Nedgroup Investments Global Equity Fund of Funds	1,571,967	1,195,615
Prudential Inflation Plus Fund	2,022,452	2,045,601
PSG Mayibentsha Moderate Fund of Funds	3,354,287	3,199,537
Seed Absolute Return Fund	3,970,451	3,993,734
Strategic Investment Service Inflation Plus 5 - 7	3,115,854	3,768,923
	18,530,046	19,109,456

Non-current assets

At fair value	18,530,045	19,109,456
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The fair values of listed or quoted investments are based on the quoted market price at reporting period date.

4. Trade and other receivables

Other receivable	-	5,000
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Notes to the Annual Financial Statements

Figures in Rand	2016	2015
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5. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	2,000	2,000
Bank balances	2,102,895	37,386
	2,104,895	39,386

6. Trade and other payables

Trade payables	3,478	4,178
Leave pay accrual	113,033	118,571
	116,511	122,749

7. Retained funds

Reconciliation of retained funds - 2016

	Opening balance	Additions	Utilised during the year	Total
South 32 Project	-	270,000	(220,772)	49,228

8. Investment income

Dividends received

Unit trusts	123,226	121,901
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Interest received

Unit trusts	325,369	387,413
Bank	26,834	9,389
	352,203	396,802
	475,429	518,703

9. Fair value adjustments

Unit trusts	571,995	1,485,645
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10. Taxation

No provision had been made for 2015 as the foundation is exempt from taxation in terms of section 10(1)(cN) of the Income Tax Act.

10. Cash generated from (used in) operations

Surplus before taxation	1,439,605	1,076,290
Adjustments for:		
Depreciation and amortisation	6,101	5,096
Dividends received	(123,226)	(121,901)
Interest received	(352,203)	(396,802)
Finance costs	-	12
Fair value adjustments	(571,995)	(1,485,645)
Movements in funds	49,228	-
Changes in working capital:		
Trade and other receivables	5,000	(5,000)
Trade and other payables	(6,238)	23,291
	446,272	(904,659)

Getting Involved

Say thank you to your community by getting involved with Uthungulu Community Foundation.



Please complete and return this form to us and we will be happy to meet with you to discuss the various options available to you.

Yes, I would like to donate (please tick relevant amount)

- | | | | |
|-----------------------------------|------------------------------------|----------------------------------|----------------------------------|
| <input type="checkbox"/> R50 | <input type="checkbox"/> R100 | <input type="checkbox"/> R500 | <input type="checkbox"/> R1 000 |
| <input type="checkbox"/> R5 000 | <input type="checkbox"/> R10 000 | <input type="checkbox"/> R20 000 | <input type="checkbox"/> R50 000 |
| <input type="checkbox"/> R100 000 | <input type="checkbox"/> R100 000+ | | |

Please send more information on:

- Donating to uthungulu Community Foundation
- Leaving a bequest
- How the Foundation can work with our community/cause
- Volunteering/pro bono work

If you are interested in volunteering/pro bono work, please state your area of interest:

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.....

.....

Title: First names:

Surname:

Address: Suburb:

Post Code: Province: Country:

Telephone: Mobile: Mobile:

Facsimile: Email: Email:

Organisation/interest group:

Please return to Uthungulu Community Foundation:
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