

MARITZBURG COLLEGE OLD BOYS' ASSOCIATION

AUDITED ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 December 2022

MARITZBURG COLLEGE OLD BOYS' ASSOCIATION
Audited Financial Statements for the year ended 31 December 2022

ANNUAL FINANCIAL STATEMENTS
31 DECEMBER 2022

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

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Detailed income statement	13

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GENERAL INFORMATION

Country of domicile	Republic of South Africa
Business address	68 College Road Pietermaritzburg 3201
Postal address	P O Box 1123 Pietermaritzburg 3200
Auditor	GC Ford Inc Chartered Accountants (S.A.) Registered Auditor

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Executive Committees' Responsibilities and Approval

The Executive Committee is required to maintain adequate accounting records and is responsible for the content and integrity of the financial statements and related financial information included in this report. It is the Executive Committee's responsibility to ensure that the financial statements fairly present the state of affairs of the Association 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 basis of accounting described in Note 1.

The financial statements are prepared in accordance with the basis of accounting described in Note 1 and are based upon appropriate accounting policies consistently applied.

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

The Executive Committee is 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 financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The Executive Committee has reviewed the association's cash flow forecast for the year to 31 December 2023 and, in the light of this review and the current financial position, they are satisfied that the association has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditor's are responsible for independently auditing and reporting on the Association's financial statements. The financial statements have been examined by the association's external auditor's and their report is presented on page 5 - 6.

The financial statements set out on pages 7 to 13, which have been prepared on the going concern basis, were approved by the executive committee on the 7th March 2023 and were signed on its behalf by:

Approval of financial statements

Andrew Clayton

Andrew Clayton, Esq.
President of MCOBA

Rodney D Klute

Rodney Klute, Esq.
Honorary Treasurer of MCOBA

MARITZBURG COLLEGE OLD BOYS' ASSOCIATION
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Executive Committees' Report

The Executive Committee has pleasure in submitting its report on the financial statements of Maritzburg College Old Boy's Association for the year ended 31 December 2022.

1. Nature of business

The Association promotes good fellowship between past scholars of College and aims to promote and maintain close relationships between the members of the Association, College teachers past and present, the Governing Body of College and the current scholars of College themselves.

There have been no material changes to the nature of the Association's business from the prior year.

2. Review of financial results and activities

The financial statements have been prepared in accordance with Entity specific basis of accounting. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the association are set out in these financial statements.

3. Events after the reporting date.

The Executive Committee is not aware of any material event which occurred after the reporting date and up to the date of this report.

4. Going concern

The Executive Committee believes that the Association has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis. The Executive Committee is satisfied that the Association is in a sound financial position. The Executive Committee is not aware of any new material changes that may adversely impact the Association. The Executive Committee is also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the Association.

5. Auditor

GC Ford Inc continued in office as auditor's for the Association for 2022.

**REGISTERED AUDITOR
CHARTERED ACCOUNTANTS (SA)**

☎ 033 394 7616
✉ reception@gcfordinc.co.za

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MARITZBURG COLLEGE OLD BOYS' ASSOCIATION

Opinion

We have audited the financial statements of Maritzburg College Old Boys' Association set out on pages 7 to 12, which comprise of the statement of financial position as at 31 December 2022, the statement of comprehensive income, the statement of changes in equity for the year then ended, and the notes, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Maritzburg College Old Boys' Association at 31 December 2022, and its financial performance and for the year then ended in accordance with accounting policies specific to the entity as described in note 1.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the association in accordance with the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Executive Committee are responsible for the other information. The other information comprises of the Executive Committee's Report. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Executive Committee for the financial statements

The Executive Committee are responsible for the preparation and fair presentation of the financial statements in accordance with accounting policies specific to the entity as described in note 1, and for such internal control as the Executive Committee determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Executive Committee are responsible for assessing the association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Executive Committee either intend to liquidate the association or to cease operations, or have no realistic alternative but to do so.



**REGISTERED AUDITOR
CHARTERED ACCOUNTANTS (SA)**

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Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Executive Committee.
- Conclude on the appropriateness of the Executive Committees' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Executive Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Supplementary information

Without qualifying our opinion, we draw attention to the fact that the supplementary schedule set out on page 13 does not form part of the financial statements and is presented as additional information. We have not audited this schedule and accordingly we do not express an opinion on this.

