

Maritzburg College Old Boys' Association

Audited Financial Statements
for the year ended 31 December 2021

Maritzburg College Old Boys' Association

Audited Financial Statements for the year ended 31 December 2021

General Information

Country of domicile	South Africa
Registered office	68 College Road Pietermaritzburg 3201
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
Preparer	The financial statements were independently compiled by: G L Banfield Chartered Accountant (S.A.)

Maritzburg College Old Boys' Association

Audited Financial Statements for the year ended 31 December 2021

Index

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

	Page
Executive Committee's Responsibilities and Approval	3
Executive Committee's Report	4
Independent Auditor's Report	5 - 6
Statement of Financial Position	7
Statement of Comprehensive Income	8
Statement of Changes in Equity	9
Accounting Policies	10
Notes to the Financial Statements	11 - 12
The following supplementary information does not form part of the financial statements and is unaudited:	
Detailed Income Statement	13

Maritzburg College Old Boys' Association

Audited Financial Statements for the year ended 31 December 2021

Executive Committee's 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 except as disclosed in Note 1.3 and supported by reasonable and prudent judgments and estimates.

The executive committee acknowledge that it is ultimately responsible for the system of internal financial control established by the association and place 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 2022 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 13 April 2022 and were signed on its behalf by:

Approval of financial statements



A Clayton



G R Sayers

Maritzburg College Old Boys' Association

Audited Financial Statements for the year ended 31 December 2021

Executive Committee's Report

The executive committee has pleasure in submitting its report on the financial statements of Maritzburg College Old Boys' Association for the year ended 31 December 2021.

1. Nature of business

The Association promotes good fellowship between past scholars of College and aims to promote and maintain close relations 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 except as disclosed in Note 1.3.

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 period

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 and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. 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 2021.

☎ 033 394 7616
e-mail: reception@gcfordinc.co.za

4 Mahogany Court
Redlands Estate
Pietermaritzburg

PO Box 1576
Pietermaritzburg
3200

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 13, which comprise of the statement of financial position as at 31 December 2021, 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 2021, 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 members are responsible for the other information. The other information comprises of the Members' 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 Members for the financial statements

The members 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 members 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 members 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 members either intend to liquidate the association or to cease operations, or have no realistic alternative but to do so.

☎ 033 394 7616
e-mail: reception@gcfordinc.co.za

4 Mahogany Court
Redlands Estate
Pietermaritzburg

PO Box 1576
Pietermaritzburg
3200

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 members.
- Conclude on the appropriateness of the members' 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.

We communicate with the members 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 purpose.



GC FORD INC
DIRECTOR: ANDRE ROBERT DE VALENCE - 172 812
REGISTERED AUDITOR
4 MAHOGANY COURT
REDLANDS ESTATE
1 GEORGE MACFARLANE LANE
PIETERMARITZBURG
3201

11 April 2022

Maritzburg College Old Boys' Association
 Audited Financial Statements for the year ended 31 December 2021

Statement of Financial Position as at 31 December 2021

	Notes	2021 R	2020 R
Assets			
Non-Current Assets			
Property, plant and equipment	2	18 280	27 363
Other financial assets	3	875 108	1 609 084
		<u>893 388</u>	<u>1 636 447</u>
Current Assets			
Cash and cash equivalents	4	491 949	302 348
Total Assets		<u>1 385 337</u>	<u>1 938 795</u>
Equity and Liabilities			
Equity			
Accumulated reserve		<u>1 378 337</u>	<u>1 938 795</u>
Liabilities			
Current Liabilities			
Trade and other payables	5	<u>7 000</u>	<u>-</u>
Total Equity and Liabilities		<u>1 385 337</u>	<u>1 938 795</u>

Maritzburg College Old Boys' Association
 Audited Financial Statements for the year ended 31 December 2021

Statement of Comprehensive Income

	Notes	2021 R	2020 R
Continuing operations			
Revenue		632 855	479 791
Other income	6	397 664	158 375
Operating expenses		(493 458)	(378 648)
Operating surplus		<u>537 061</u>	<u>259 518</u>
Surplus before donations		<u>537 061</u>	<u>259 518</u>
Donations	7	(1 097 519)	(1 570)
Total comprehensive (deficit) surplus for the year		<u>(560 458)</u>	<u>257 948</u>

