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## **Minutes of the Annual General Meeting of the Maritzburg College Foundation held on Wednesday the 24<sup>th</sup> of November 2021 at 17h00, via Zoom.**

### **1. OPENING AND WELCOME**

Steve Colenbrander (SC - Foundation Chairman) welcomed all the members present in person and via Zoom and thanked them all for their time. SC acknowledged that Kevin Smith (KS) and Chantall van der Merwe (CVDM - minute taker) were present and explained that the meeting was being hosted from the boardroom adjacent to the College Business offices and above the kitchen. SC apologised ahead of time for any background noise from the kitchen.

### **2. APOLOGIES**

Several members had tendered their apologies, and these had all been submitted to the Foundation office ahead of the meeting. SC recorded an apology on behalf of Craig Mackenzie (CM) who could not attend. All apologies had been duly recorded. A list is available and will be added to the minutes.

Attended:	21 (in person and via Zoom)	*register attached
Apologies received:	6	*register attached

### **3. NOTICE & COMPLIANCE WITH THE COMPANIES ACT**

It was noted that in terms of the relevant provisions of the Act sufficient notice of the meeting had been provided.

Members were reminded of the MOI's required 0.5% quorum which would therefore require at least 15 members attend the meeting. With the 21 recorded members at the meeting, it was recorded that a quorum was present at the meeting as reflected in the attached attendance register.

### **4. CONFIRMATION OF PREVIOUS MINUTES**

The minutes of the previous AGM (November 2020) had been distributed to all members along with the relevant reports.

The minutes were proposed by SC and seconded by Warren Smith (WS) as correct.

## 5. CHAIRMAN'S REPORT

The Chairman of the Board, SC, presented his report to the members.

SC started his report back by referring to the Chairman's report that he had been working on and which was shared at the meeting (report available on the Foundation website and available on request at the Foundation office). This report was a summary of funds raised to-date by the Foundation and the figures presented on the screen were the fundraising activities by the Foundation as well as other fundraising with which the Foundation had been involved. SC emphasised that he would give his report and would work around this report and then, work on the AFS to get this all into context. SC mentioned the income of R42,000 and no costs during the inception year, 2011, and mentioned that he had worked extensively with the funds raised from 2012 onwards. This equated to approximately 10 years' worth of figures. SC then ran through each heading, explaining the context of each:

1. Gross funds raised by the Foundation – starting with R548,000.00 in 2012 and leading up to R2,113,000.00 in 2021.
2. Foundation awards – money that has been distributed to the school.
3. Awards/Revenue Foundation – the percentage of the total revenue raised by the Foundation.
4. Direct donations to MC School – 2012 is an estimate as exact amounts could not be calculated but SC is confident that he is not more than 10% off. The rest of the years, SC was able to extrapolate donations from the ledger, which were paid directly to the school.
5. Khanyisa funds raised – funds raised in conjunction with the Foundation.
6. Sponsorship – funds raised in conjunction with the Foundation.

SC continued by saying that if you combined the gross funds raised, with the direct donations to the school, Khanyisa and Sponsorship it brought us to a figure of R41,000,160.00. This showed that there were funds raised in conjunction with the Foundation that were not shown in the Foundation figures. These amounts all together show a far more positive outcome than the figure alone that is seen in the left-hand column. Why would donations be made directly to the school? Many Old Boys did not want to donate to the Foundation and therefore donated directly to the school. SC continued by mentioning that this was touched on by Robin Westley's report from last year. SC continued by saying that the real question is where has this money gone. The school is cash hungry and does not have reserves. Funds have been raised but we have no sustainability fund. SC continued with a few comments regarding the inception of the Foundation, that mistakes have been made and the Foundation has certainly not lived up to its expectations. The Maritzburg College school leadership is under huge pressure to provide scholarships and to uplift and attract quality boys to the school. This pressure is often from Old Boys. SC is aware that the school gives substantial funding towards bursaries and scholarships but unfortunately most of this funding is now coming from the parents themselves which is creating some unease in the school. The Foundation in the last 10-years has unfortunately become the anything and everything for everyone and certainly lost a lot of its focus. This has been raised by the previous chairperson over the last few years. This is compounded by the fact that the Old Boys are demanding but many are reluctant to contribute. Part of this can be due to the problems that the Foundation has had but SC has come to realise that Old Boys like to voice opinions, but they have deep pockets and short arms. There has been a significant improvement over the last year regarding the organisation of the funding ability of the school. Principally for two reasons: the establishment of the Maritzburg College Board, which is giving an overall direction to the school. Secondly, the bedding down of College Business, which is the