Restriction of use

The financial statements have not been prepared in accordance with International Financial Reporting Standards or the International Financial Reporting Standards for Small and Medium-sized Entities. The financial statements have been prepared in accordance with the accounting policies specific to the entity as described in note 1 for the purposes of providing financial information to the members. The financial statements and our audit report may not be suitable for any other purpose.



**GC FORD INC
DIRECTOR: ANDRE ROBERT DE VALENCE
REGISTERED AUDITOR
4 MAHOGANY COURT
REDLANDS ESTATE
1 GEORGE MACFARLANE LANE
PIETERMARITZBURG
3200**

24 March 2023

Proprietor: **GC FORD INCORPORATED** Reg No. 1998/005714/21
Director: A.R. de Valence B Comp (Hons), CA(SA), Registered Auditor
Associate: B.M. Stegen BCom (Dip Acc), CA(SA)

MARITZBURG COLLEGE OLD BOYS' ASSOCIATION
Audited Financial Statements for the year ended 31 December 2022

STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2022

	Notes	2022 R	2021 R
Assets			
Non-current assets			
		807,565	893,388
Property, plant and equipment	2	9,196	18,280
Other financial assets	3	798,369	875,108
Current assets			
		722,837	491,949
Trade and other receivables		8,667	-
Cash and cash equivalents	4	714,170	491,949
Total assets		<u>1,530,402</u>	<u>1,385,337</u>
Equity and liabilities			
Equity			
Accumulated reserves		1,346,966	1,378,337
Current liabilities			
Trade and other payables	5	183,436	7,000
Total equity and liabilities		<u>1,530,402</u>	<u>1,385,337</u>

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STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 R	2021 R
Income			
Revenue		804,043	632,855
Other income	6	<u>138,612</u>	<u>138,198</u>
Total income		942,655	771,053
Expenses			
Operating expenses		(892,293)	(493,458)
Donations made from reserve funds	7	-	(1,097,519)
Fair value adjustment - investment		(81,733)	259,466
Total comprehensive deficit for the year		<u><u>(31,371)</u></u>	<u><u>(560,458)</u></u>

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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Life members	General	Big 5	Subs	Accumulated reserves R	Total R
Balance at 31 December 2020	369,978	33,770	157,931	1,377,116	-	1,938,795
Total comprehensive deficit for the year	-	-	-	-	(560,458)	(560,458)
Transfer to accumulated reserves	(369,978)	(33,770)	(157,931)	(1,377,116)	1,938,795	-
Balance at 31 December 2021	-	-	-	-	1,378,337	1,378,337
Total comprehensive deficit for the year	-	-	-	-	(31,371)	(31,371)
Balance at 31 December 2022	-	-	-	-	1,346,966	1,346,966

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

1. Basis of preparation and accounting policies

The financial statements have been prepared on a going concern basis in accordance with the accounting policies as set out below. The financial statements have been prepared on the historical cost basis, except for financial assets at fair value. They are presented in South African Rands.

1.1. Property, plant and equipment

Property, plant and equipment are tangible assets which the Association holds for its own use or for rental to others and which are expected to be used for more than one period.

Property, plant and equipment is initially measured at cost.

The useful lives of items of property, plant and equipment have been assessed as follows:

<u>Item:</u>	<u>Method:</u>	<u>Average useful life:</u>
Furniture and fittings	Straight line	6 years
IT equipment	Straight line	3 years

1.2. Financial instruments

Initial measurements

Financial instruments are initially measured at the transaction price.

At amortised cost

These include loans, trade receivables and trade payables.

At fair value

All other financial instruments, including equity instruments that are publicly traded or whose fair value can otherwise be measured reliably, without undue cost or effort, are measured at fair value through surplus and deficit.

