

The Durban High School Foundation Trust
IT 1146/1946/PMB

PBO Number : 93022185

Financial Statements

For the 9 months ended 31 December 2013

The Durban High School Foundation Trust
Annual Financial Statements
For the 9 months ended 31 December 2013

Index	Page
Audit Report	3
Report of the Trustees	4
Balance Sheet	5
Income Statement	6
Cash Flow Statement	7
Notes to the financial statements	8-12
Schedule of investments	13

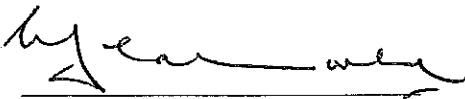
Approval and statement of responsibility.

The financial statements and supporting schedules which appear on page 13 were approved by the trustees on 21st November 2014 and signed on their behalf.

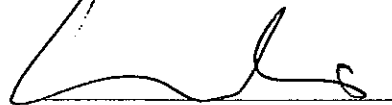
The trustees are responsible for the maintenance of adequate accounting records and the preparation and integrity of the financial statements and related information. The auditors are responsible to report on the fair presentation of the financial statements. These financial statements have been prepared in accordance with the basis of accounting set out in Note 1 of the financial statements.

The trustees are also responsible for the trust's system of internal financial control. These are designed to provide, verify and maintain accountability of assets, and to prevent and detect misstatement and loss. Nothing has come to the attention of the trustees 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 trustees have every reason to believe that the trust has adequate resources in place to continue in operation for the foreseeable future.



CS Seabrooke
Trustee



H J Buttery
Trustee



Tel: +27 10 060 6700
Fax: +27 31 536 8021
www.bdo.co.za

Rydallviews Building
5A Rydall Vale Office Park
38 Douglas Saunders Drive
La Lucia Ridge, 4051
PO Box 47
La Lucia, 4153
South Africa

INDEPENDENT AUDITOR'S REPORT

To the Trustees of the Durban High School Foundation Trust

We have audited the financial statements of The Durban High School Foundation Trust, which comprise the balance sheet as at 31 December 2013 and the income statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 3 to 12.

Trustees Responsibility for the Financial Statements

The Trustees are responsible for the preparation and presentation of these financial statements in accordance with the basis of accounting described in note 1 to the financial statements for the purpose of the Trust. This responsibility includes: determining that the basis of accounting described in note 1 to the financial statements is an acceptable basis for preparing and presenting financial statements in the circumstances; designing, implementing and maintaining internal control relevant to the preparation and presentation of 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

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 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 judgment, 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 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 principles 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.

Audit Opinion

In our opinion the financial statements of The Durban High School Foundation Trust, have been prepared, in all material respects, in accordance with the basis of accounting described in note 1 to the financial statements.

Supplementary information

The supplementary financial information set out on page 13 does not form part of the annual financial statements and are presented as additional information. We have not audited these schedules and accordingly we do not express an opinion on them.

BDO South Africa Incorporated
Registered Auditors
S Jukes
Director

La Lucia Ridge
Date: 21 November 2014

BDO South Africa Incorporated
Registration number: 1995/002310/21
Practice number: 905526E
VAT number: 4910148685

National Executive: S Danste • BJ de Wet • HCS Lopes • FD Schneider • SD Shaw • ME Stewart (Chief Executive) • A van der Hoek
Office Managing Director: ME Stewart (Chief Executive)

The company's principal place of business is at 22 Wellington Road, Parktown, Johannesburg where a list of directors' names is available for inspection. BDO South Africa Incorporated, a South African personal liability company, is a member of BDO Southern African Co-ordination (Pty) Ltd, a South African company, which in turn is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

The Durban High School Foundation Trust
Report of the Trustees
For the 9 months ended 31 December 2013

1 Business and operations

The trust's business and operations and the results thereof are clearly reflected in the attached financial statements. There was no major change in the nature of the trust.