commercial arm of the school. There has been much better alignment between Old Boys, Goldstones, The Memorial Trust, The Foundation, and The School. There has been a policy document issued by the College Board. The College Board is not the Governing body, the College Board is the board that gives overriding direction to The School. There is now a policy document out on the R100M4C campaign, Sponsorships, on the R99 campaign, on the Weaner project, signature years, and festivals. The key driver for the Foundation is the R100M4C campaign and SC will talk to that later. Due to The School being hungry for cash the Foundation has not been able to generate reserves. It is continually being overcommitted and commitments have been made to the School which have not always been met. The single most important contribution to the Foundation over the years has been the monthly pledges and SC extended a big thank you to all those Old Boys who contribute monthly. SC is aware that they have often wandered where their funds have gone but SC can assure everyone that those funds have been very well used. Not only for the Foundation but certainly for raising the profile of the School. Andrew Soden for many of his weaknesses did raise the profile of the Foundation and contributed towards the marketing effort of the School. Without those monthly contributions, the Foundation would have been in trouble. The Foundation has also changed its accounting policy in the 2021 year. All its income is treated on the receipt's basis. We only account for the money when it hits the bank account. Andrew previously used to raise debtors on an annual basis where he would go to Old Boys who would make commitments. He would then make commitments to The School, create an expectation with The School and then there would be mad scramble over February to try tap Old Boys to deliver by February year end to meet the Foundation commitments. If SC looks at all the income that has been raised, on the schedule provided, and one takes the Foundation costs, SC can honestly say that he does not believe that the cost ratio would be more than 10 to 15%. From March 2021, all costs of the Foundation are now carried by College Business, which is The School. So, the costs to the Foundation which will be shown just now in the management accounts have been reduced considerably. SC has no doubt that the cost ratio will be less than 10%. As of now, the Foundation has met all commitments to the School and SC will talk more to that during discussions over the management accounts. The Foundation is now also administered by the School. The School prepares the monthly management accounts. SC confessed that we are a little bit behind and had hoped to have the October figures out in time for the meeting, but Linda Roets is heading up the School admin and there is no Commercial Director, so Linda is under huge pressure. We will catch up in the next couple of weeks. The Foundation is working hand in hand with College Business and all accounts have been reconciled, including the signature years. Covid has had an impact on the Foundation and after the AGM at the beginning of this year, it was decided to simply bed down and not hassle the Old Boys over this Covid year. SC does not think we have done too badly. Principally we need to make sure that we improve the image of the Foundation. This is going to require the support from all the Old Boys. Ideally all the fundraising should be going through the Foundation. If we could reflect all this fundraising through the Foundation, and all the funds that have been made directly to the school, we would be reflecting a completely different ballpark. Going forward, the Foundation is also committed to retain 20% of all its receipts, to try and build up some reserves. SC opened the floor for questions.

**Question/Comment:** Mr David (Doc) O'Connor added in that he agreed with SC, when looking at the schedule, that it puts a completely different reflection on what one thinks about the Foundation. Mr O'Connor continued by saying that he wonders, although it might raise more questions than answers on where the money has gone, if there is not some way that we can try and give the Foundation a bit of glory because these numbers are quite different to the original 18 and 9 million. Mr O'Connor thinks that the schedule provided by SC, would be a particularly good way, to make Old

Boys aware that it is not all bad about the Foundation. SC noted that the point raised by Mr O'Connor was valid. SC continued by saying that fundamentally he has often felt that we are not telling the story. There is a host of negativity around the Foundation and its something that we need to work on in the next couple of months. Maritzburg College has been reasonably effective at raising funds, but it is not all going through the Foundation. SC used the Khanyisa and Epoch Optima funds as an example of money coming in yet not going through the Foundation.

**Question/Comment:** Mr Dave Wimble raised concerns as to why people were donating directly to the school and not the Foundation and felt that this needed to be addressed. SC commented that this was a valid point and that he would be meeting with Sven Jager in the next week to discuss. Mr Wimble raised a second point regarding when the MCF was first formed. The MCF had apparently been committed to raising R41/R42 million in capital and it had not since then. Mr Wimble raised concern over this and why this had never been addressed. SC replied that the Foundation had been doing too much, it had too many objectives and it was also overcomplex. There had been no real strategy. Capital funds have been paid over by the Memorial trust and matched by the school funds over the last 10 years and negligible amounts, for capital funds, have been raised by the Foundation. Andrew Clayton (AC) commented referring to the R40million mentioned by Mr Wimble. When the Foundation first started, it took some convincing to get the Foundation off the ground so the amount that was circulated was an aspirational number and one that was hoped for but was unfortunately never achieved. SC raised the point on the Foundation, in the past, using Old Boys functions to raise money which created some negativity amongst the Old Boy Community. Currently the Foundation and Old Boys have come to an agreement that the Foundation can be heard at the functions but that functions are not there for the Foundation to "tap" Old Boys. Mr Wimble raised the point on maybe sending out a communication to say that the Foundation has not achieved in the past what it set out to achieve but that better will be done in the future. Mr Wimble also mentioned the importance of the loyal parents who had also been contributing to funds. SC thanked Mr Wimble for his input and added that he was hoping to provide a broader idea and scope of the funding and that this lead us now to the annual financial statement.