1.3. Revenue

Old boy subscriptions, donations and fundraising income or losses are recognised on the cash receipts basis. Scholar subscriptions are recognised on the cash receipts basis in the current year.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Property, plant and equipment

	2022			2021		
	Cost R	Accumulated depreciation/ impairments R	Carrying value R	Cost R	Accumulated depreciation/ impairments R	Carrying value R
IT equipment	71,611	(68,803)	2,808	71,611	(62,946)	8,665
Furniture and fittings	99,084	(92,696)	6,388	99,084	(89,469)	9,615
	<u>170,695</u>	<u>(161,499)</u>	<u>9,196</u>	<u>170,695</u>	<u>(152,415)</u>	<u>18,280</u>

The carrying amounts for 2022 can be reconciled as follows:

	Carrying value at beginning of year R	Additions R	Disposals R	Other R	Depreciation/ impairments R	Carrying value at end of year R
IT equipment	8,665	-	-	-	(5,857)	2,808
Furniture and fittings	9,615	-	-	-	(3,227)	6,388
	<u>18,280</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,084)</u>	<u>9,196</u>

	2022 R	2021 R
3. Other financial assets		
At fair value		
Allan Gray investment	798,019	874,758
Jonty coins	350	350
	<u>798,369</u>	<u>875,108</u>
4. Cash and cash equivalents		
<i>Cash and cash equivalents consist of:</i>		
Bank balances	<u>714,170</u>	<u>491,949</u>
5. Trade and other payables		
Deposit received from unrelated person	-	7,000
Sundry creditors	13,300	-
Trade creditors	170,136	-
	<u>183,436</u>	<u>7,000</u>

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

	2022	2021
	R	R
6. Other income		
Alumnet refund	-	933
Branch dinners and events	47,498	1,050
Donations	8,000	8,000
Interest received	7,379	4,998
Investment income - Allan Gray investment	10,523	18,023
Refunds	(8,979)	-
Net funds - golf day	56,791	(1,886)
Net funds - reunion bowls	16,400	-
Net funds - reunion lunch	30	(18,336)
Net funds - reunion dinner	(70,670)	(874)
Net funds - school leavers induction	21,485	12,780
Net funds - veterans day lunch	(17,060)	2,960
125th ties	16,940	-
UK branch donation	-	36,450
Weaner and maize initiative	50,275	74,100
	<u>138,612</u>	<u>138,198</u>
7. Donations made from reserve funds		
P Shezi - Medical costs	-	10,500
Donation of 25 books - 25 Great SA Rugby Schools	-	10,519
Solar panel generator to Maritzburg College	-	1,000,000
Rugby software donation to Maritzburg College	-	76,500
	<u>-</u>	<u>1,097,519</u>
8. Going concern		
<p>The Executive Committee believes that the Association has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis. The Executive Committee is satisfied that the Association is in a sound financial position. The Executive Committee is not aware of any new material changes that may adversely impact the Association. The Executive Committee is also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the Association.</p>		
9. Events after the reporting period		
<p>The Executive Committee is not aware of any material event which occurred after the reporting date and up to the date of this report.</p>		

MARITZBURG COLLEGE OLD BOYS' ASSOCIATION
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DETAILED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 R	2021 R
Revenue			
Subscriptions		804,043	632,855
Other income	6	138,612	138,198
Total Income		<u>942,655</u>	<u>771,053</u>
Operating expenses			
		(892,293)	(493,458)
Accounting fees		23,508	-
Auditor's remuneration		11,945	11,364
Administration and advisor fees		5,673	11,465
Advertising		11,862	11,040
Bank charges		27,971	26,754
Branch expenses		47,956	-
Depreciation	2	9,084	9,083
Employment costs		396,771	295,567
Fellowship and strategy		133,803	22,345
General expenses		50,830	11,150
Gifts		12,565	1,750
125th expenses		25,723	-
Printing and stationery		16,338	182
Repairs and maintenance		-	2,200
Signage		10,581	-
Subscriptions - Alumnet, Zoom licence and website agreement		61,149	41,639
Subscriptions - Graduway database		-	36,450
Telephone		29,884	10,818
Travel - Local		16,650	1,651
Fair value adjustment - investment		(81,733)	259,466
(Deficit) / surplus for the year before donations		<u>(31,371)</u>	<u>537,061</u>
Donations made from reserve funds	7	-	(1,097,519)
Total deficit for the year		<u><u>(31,371)</u></u>	<u><u>(560,458)</u></u>