During 2013, the Durban High School and Memorial Trust changed its name to the Durban High School Foundation Trust. Simultaneously, the Durban High School Education Trust, the Durban High School Trust, the DHS Association and the DHS Old Boys Club were merged into the Durban High School Foundation Trust which took over the assets and liabilities of each entity.

2 Events subsequent to year end

Subsequent to year end the Trustees entered into an agreement to dispose of the club house property.

3 Trustees

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

Christopher Stefan Seabrooke - Chairman	Old Boy Class 1970	Appointed	8 July 2013
Donald Robert Spiers	Old Boy Class 1971	Appointed	14 March 2013
Ian Corbishley	Old Boy Class 1964	Appointed	14 March 2013
Robert Bruce Armstrong	Old Boy Class 1981	Appointed	14 March 2013
Richard Alfred Neave	Independent	Appointed	14 March 2013
Stephen Bradley Saad	Old Boy Class 1981	Appointed	14 March 2013
Howard John Buttery	Old Boy Class 1963	Re-appointed	1 August 2014

4 Foundation administration

Michael Fennell	Chief Executor
Robin Mutch	Business Manager
Elizabeth Foster	Database Administrator
Candice Herbst	Public relations and Marketing Manager

5 Contact details

Physical address	255 St Thomas Road, Berea, Durban, 4001
Website	www.dhsfoundation.co.za
E-mail	mfennell@dhsfoundation.co.za
Telephone	031-2012284

Subsequent to year end the Trustees entered into an agreement to dispose of the club house property.

The Durban High School Foundation Trust

Balance Sheet
at 31 December 2013

	Note	9 Months ended December 2013 R	15 months ended March 2013 R
Assets			
Non current assets			
Club House property	1	46 166 525	9 221 276
Listed Investments	2	7 228 787	1 9 221 275
Current assets			
Loan Durban High School	3	1 286 816 1	11 344 344 4 700 000
Loan DHS Old Boys Club	4	-	2 734 332
Bank accounts	5	1 193 751	3 883 118
Debtors	6	93 064	26 894
Total assets		54 682 128	20 565 620
Equity and liabilities			
Trust Capital			
Accumulated income/loss		54 541 430	19 069 419
Capital account	7	(4 853 827)	2 933 927
Capital - benefactors		752 289	752 289
Capital profits	8	161 925	-
Capital - special funds	9	3 393 661	3 721 215
DHS Club revaluation	1	3 460 155	3 457 865
Specific bequests	10	42 734 332	-
Profit on sale of shares	11	2 382 770	2 408 054
Redeemable debentures		6 510 125	5 793 778
Long term Liability		-	2 290
		-	1
Current liabilities			
Creditors	12	140 698	1 496 201
Loan payable	13	-	391 903
		-	1 104 298
Total assets		54 682 128	20 565 620

The Durban High School Foundation Trust

Income Statement

For the 9 months ended 31 December 2013

	Note	9 Months ended December 2013	15 months ended March 2013
		R	R
Income		6 076 267	4 461 246
Dividends received		-	32
Donations received	14	4 308 510	2 163 985
Fair value adjustment		410 048	-
Interest received	15	344 171	327 488
Share Portfolio		308 842	-
Bank		35 329	327 488
Profit on sale of investments		716 347	1 969 741
Rental income		261 667	-
Sundry income		35 524	-
Less expenditure		3 407 422	1 109 429
Accounting fee :		280	50 412
Current year provision		280	35 168
Under provision - prior year		-	1 244
Additional accounting fees		-	6 341
Durban High School Trust		-	4 552
DHS Educational Trust		-	3 107
Audit fee :			
Current year provision		16 623	13 000
Cleaning		11 876	-
Computer expenses		41 528	48 915
Electricity and water		122 044	-
Entertainment		9 408	-
Insurance		40 037	-
Interest paid		1 846	-
Legal fees		120 519	212 993
Office expenses		7 780	16 445
Portfolio fees		22 574	4 085
Printing and stationery		4 425	4 357
Professional fees		144 528	-
Repairs and maintenance		56 409	-
Rent paid		47 391	21 142
Salaries		2 661 448	718 246
Secretarial fees		-	1 200
Security		87 863	-
Telephone and fax		6 475	-
Tax fees		-	11 400
Travel		4 368	7 234
Income for the year		2 668 845	3 351 817
Transfer to Benefactors capital		(716 347)	(1 969 741)
		1 952 498	1 382 076
Donations - Old Boys		57 931	30 000
Donations - Durban High School		5 379 150	991 969
Impairment of loan - Durban High School		4 699 999	-
		(8 184 582)	360 107
Income profit brought forward		2 933 927	2 573 820
(Loss)/Income profit carried forward		(5 250 655)	2 933 927

