

FRESHWATER RESEARCH CENTRE NPC
(Registration number 2012/056318/08)
Annual Financial Statements
for the year ended 28 February 2015

Marycke A S Roche
Chartered Accountants (S.A.)
1 February 2015

FRESHWATER RESEARCH CENTRE NPC

(Registration number 2012/056318/08)

Annual Financial Statements for the year ended 28 February 2015

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

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Level of assurance

These annual financial statements have been independently reviewed in compliance with the applicable requirements of the Companies Act 71 of 2008.

Preparer

N Wickham

Published

4 February 2016

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DIRECTORS' RESPONSIBILITIES AND APPROVAL

The directors are required by the Companies Act 71 of 2008, 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 company 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 Standard for Small and Medium-sized Entities.

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

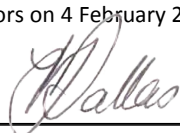
The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors sets standards for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

The directors 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 directors have reviewed the company's cash flow forecast for the year to 28 February 2015 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The independent reviewers are responsible for independently reviewing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's independent reviewers and their report is presented on page 3.

The annual financial statements set out on pages 4 to 12, which have been prepared on the going concern basis, were approved by the directors on 4 February 2016 and were signed on its behalf by:



HF Dallas



EG Day



SG Ractliffe



JD Ewart-Smith



DJ Ollis



CD Snaddon

Kenilworth

04 February 2016

INDEPENDENT REVIEWERS' REPORT

To the members of Freshwater Research Centre NPC

We have reviewed the annual financial statements of Freshwater Research Centre NPC, set out on pages 5 to 11, that comprise the statement of financial position as at 28 February 2015, 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.

Directors' Responsibility for the Annual Financial Statements

The company's directors are responsible for the preparation and fair presentation of these annual financial statements in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008, and for such internal control as the directors determine necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

Independent Reviewers' Responsibility

Our responsibility is to express a conclusion on the annual financial statements based on our review. We conducted our review in accordance with International Standards on Review Engagements (ISRE) 2400, Engagements to Review Financial Statements. ISRE 2400 requires us to conclude whether anything has come to our attention that causes us to believe that the annual financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with ISRE 2400 consists primarily of making inquiries of management and others within the entity involved in financial and accounting matters, applying analytical procedures, and evaluating the sufficiency and appropriateness of evidence obtained. A review also requires performance of additional procedures when the practitioner becomes aware of matters that cause the practitioner to believe the annual financial statements as a whole may be materially misstated.

The procedures performed in a review engagement are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these annual financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the annual financial statements do not present fairly, in all material respects the financial position of Freshwater Research Centre NPC as at 28 February 2015 and its financial performance and cash flows for the year then ended, in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008.

Marycke A S Roche
Chartered Accountants (S.A.)

4 February 2016
Kenilworth

FRESHWATER RESEARCH CENTRE NPC

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DIRECTORS REPORT

The directors submit their report for the year ended 28 February 2015.

1. Review of activities

Main business and operations

The company is engaged in performing research across a range of disciplines in the field of freshwater science and operates principally in South Africa.

The operating results and state of affairs of the company are fully set out in the attached annual financial statements and do not in our opinion require any further comment.

2. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

3. Events after the reporting period

The directors are not aware of any matter or circumstance arising since the end of the financial year that has a material impact on the annual financial statements.

4. Borrowing limitations

In terms of the Articles of association of the company, the directors may exercise all the powers of the company to borrow money, as they consider appropriate. .

5. Directors

The directors of the company during the year and to the date of this report are as follows:

Name	Changes
SG Ractliffe	Appointed 20 March 2012
DJ Ollis	Appointed 20 March 2012
HF Dallas	Appointed 20 March 2012
EG Day	Appointed 20 March 2012
JD Ewart-Smith	Appointed 20 March 2012
CD Snaddon	Appointed 20 March 2012

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Annual Financial Statements for the year ended 28 February 2015

STATEMENT OF FINANCIAL POSITION

Figures in Rand	Note(s)	2015	2014
Assets			
Non Current Assets			
Property, plant and equipment	2	71,909	90,174
Current Assets			
Cash and cash equivalents	3	599,967	488,430
Trade and other receivables	4	47,937	0
		647,904	488,430
Total Assets		719,813	578,604
Equity and Liabilities			
Equity			
Retained income		1	1
Liabilities			
Current Liabilities			
Other financial liabilities	5	246,637	20,112
Trade and other payables	6	473,175	558,491
Total Equity and Liabilities		719,813	578,604