Maritzburg College Old Boys' Association

Annual Financial Statements for the year ended 31 December 2021

Statement of Changes in Equity

	Life members R	General R	150th R	Big 5 R	Subs R	Accumulated reserves R	Total equity R
Balance at 31 December 2019	372 035	119 684	78 409	30 659	1 385 798	-	1 986 585
Total comprehensive surplus for the year	-	-	-	-	-	257 948	257 948
Receipt of subs	-	-	-	-	331 980	-	331 980
Capitalisation of interest	3 711	-	3 001	-	-	-	6 712
Funds utilised	(5 768)	(99 885)	(102 332)	(95 783)	(340 662)	-	(644 430)
Transfer between reserves	-	13 971	20 922	223 055	-	(257 948)	-
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	-
Total changes	(369 978)	(33 770)	-	(157 931)	(1 377 116)	1 938 795	-
Balance at 31 December 2021	-	-	-	-	-	1 378 337	1 378 337

Accounting Policies

1. Basis of preparation and summary of significant 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:

Item	Depreciation method	Average useful life
Furniture and fixtures	Straight line	6 years
IT equipment	Straight line	3 years

1.2 Financial instruments

Initial measurement

Financial instruments are initially measured at the transaction price.

Financial instruments at amortised cost

These include loans, trade receivables and trade payables.

Financial instruments 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. In the prior year, the scholar subscriptions were recognised on the cash receipts basis directly to reserves and were amortised through the Statement of Comprehensive Income over five years. The policy was changed prospectively from 1 January 2021.

Maritzburg College Old Boys' Association
 Audited Financial Statements for the year ended 31 December 2021

Notes to the Financial Statements

2. Property, plant and equipment

	2021			2020		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Furniture and fixtures	99 084	(89 469)	9 615	99 084	(86 242)	12 842
IT equipment	71 611	(62 946)	8 665	71 611	(57 090)	14 521
Total	170 695	(152 415)	18 280	170 695	(143 332)	27 363

Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Disposals	Depreciation	Closing balance
Furniture and fixtures	12 842	-	-	(3 227)	9 615
IT equipment	14 521	-	-	(5 856)	8 665
	27 363	-	-	(9 083)	18 280

2021
R

2020
R

3. Other financial assets

At fair value

Allan Gray investment	874 758	1 608 734
Jonty coins	350	350
	875 108	1 609 084

4. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	491 949	302 348
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5. Trade and other payables

Deposit received from unrelated person	7 000	-
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A request was made with Standard Bank Limited to investigate who this deposit was received from and what is its purpose.

Maritzburg College Old Boys' Association
Audited Financial Statements for the year ended 31 December 2021

Notes to the Financial Statements

	2021 R	2020 R
6. Other income		
Alumnet refund	933	6 199
Branch dinners and events	1 050	(1 369)
Donations received for P Shezi	8 000	-
Fair value gains	259 466	93 236
Funds received for rugby software donation to Maritzburg College	74 100	-
Interest received	4 998	-
Investment income - Alan Gray investment	18 023	-
Life members income	-	5 768
Net funds - golf day	(1 886)	26 075
Net funds - reunion bowls	-	4 680
Net funds - reunion dinner	(874)	22 875
Net funds - reunion lunch (class of 1961 event)	(18 336)	300
Net funds - school leavers induction	12 780	451
Net funds - veterans	2 960	160
UK branch donation - Graduway database system	36 450	-
	397 664	158 375
7. Donations		
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	-
Condolence gift to College staff member	-	1 000
Appeal for 100 Million4College fund	-	570
	1 097 519	1 570
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 and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. 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
 Audited Financial Statements for the year ended 31 December 2021

Detailed Income Statement

	Notes	2021 R	2020 R
Revenue			
Subscriptions		632 855	479 791
Other income			
	6	397 664	158 375
Operating expenses			
Accounting / audit fees		11 364	11 373
Administration and advisor fees		11 465	-
Advertising		11 040	17 928
Apparel - 6th Form gift		-	14 900
Bank charges and online fees		26 754	12 990
Consulting fees		-	173
Depreciation	2	9 083	6 452
Employee costs		295 567	243 245
Fellowship and strategy		22 345	200
General expenses		11 150	15 755
Gifts		1 750	-
Printing and stationery		182	1 776
Repairs of office laptop		2 200	-
Subscriptions - Alumnet, Zoom licence and website agreement		41 639	37 996
Subscriptions - Graduway database		36 450	-
Telephone		10 818	7 729
Travel - local		1 651	8 131
		493 458	378 648
Surplus for the year before donations			
		537 061	259 518
Donations made from reserve funds	7	(1 097 519)	(1 570)
(Deficit) surplus for the year		(560 458)	257 948