The Durban High School Foundation Trust

Cash Flow Statement

For the 9 months ended 31 December 2013

	Note	9 Months ended December 2013	15 months ended March 2013
		R	R
Cash flows from operating activities	16	(4 556 177)	399 492
Dividends received		-	32
Fair Value adjustment		410 048	-
Interest received		344 171	327 488
Net cash (outflow)/inflow from operating activities		<u>(3 801 958)</u>	<u>727 012</u>
Cash flows from investing activities			
Loans raised		-	(5 846 934)
Loans written down		4 699 999	
Revaluation of club property		(46 166 526)	
Increase in capital		38 956 596	11 844 432
Decrease/(Increase) in investments		1 992 488	(9 221 275)
Movement of loan to PPE		2 734 332	-
(Decrease)/Increase in loans payable		(1 104 298)	1 104 298
Net cash inflow/(outflow)		<u>1 112 591</u>	<u>(1 392 467)</u>
Bank Balance at beginning of year		<u>3 883 118</u>	<u>5 275 585</u>
Bank Balance at end of year	5	<u>1 193 751</u>	<u>3 883 118</u>

The Durban High School Foundation Trust

Notes to the financial statements at 31 December 2013

1 Accounting policies

The financial statements are prepared in accordance with the principal accounting policies set out below. The financial statements are prepared on the historical cost convention and are consistent with those of the previous year.

1.1 Revenue Recognition

Revenue is generally recognised on the accrual basis.

1.2 Dividends

Dividends are recognised when the last date to register for the dividend has passed.

1.3 Investments

Non current investments are shown at market value and adjustments are made only where, in the opinion of the trustee's, the investment is impaired. Where an investment has been impaired, the impairment loss is charged directly to the Special Funds (capital account) in the period in which the impairment has been identified.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Special Funds (capital account).

1.4 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. Cash and cash equivalents include deposits held at call with banks and investments in money market instruments.

1.5 Impairment of loan

The Trust assesses at each reporting period whether there is an indication that any loans may be impaired, If any such indication exists the Trust estimates the realisable amount and provides for impairment

The Durban High School Foundation Trust

Notes to the financial statements
at 31 December 2013

	9 months ended 31 December 2013	15 months ended 31 March 2013
	R	R
Club House Property		
1		
Opening balance	1	1
Revaluation to market value	42 734 332	-
Capitalised medical centre renovations	3 432 192	-
	<u>46 166 525</u>	<u>1</u>
2		
Listed investments - at market value	<u>7 228 787</u>	<u>9 221 275</u>
Details of listed investments are set out in Schedule 1.		
3		
Loan Durban High School		
Boarding establishment kitchen upgrade Building	137 563	137 563
High Performance Centre	195 825	195 825
Indoor Cricket Centre	733 348	733 348
Vehicle for Headmaster - Jeep	332 128	332 128
Classroom upgrade	197 583	197 583
Bridging finance	658 226	658 226
	<u>2 445 327</u>	<u>2 445 327</u>
	4 700 000	4 700 000
Impairment charge	(4 699 999)	-
Carrying value	<u>1</u>	<u>4 700 000</u>
The above loans are interest free, unsecured and have no fixed terms of repayment.		
4		
Loan DHS Old Boy's Club		
DHS Old Boy's Medical Centre	-	<u>2 734 332</u>
The above loan is interest free, unsecured and has no fixed terms of repayment.		
5		
Bank accounts		
Nedbank corporate saver	94 398	94 398
Money market	59 287	-
Grindrod call deposit	-	3 742 686
FNB Current Account	74 281	-
Petty cash	2 075	-
Grindrod income account	963 709	46 034
	<u>1 193 751</u>	<u>3 883 118</u>

