

THE DURBAN HIGH SCHOOL FOUNDATION TRUST

(Registration number IT 1146/1946/PMB)

Annual Financial Statements

for the year ended 31 December 2020

Audited Financial Statements

THE DURBAN HIGH SCHOOL FOUNDATION TRUST

(Registration Number IT 1146/1946/PMB)

Annual Financial Statements for the year ended 31 December 2020

Index

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

General Information	1
Trustees' Responsibilities and Approval	2
Report of the Trustees	3 - 4
Independent Auditor's Report	5 - 6
Statement of Financial Position	7
Statement of Comprehensive Income	8
Statement of Changes in Trust Funds	9
Statement of Cash Flows	10
Accounting Policies	11 - 13
Notes to the Financial Statements	14 - 20
The supplementary information presented does not form part of the annual financial statements and is unaudited:	
Detailed Income Statement	21 - 22

THE DURBAN HIGH SCHOOL FOUNDATION TRUST

(Registration Number IT 1146/1946/PMB)

Annual Financial Statements for the year ended 31 December 2020

General Information

Country of Incorporation and Domicile	South Africa
Trustees	Andrew Stuart Crawford (Resigned 3 August 2020) Damian James Robert Judge Don Basildon Allaway (Resigned 22 January 2021) Faisal Ismail Suliman Lance Brendan Corbett (Resigned 16 October 2018) Linda Zondi Sizwe Melusi Ali Nxedlana (Chairman)
Beneficiaries	Durban High School Durban Preparatory High School
Registered Office	The DHS Foundation Trust Protector Brian Jennings Garlicke and Bousfield Inc. 7 Torsvale Crescent La Lucia Ridge Office Estate, Durban
Business Address	255 St. Thomas Road Berea Durban 4001
Independant Auditors	BDO South Africa Incorporated
Annual Financial Statement Preparers	Brandfin CC.
Trust Registration Number	IT 1146/1946/PMB
PBO Number	930022185

THE DURBAN HIGH SCHOOL FOUNDATION TRUST

(Registration Number IT 1146/1946/PMB)

Annual Financial Statements for the year ended 31 December 2020

Trustees' Responsibilities and Approval

The Trustees are required 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 satisfy the financial reporting standards as to form and content and present fairly the statement of financial position, results of operations of the Trust, and explain the transactions and financial position of the business of the Trust at the end of the financial year. The annual financial statements are based upon appropriate accounting policies consistently applied throughout the Trust and supported by reasonable and prudent judgements and estimates.

The Trustees acknowledge that they are ultimately responsible for the system of internal financial control established by the trust and place considerable importance on maintaining a strong control environment. To enable the Trustees to meet these responsibilities, the Trustees 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 trust and all trustees are required to maintain the highest ethical standards in ensuring the trust's business is conducted in a manner that in all reasonable circumstances is above reproach.

The annual financial statements are prepared in accordance with entity-specific accounting policies and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The focus of risk management in the trust is on identifying, assessing, managing and monitoring all known forms of risk across the Trust. While operating risk cannot be fully eliminated, the trust endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Trustees are of the opinion 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 going-concern basis has been adopted in preparing the financial statements. Based on forecasts and available cash resources the Trustees have no reason to believe that the trust will not be a going concern in the foreseeable future. The financial statements support the viability of the Trust.

The financial statements have been audited by the independent auditing firm, BDO South Africa Incorporated, who have been given unrestricted access to all financial records and related data. The Trustees believe that all representations made to the independent auditor during the audit were valid and appropriate. The external auditors' unqualified audit report is presented on page 5 to 6.

The Trust's system of control is dependent upon the close involvement of the Trustees. Where independent confirmation of the completeness of the accounting records was not available we have given our assurance as trustees that all the trust's transactions have been reflected in the records.