## **6. REVIEW AND CONFIRMATION OF AFS's 2021**

SC highlighted that the AFS was signed off by the relevant directors. SC started with reviewing the income statement starting with the Revenue section. SC highlighted the surplus for the year of R284,519 due to the Foundation being a nonprofit organisation and therefore being tax exempt. SC highlighted the R1,470,951 as a direct grant to the school and bursaries. SC then highlighted the balance sheet. SC highlighted the no debtors for 2021 under the current assets section. The Foundation has not accrued for any promises. SC mentioned that most of the cash under the cash and equivalent section, had been moved out to the Memorial Trust (R100M4C) and the school (bursaries). SC mentioned, under the equity and liabilities section that the largest creditor in the creditors amount of R47,366 was the audit fee from Mitchells. SC then continued by looking at the detailed income statement (pg. 23). SC highlighted that the fundraising figure for 2021 was negligible due to Covid. The costs also came down substantially because the Foundation was hosting less events and the consulting fees, which were previously paid out to Andrew Soden, were not being paid anymore. SC highlighted that Chantall, who runs the Foundation, is paid by College Business, which is the school, to bring the costs for remuneration and costs in general down. SC added that historically he has no doubt that the Foundation made the right decision to appoint a full-time fundraiser and that a new full-time fundraiser at Maritzburg College is in sight but not on the cards currently. Target for this set for the 2022 year.

## 7. LATEST MANAGEMENT ACCOUNTS

SC started with an overview of the funds raised from March to September 2021. These figures are all accurate and are now categorized into completely new categories. The last 10 months have not been without challenges. SC continued by saying that every signature year has now been fully reconciled. SC added that Mr Luman had shared with him this week that the school was rated in the top 10 for hockey, cricket and rugby in South Africa and were rated second, this last year, in the academic field. This does however put pressure on the school and finances to keep the school on the cutting edge. SC continued by adding to the point that Mr Wimble raised regarding the parents paying. College is far cheaper than the private schools and the parents who are sending their boys to College are under financial pressure. To ask the parents for money has been quite a sensitive topic. SC then moved on to do an overview of the disbursements section. Mentioning the money that had been paid over to the school thus far. Technically in this 2022 year, we have paid out more than we've received which means that we are paying out of reserves. AC asked whether we should be concerned as to the value of R461,662 raised over 8 months in comparison to the previous year of R2.1million over the 12 months. SC agreed that we should be concerned. SC added that the figures for the 2021 tax year had been slightly inflated and referred to a single donation of a million rand in the previous year which made a considerable difference to the Foundation. SC added that in the last week, the Foundation had initiated a new campaign for a capital project at the school (new change rooms and first aid facility). SC and KS are currently working on this now and the project is requiring an estimated R1,250,000. There has already been a commitment of R250,000 from one donor. SC has no doubt that the rest will be raised by February in the following year. AC continued by asking whether the R2.5million for school solar, R1million from Old Boys and R1.5million from the Memorial Trust, will also be included in the Foundation income. All of these being big amounts that will come in and then go out in spend towards capital projects. SC confirmed this.

**Question/Comment:** Mr David (Doc) O'Connor asked regarding the mention of gifts and donations in the annual financial statement. There is reference to restricted and unrestricted but in terms of the disbursements it looks like we have lumped them all together. Should it be reflected like this. SC replied by briefly explaining that restricted meant that there is a specific "home or purpose" for the funds and unrestricted is for the discretion of the board of directors as to where they allocate the funds. Mr O'Connor asked whether we were comfortable that the restricted was being paid out in the large distribution amount and SC replied that we are comfortable with that because when the funds are paid out, they are paid to a specific designated "home."