The Durban High School Foundation Trust

Notes to the financial statements (continued)
at 31 December 2013

	9 months ended 31 December 2013 R	15 months ended 31 March 2013 R
6 Debtors		
DHS Foundation trust debtors	25 459	26 894
Club debtors	67 605	-
	<u>93 064</u>	<u>26 894</u>
7 Capital account		
Capital transferred from Durban High School Trust	<u>752 289</u>	<u>752 289</u>
8 Capital profits		
Profit on sale of property	8 944 690	8 944 690
Distribution - Durban High School	(2 366 834)	(2 366 834)
Distribution - DHS Old Boy's Club	(3 184 195)	(2 856 641)
	<u>3 393 661</u>	<u>3 721 215</u>
9 Capital Special Funds		
JK Holmes Bequest	2 000	2 000
Combined scholarship	101 620	99 330
Lillian Readshaw Scholarship	231 000	231 000
Lillian Readshaw Bequest	1 524 009	1 524 009
Cecil Renaud	100 000	100 000
LCW Theobald	323 468	323 468
HG Gray Trust	591 545	591 545
DHS Association Scholarship	84 236	84 236
Combined scholarship ex DHS Trust	502 277	502 277
	<u>3 460 155</u>	<u>3 457 865</u>

The Durban High School Foundation Trust

Notes to the financial statements (continued)
at 31 December 2013

10 Specific bequests

	Pat Goss Fund R	E/L FD Tomlin R	Bronek Masojada R	Total R
Capital transferred from DHS Trust	532 524	712 447	443 430	1 688 401
Capital introduced	590 000	-	-	590 000
Interest	92 013	146 959	28 608	267 580
Distributions	(57 026)	(31 185)	(75 000)	(163 211)
	<u>1 157 511</u>	<u>828 221</u>	<u>397 038</u>	<u>2 382 770</u>

	9 months ended 31 December 2013 R	15 months ended 31 March 2013 R
--	--	--

11 Profit on sale of shares

Balance transferred from DHS Educational Trust	3 824 037	3 824 037
Profit on sale of shares as at 1 April 2013	1 969 741	1 969 741
Profits on sale of shares as per schedule 1	716 347	-
	<u>6 510 125</u>	<u>5 793 778</u>

12 Creditors

Foundation Dinner	20 353	-
Accruals	120 345	-
Accounting fee DHS Old Boys Memorial Trust	-	13 903
Accounting fee The DHS Foundation Trust	-	12 000
Accounting fee DHS Educational Trust	-	35 167
Accounting fee Durban High School Trust	-	10 889
Accrual - tax fees	-	11 400
Accrual PAYE/UIF	-	225 032
Accrual DHSOB Club	-	33 594
Accrual - legal fees	-	49 918
	<u>140 698</u>	<u>391 903</u>

13 Loan payable

Buttery Family Trust	-	1 104 298
----------------------	---	-----------

The above loan is interest free, unsecured and is repayable by mutual arrangement.

The Durban High School Foundation Trust

Notes to the financial statements (continued)

