



# **INGONYAMA TRUST BOARD**

P.O. Box 601, PIETERMARITZBURG, 3200  
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## **DRAFT**

## **ANNUAL**

## **FINANCIAL STATEMENTS**

## **31 March 2012**

## **The Ingonyama Trust Board**

**The reports and statements set out below comprise the Annual Financial Statements presented by the Board.**

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## Statement of Board's responsibility

The Board is responsible for the maintenance of adequate accounting records and the preparation and integrity of the financial statements and related information. The auditors are responsible for reporting on the fair presentation of the financial statements. The financial statements have been prepared in accordance with Generally Recognised Accounting Practice Standards.

The Board is also responsible for the Trust's system of internal financial control. These are designed to provide reasonable, but not absolute, assurance as to the reliability of the financial statements, and to adequately safeguard, verify and maintain accountability of the assets, and prevent and detect misstatements and loss. Nothing has come to the attention of the Board to indicate any material breakdown in the functioning of these controls, procedures and systems during the year under review.

The financial statements set out on page 5 to 38 were approved by the Board members on the 25 May 2012 and signed on its behalf by the Acting Chairperson of the Board.

## General Information

**Members of the Ingonyama Trust Board as at 31 March 2012 :**

*His Majesty the King ( chairperson )*  
*Hon. Mr Justice S.J. Ngwenya*  
*Adv. W.E.R. Raubenheimer*  
*Ms J.T.J. Bhengu*  
*Mr B.L. Shabalala*  
*Ms N.B Zitha*  
*Dr M.Mbatha*  
*MR K.W Mathaba*

### Auditors:

*Auditor - General*

### Bankers:

*First National Bank - a division of FirstRand Bank Ltd*  
*Nedbank Ltd*  
*Absa Bank Ltd*  
*Investec Bank Limited*  
*Standard Bank of South Africa Ltd*

### Registered Office:

*65 Trelawney Road*  
*Pietermaritzburg*  
*3201*

*P.O. Box 601*  
*Pietermaritzburg*  
*3200*

*Tel: 033 846 9900*  
*Fax: 033 386 2528*

## **The Ingonyama Trust Board**

### **General information - continued**

The Ingonyama Trust Board is a schedule 3 A Public Entity. The Executive Authority for the period of this report was the Minister of Rural Development and Land Reform. The area of jurisdiction is Kwazulu-Natal.

The Trust was initially created by the Kwazulu Legislative Assembly as a repository for the communal land of the Zulu Nation with His Majesty the King as sole Trustee. This was by way of the Ingonyama Trust Act 3 of 1994. In 1997 the democratic National Parliament amended this Act.

This amendment involved changes to all sections of the Act by way of the Kwazulu Ingonyama Trust Amendment Act No 9 of 1997. Importantly that Act established the Trust Board appointed by the then Minister of Land Affairs following a consultative process with the KZN Premier – in – Executive Council and the Chairperson of the KZN House of Traditional Leaders. The King remains the sole Trustee and he (or his nominee) chairs the Board. The 1997 Act also excluded application of private trust legislation to the Ingonyama Trust.

The Ingonyama Trust Board owns land in Trust and its principle activity is land administration.

The Ingonyama Trust leases this land for residential, commercial and other purposes.

From time to time the income earned is distributed to community beneficiaries in terms of the Trust's disbursement policy.

### **Approval of Annual Financial Statements**

The Annual Financial Statements for the year ended 31 March 2012 were approved by the Board on 25 May 2012.

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Acting Chairperson

( Royal nominee in terms of the Ingonyama Trust Act 3 of 1994 )

# The Ingonyama Trust Board

## Statement of financial position as at 31 March 2012

		2012 R	2011 R
<b>Assets</b>	<b>Notes</b>		
<b>Non-current assets</b>		29 673 945	17 648 344
Property, plant and equipment	3 & 22	29 330 170	17 480 065
Intangible Assets	4 & 23	334 249	147 244
Defferred finance charge asset	11.2 & 24	9 526	21 035
<b>Current assets</b>		233 662 771	228 237 695
Receivables	25	58 467 268	42 563 530
Cash and cash equivalents	26	175 195 503	185 674 165
<b>Total Assets</b>		<b>263 336 716</b>	<b>245 886 039</b>
<b>Liabilities</b>			
Non - Current Finance lease liability	27	22 878	54 209
<b>Current liabilities</b>		162 628 406	149 015 137
Payables	28	8 446 112	4 696 685
Provisions	29	154 182 294	144 318 452
<b>Total liabilities</b>		<b>162 651 284</b>	<b>149 069 346</b>
<b>Net assets</b>		<b>100 685 432</b>	<b>96 816 693</b>
<b>NET ASSETS</b>			
Accumulated surplus		100 685 432	96 816 693
<b>Total net assets</b>		<b>100 685 432</b>	<b>96 816 693</b>