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STATEMENT OF COMPREHENSIVE INCOME

Figures in Rand	Note(s)	2015	2014
Revenue	7	2,008,250	1,366,939
Operating expenses		(2,029,095)	(1,387,573)
Operating loss		(20,845)	(20,634)
Investment revenue		20,845	20,634
Profit for the year		-	-
Other comprehensive income		-	-
Total comprehensive income for the year		-	-

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STATEMENT OF CHANGES IN EQUITY

Figures in Rand	Retained Income	Total Equity
Balance at 01 March 2014	1	1
Change in equity	-	-
Total comprehensive income for the year	-	-
Dividends	-	-
Total changes	-	-
Balance at 28 February 2015	1	1

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STATEMENT OF CASH FLOWS

Figures in Rands	Note(s)	2015	2014
Cash flows from operating activities			
Cash receipts from customers		1,960,313	1,366,939
Cash paid to suppliers and employees		(2,096,148)	(892,794)
Cash generated from operations		(135,833)	474,145
Interest income		20,845	20,634
Net cash from operating activities		(114,988)	494,779
Cash flows from financing activities			
Proceeds from other financial liabilities		226,525	12,817
Net cash from financing activities		226,525	12,817
Cashflows from investing activities			
Acquisition of property plant and equipment		0	(91,325)
Net cash outflow from investing activities		0	(91,325)
Total cash movement for the year		111,537	416,271
Cash at the beginning of the year		488,430	72,159
Total cash at end of the year	3	599,967	488,430

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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, and the Companies Act 71 of 2008. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

1.1 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make judgements, estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results in the future could differ from these estimates which may be material to the annual financial statements.

1.2 Financial instruments

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, an impairment loss is recognised

Financial instruments at fair value

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

1.3 Impairment of assets

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

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

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.

1.4 Provisions and contingencies

Provisions are recognised when:

- the company has an obligation at the reporting date as a result of a past event;
- it is probable that the company will be required to transfer economic benefits in settlement; and
- the amount of the obligation can be estimated reliably.

1.5 Revenue

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the company;
- the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Interest is recognised, in profit or loss, using the effective interest rate method.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2015	2014
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2. Property, plant and equipment

	2014			2015		
	Cost	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Field Equipment	91,325	1,151	90,174	91,325	19,416	71,909
Total	91,325	1,151	90,174	91,325	19,416	71,909

3. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank Balance	599,967	488,430
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4. Trade and other receivables

Bank Balance	599,967	488,430
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5. Other financial liabilities

At amortised cost

H Malan	141,464	0
JD Ewart-Smith	15,294	0
HF Dallas	69,302	20,141
B Paxton	15,858	0
Nick Rivers-Moore	4,719	(29)
	246,637	20,112

The above loans are unsecured, bear no interest and have no fixed terms of repayment.

Current liabilities

At amortised cost	246,637	20,112
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6. Trade and other payables

Payroll liabilities	5,435	26,697
VAT liability	23,628	14,641
Accrued expenses	444,112	517,153
	473,175	558,491

7. Revenue

Research Funding	2,008,250	1,366,939
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8. Taxation

The company is in the process of registering for a public benefit organization status.

8. Comparative figures

No comparative figures have been presented as these are the first annual financial statements of the company.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand

9. Related parties

Relationships

Entity with common members of key management

Freshwater Consulting CC

Members of key management

HF Dallas

Members of key management

JD Ewart-Smith

Related party balances and transactions with key management personnel of the company or its parent

Related party balances

Loan accounts - Owing (to) by related parties

HF Dallas

JD Ewart-Smith

10. Directors' remuneration

Executive

	Emoluments	Total
HF Dallas	384,650	384,650
JD Ewart-Smith	28,700	28,700

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DETAILED INCOME STATEMENT

Figures in Rand	Note(s)	2015	2014
Revenue			
Rendering of services		2,008,250	1,366,939
Other income			
Interest received		20,845	20,634
Operating expenses			
Accounting fees		16,708	8,712
Administration and management fees		47,575	21,796
Bank charges		2,382	2,504
Bursaries		149,105	191,650
CIPC fees		100	100
Computer expenses		1,663	1,659
Courier & postage		800	0
Depreciation		18,265	1,151
Employee costs		1,362,793	984,190
Expensed assets		0	6,650
Insurance		1,900	1,286
Repairs & maintenance		8,656	0
Running expenses		419,148	167,875
		2,029,095	1,387,573
Profit for the year		0	0
Other comprehensive income		-	-
Total comprehensive income for the year		0	0