The annual financial statements have been prepared on the going concern basis and are not subject to any material changes to the present financial status. The annual financial statements as set out on pages 7 to 20 were approved by the Trustees on 24 June 2021 and were signed on their behalf by:



Sizwe Melusi Ali Nxedlana (Chairman)



Damian James Robert Judge

THE DURBAN HIGH SCHOOL FOUNDATION TRUST

(Registration Number IT 1146/1946/PMB)

Annual Financial Statements for the year ended 31 December 2020

Report of the Trustees

The Trustees present their annual report for the year ended 31 December 2020.

1. Objective of the Durban High School Foundation Trust ("The Foundation")

The objectives of the Trust as fully set out in the Trust Deed is to :

- Initiate and participate in fundraising ventures to raise funds for the beneficiaries of the Trust;
- Promote the goals and objectives of the beneficiaries, to provide funds or assets to the beneficiaries;
- Build and strengthen partnerships between the Durban High School, its Old Boys, Durban Preparatory High School and any other educational institution and the public;
- Establish and govern a credible, professional and high calibre entity;
- Generally promote any objects which in the view of the Trustees may be advantageous to the development and extension of the Durban High School.

2. Financial results

The financial statements reflect the financial position of the trust at 31 December 2020 and the result of its activities for the year then ended.

3. Business and operations

The Trust's business and operations and the results thereof are clearly reflected in the attached financial statements. There was no major change in the nature of the business.

4. 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.

During the current year, South Africa has been affected by the COVID-19 virus and the country went into lockdown on 27 March 2020. The Trustees have considered the consequences of COVID-19 and other events and conditions, and it has determined that they do not create a material uncertainty that casts significant doubt upon the entity's ability to continue as a going concern.

The Trustees have satisfied themselves that the trust is in a sound financial position and that it has adequate cash reserves to meet its foreseeable cash requirements.

The Trustees are not aware of any new material changes that may adversely impact the Trust other than the effect of the economic downturn on the benefactor base. The Trustees are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the trust.

5. Events after reporting date

All events subsequent to the date of the annual financial statements and for which the applicable financial reporting framework require adjustment or disclosure have been adjusted or disclosed.

Subsequent to 31 December 2020 the board of Trustees was able to conclude a new offer on the DHSOBC Property which was signed by both parties on 2 March 2021. Per the new agreement the purchaser has until 30 September 2021 to pay the balance of the purchase price.

THE DURBAN HIGH SCHOOL FOUNDATION TRUST

(Registration Number IT 1146/1946/PMB)

Annual Financial Statements for the year ended 31 December 2020

Report of the Trustees

6. The Trustees during the year to the date of this report were the following:

Trustees	Changes
Andrew Stuart Crawford	Resigned 3 August 2020
Damian James Robert Judge	
Don Basildon Allaway	Resigned 22 January 2021
Faisal Ismail Suliman	
Lance Brendan Corbett	Resigned 16 October 2018
Linda Zondi	
Sizwe Melusi Ali Nxedlana (Chairman)	

7. Beneficiaries

Durban High School ("the school") is the primary beneficiary of the income and capital of the Trust. Secondary and optional beneficiaries include any association, club, activity or cause supporting the school or comprising or supporting the Schools' Old Boys, and including Durban Preparatory High School and any trust or association established for the benefit of Durban Preparatory High School, and which is in furtherance of the aims and heritage of the school, but only if and to the extent selected by unanimous resolution of the Trustees at the time of making a distribution and only if such association, club, activity or cause is an approved public benefit organisation approved in terms of section 30 of the Income Tax Act, as amended, or an institution, board or body contemplated in section 10(1)(cA)(i) of the Income Tax Act, 1962, as amended, carrying on any public benefit activity approved for purposes of section 18A of the Income Tax Act, 1962, as amended.

8. Distributions to beneficiaries

The Durban High School is a beneficiary of the funds raised by the Trust through bursaries and capital projects such as building improvements.

9. Auditors

BDO South Africa Incorporated continued as auditors for the 2020 year.

Independent Auditor's Report

To the Trustees of
The Durban High School Foundation Trust

Opinion

We have audited the financial statements of The Durban High School Foundation Trust (the trust) set out on pages 7 to 20, which comprise the statement of financial position as at 31 December 2020, and the statement of profit or loss and other comprehensive income, for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements of The Durban High School Foundation Trust, for the 31 December 2020 are prepared, in all material respects, in accordance with the basis of accounting described in note 1 to the financial statements and the requirements of The Durban High School Foundation Trust.