# The Ingonyama Trust Board

## Statement of financial performance for the year ended 31 March 2012

	Notes	2012 R	2011 R
<b>Revenue</b>			
<b>Rental revenue</b>		<b>23 091 318</b>	<b>21 959 381</b>
Permissions to Occupy ( General )	6.2.3	-	-
Permissions to Occupy ( Commercial )		9 696	9 696
Leases ( includes straight lining income )	11 & 37	23 081 622	21 949 685
<b>Royalty revenue</b>	6.2.2	<b>5 369 463</b>	<b>7 709 947</b>
<b>Other revenue</b>		<b>13 051 946</b>	<b>9 158 302</b>
Transfer Payment - Department of Rural Development & Land Reform	7	13 034 000	9 157 000
Rates due from lessee and tender document fees		17 946	1 302
<b>Finance Income</b>		<b>9 623 048</b>	<b>11 138 419</b>
Interest on Bank and Short term investments	6.3.1	9 590 712	11 115 693
Interest on overdue debtors accounts		32 336	22 726
<b>Total revenue</b>		<b>51 135 775</b>	<b>49 966 049</b>
<b>Expenditure</b>		<b>(47 267 036)</b>	<b>(43 376 376)</b>
Trust Fund - Administration and disbursements		34 824 062	34 423 028
Expenses funded from Transfer Payment funding		12 442 974	8 953 348
<b>Surplus for the year</b>		<b>3 868 739</b>	<b>6 589 673</b>

**The Ingonyama Trust Board**

**Statement of changes in net assets for the year ended 31 March 2012**

Note	<u>Accumulated Surplus</u>
	<b>R</b>
<b>Opening balance : 01.03.2010</b>	90 077 020
Proceeds on property sold now transferred to Accumulated surplus	150 000
Restated surplus for the year	6 589 673
Surplus previously reported	6 811 708
Decrease in lease income due to credit notes	(222 035)
Decrease in 90 % provision to beneficiaries due to decrease in rental income	(506 710)
Decrease in straight lining income due to reduction in lease income	456 039
	(171 364)
<b>Balance: 01.04.2011</b>	96 816 693
Surplus for the year	3 868 739
<b>Balance : 31.03.2012</b>	<u>100 685 432</u>

**The Ingonyama Trust Board**  
**Cash flow statement for the year ended 31 March 2012**

	Notes	2012 R	2011 R
<b>Cash flows from operating activities</b>			
Receipts			
Services		37 240 554	40 501 535
Transfer payments		14 600 883	19 448 583
Interest Received		13 034 000	9 679 000
		9 605 671	11 373 952
Payments			
Suppliers		(34 378 855)	(12 068 975)
Interest Paid - Finance Lease		(25 775 003)	(6 428 877)
Employee costs		(11 509)	(7 421)
		(8 592 343)	(5 632 677)
<b>Net cash flows from operating activities</b>	41. (A)	<u>2 861 699</u>	<u>28 432 560</u>
<b>Cash flows from investing activities</b>			
Purchase of plant and equipment including construction costs	41. (B)	(13 340 361)	(13 928 483)
Proceeds from disposal of plant & equipment		-	98 612
<b>Net cash flows from investing activities</b>		<u>(13 340 361)</u>	<u>14 602 689</u>
<b>Net Increase in cash and cash equivalents</b>		<u>(10 478 662)</u>	<u>14 602 689</u>
<b>Cash and cash equivalents at beginning of the year</b>		185 674 165	171 071 476
<b>Cash and cash equivalents at end of year</b>	41. (C)	<u><u>175 195 503</u></u>	<u><u>185 674 165</u></u>