**Question/Comment:** Mr David (Doc) O'Connor asked regarding the audit fee, was this fee purely audit related or were there other costs included in this fee. SC replied that it was purely audit. Mr O'Connor asked if the board was comfortable with what was audited and if the money was justified. SC replied that Mitchells had a good look and had reported that the financials had been fairly stated. They had not audited fraud. SC commented that he is not stating that any fraud has occurred, rather that money has not been spent wisely. Mr O'Connor continued by saying that he was wanting to find out if the amount that was paid out for audit fees, was it reasonable. SC explained that the amount paid out covered the R35,000 annual audit fee and the balance was from the independent review from the previous year. Mr O'Connor was okay with this and replied that this made more sense.

**Question/Comment:** Mr David (Doc) O'Connor asked regarding the consulting fees. SC responded by saying that these fees were the fees paid out to the Fundraiser, Andrew Soden. AC added in that

it was useful to highlight that the Foundation had gone from a limited review to a full audit, so there had been far more work done this year. SC agreed with AC. Mr O'Connor thanked the gents for the feedback.

## **8. BUSINESS**

1. Confirmation of Directors: SC referred to page 2 of the AFS and then to page 7 to reflect the movement of the directors. SC added that Warren Smith (WS), Andrew Clayton (AC), Steve Colenbrander, Rob Evans (RE) and Craig Mackenzie (CM) were on the board of directors currently. SC confirmed that every 3 years, directors who had been on board for longer should resign but that they could be re-appointed. SC added that he was very comfortable with the board and felt that there was a lot of institutional knowledge. SC asked regarding any resignations and/or additions to the board. There was no response to this. AC added that the board was trying to encourage some new members. AC was not sure how to do that but did want to make note of this for rotation purposes.

## **9. GENERAL**

**Question/Comment:** Travis Stedman asked regarding the money collected by the Foundation, was this coming from predominantly individuals, not institutions? SC replied this was correct. Travis continued by referring to SC's comment earlier that there were quite a few "peasants" that came out of Maritzburg College. Travis continued by saying that there were a few that had made a success of themselves and that they could be approached from a company perspective for a yearly donation to the Foundation. College could then refer the "cream of the crop" to this institution as their first choice of business. Travis asked if this institutional fund concept had been thought of yet. SC replied that this was a valid point. SC continued by saying that the Khanyisa amount was from Hulamin, and that the sponsorship amount was practically all corporates. The direct donations to MC school was individuals however, so SC added that Travis had a valid point. SC asked for AC to comment, and AC continued by saying that it came down to the question of whether we pay a fundraiser to fundraise or not. If we do appoint someone, there needs to be a clear strategy in place which states, do they chase corporates, wealthy individuals, or smaller debit order payers. AC believes that this is an important topic which will need to be properly addressed. AC continued by highlighting the fundraising committee that sits between all the different organisations, not just the Foundation. There is a lot going on in that dynamic. AC added feedback on College Connect and this new technology which is being released. This is an Old Boys initiative which is shared across College Business. MCOBA is doing their bit to reconnect with Old Boys.

**Question/Comment:** Travis Stedman then continued by addressing the topic of telling the story of the Foundation by highlighting the possibility of having an advocate to tell the story. Someone from the incredible Alumni that we have is an option.

**Question/Comment:** Mr Dave Wimble raised a point regarding some disenchanted Old Boys who were arising out of the history of the Foundation. Mr Wimble mentioned one wealthy Old Boy who was very annoyed about the poor public relations especially related to the arrear balance sheets which have now been corrected. Mr Wimble noted that this correcting already was a fantastic thing and if this chap realized that it was all up to date and being properly controlled, you might be able to get him back. Mr Wimble continued by mentioning another wealthy Old Boy who paid for 5-years, unbeknown to him, for a pupil to come to College. He never got a word of thanks from anybody,

including the student. So, he has gone to another school unrelated to him where he is treated like a Lord. Mr Wimble highlighted that there are people like that out there and that there was a bit of repair work needed. Mr Wimble continued by highlighting that the fundraising cannot be left to one individual. It needs to be done by an organisation or group that can create and encourage enthusiasm.

**Question/Comment:** Mr David (Doc) O'Connor added his support to Mr Wimbles comments and said that he was feeling more excited currently in comparison to this time last year. Mr O'Connor highlighted the importance of getting the strategy and people involved to carry this out, right. Mr O'Connor congratulated the directors on what they had achieved thus far. Let us go forward from here.

Mr Steve Colenbrander thanked the members present, both in person and via Zoom, for their attendance and concluded the meeting.

The meeting concluded at 18h15.

Director : \_\_\_\_\_

Director : \_\_\_\_\_

Date : \_\_\_\_/\_\_\_\_/\_\_\_\_

**Please Note: All additional documentation discussed during the AGM, and which is not attached to these minutes is available for inspection at the Administrative Office of the Maritzburg College Foundation.**