at 31 December 2013

	9 months ended 31 December 2013 R	15 months ended 31 March 2013 R
14 Donations received		
C Seabrooke	1 000 000	500 000
S Saad	1 000 000	500 000
H Buttery	1 000 000	500 000
A Corbett	37 740	-
S Hackner	100 000	-
A Crawford	101 000	-
Class of 63	47 975	-
K Tip	30 000	-
S & A Pohl	20 000	-
Sundry donations	57 740	-
C Seabrooke (Sabvest fund)	495 200	588 985
C Seabrooke	130 000	-
R Baston	288 855	-
GW Mackintosh	-	75 000
	<u>4 308 510</u>	<u>2 163 985</u>
15 Interest received		
Nedbank Corporate Saver	-	2 816
Grindrod call deposit	35 329	26 915
Grindrod fixed deposit	-	208 654
Grindrod Securities	-	17 853
Investments	308 842	71 250
	<u>344 171</u>	<u>327 488</u>
16 Notes to the cash flow statement		
Generated from operations		
Net (loss)/income for the year	(8 184 582)	431 599
Fair Value adjustment	(410 048)	
Loans written off	4 699 999	-
Interest received	(344 171)	(327 488)
Dividends received	-	(32)
Working capital changes	(317 375)	295 413
(Increase)/Decrease in debtors	(66 170)	(86 409)
Increase/(Decrease) in creditors	(251 205)	381 822
Cash generated from operations	<u>(4 556 177)</u>	<u>399 492</u>
17 Post balance sheet events		

Subsequent to year end the Trustees entered into an agreement to dispose of the club house property.

The investment portfolio has been pledged to secure loans from Grindrod Bank raised to make donations to the school for the renovations of Blackmore's boarding establishment.

DEB FOUNDATION TRUST
As at 31 December 2013

Schedule of Investments

SHARES AT 01/4/2013		PURCHASES				SALES				SHARES AT 31/12/2013						
Note	No	Cost R	Date	No	Cost R	Date	No	Cost R	Proceeds	Profit / (Loss) on sale	Dividends Received	Interest Received	No	Cost R	Market Value	
UNIT TRUST																
Property Trust																
Acucap Properties Ltd	10 000	471 287				30/09/2013	10 000	471 287	411 832	-59 455		15 622	-	-	-	-
Arrowhead Properties A	155 000	1 115 210				31/10/2013	155 000	1 115 210	1 111 115	-4 095		23 250	-	-	-	-
Arrowhead Properties B	70 000	517 880	30/11/2013	64 000	447 011							28 330	134 000	964 891	917 900	
Ascension Properties Ltd	120 000	513 359										24 906	120 000	513 359	534 000	
Capital Property Fund	70 000	748 313				31/07/2013	57 000	483 632	482 474	-1 158		65 350	70 000	748 313	737 100	
Delta Property Fund	120 000	1 020 716	31/05/2013	30 000	252 000							27 900	93 000	789 084	803 520	
Emira Property Fund Ltd	27 900	302 742										12 768	27 900	302 742	395 622	
Fountainhead Property Trust	48 900	128 029				31/12/2013	48 000	125 596	390 720	265 124		900	16 000	405 552	386 400	
Growthpoint Property Ltd	44 000	1 115 269				31/07/2013	28 000	705 717	707 612	-2 105		5 280	5 280	390 720	404 606	
Hypnop Investments Ltd	3 000	217 030	31/12/2013	5 280	390 720	30/09/2013	8 000	457 323	570 074	112 751		14 047	14 000	842 505	1 119 860	
New Europe Prop Inv PLC	13 446	760 088	30/11/2013	8 554	539 740	05/07/2013	2 616	6 376	6 376			42 813	40 000	459 511	479 200	
New Europe Prop Inv NPL	-	-	05/07/2013	20 000	229 755	30/06/2013	20 000	229 755	244 154	14 399		27 480	40 000	380 808	386 000	
Rebasis Property Fund Ltd	60 000	689 266										13 623	10 000	500 295	554 000	
Redefine Properties Ltd	40 000	380 808										16 935	-	-	-	
Resilient Prop Income Fund	10 000	500 295				30/06/2013	41 000	75 231	164 663	89 432		37 765	-	-	-	
SA Corp Real Estate Fund	41 000	75 232	31/07/2013	18 692	59 732								30 000	518 526	504 000	
Sycam Property Fund	16 500	147 223														
Vukile Property Fund Ltd	30 000	518 526														
		<u>9 221 273</u>			<u>1 689 203</u>			<u>4 091 737</u>	<u>4 808 083</u>	<u>716 947</u>		<u>308 842</u>		<u>6 818 740</u>	<u>7 228 787</u>	