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 company 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.

Emphasis of Matter

We draw attention to note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the Trust's own accounting policies to satisfy the financial information needs of the trustees and beneficiaries. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Other Information

The trustees are responsible for the other information. The other information comprises the information included in the document titled "The Durban High School Foundation Trust Annual Financial Statements for the year ended 31 December 2020", which includes the Trustees' Report as required by the Trust Deed. 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 Trustees for the Financial Statements

The trustees are responsible for the preparation and fair presentation of the financial statements in accordance with the basis of accounting and the requirements of the Trust Deed, and for such internal control as the trustees 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 trustees are responsible for assessing the trust'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 trustees either intend to liquidate the trust or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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 trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' 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 trust'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 trust to cease to continue as a going concern.

We communicate with the trustees 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.



BDO South Africa Incorporated
Registered Auditors

Sally Jukes
Director
Registered Auditor

25 June 2021

5A Rydall Vale Office Park
38 Douglas Saunders Drive
La Lucia, 4051

THE DURBAN HIGH SCHOOL FOUNDATION TRUST

(Registration Number IT 1146/1946/PMB)

Financial Statements for the year ended 31 December 2020

Statement of Financial Position

Figures in R	Notes	2020	2019
Assets			
Non-Current Assets			
Property, plant and equipment	3	50 026 285	50 049 234
Investments	4	4 010 900	4 035 892
		54 037 185	54 085 126
Current Assets			
Trade and other receivables	6	1 123 357	420 110
Cash and cash equivalents	7	26 126 968	19 341 094
		27 250 325	19 761 204
Total Assets		81 287 510	73 846 330
Trust Funds and Liabilities			
Trust Fund			
Reserves	8	45 437 105	45 437 105
Accumulated loss		(5 417 288)	(6 996 119)
Trust Capital	9	23 955 719	23 955 719
		63 975 536	62 396 705
Current Liabilities			
Provisions	10	105 960	98 700
Trade and other payables	11	706 014	1 350 925
Deposit held for property sale		16 500 000	10 000 000
		17 311 974	11 449 625
Total Funds and Liabilities		81 287 510	73 846 330

THE DURBAN HIGH SCHOOL FOUNDATION TRUST

(Registration Number IT 1146/1946/PMB)

Financial Statements for the year ended 31 December 2020

Statement of Comprehensive Income

Figures in R	Notes	2020	2019
Income	12	9 944 534	15 172 578
Other income		6 244	19 614
Operating costs		(2 461 327)	(2 724 280)
Other gains and losses		(154 150)	377 543
Operating profit		7 335 301	12 845 455
Finance income	13	1 097 854	501 967
Finance costs	14	-	(83 436)
Impairment reversal	5	4 700 000	-
Profit before distribution		13 133 155	13 263 986
Distributions paid			
Durban High School - Bursaries		(8 130 859)	(3 923 788)
Durban High School - Capital Development Projects		(3 122 545)	(3 286 849)
Durban High School - Other		(300 920)	(1 383 379)
Capital donations received transferred to Trust's Capital		-	(1 557 469)
		(11 554 324)	(10 151 485)
Profit after distribution		1 578 831	3 112 501
Profit for the year		1 578 831	3 112 501

THE DURBAN HIGH SCHOOL FOUNDATION TRUST

(Registration Number IT 1146/1946/PMB)

Financial Statements for the year ended 31 December 2020

Statement of Changes in Trust Funds

Figures in R	Trust capital	Capital - special funds	Capital - Specific Bequests	Capital profits	Capital Tertiary Bursaries	Accumulated loss	Total
Balance at 1 January 2019	45 437 105	3 035 970	5 541 601	11 562 202	2 625 715	(10 108 620)	58 093 973
Total comprehensive income for the year							
Profit for the year						13 263 986	13 263 986
Total comprehensive income for the year	-	-	-	-	-	13 263 986	13 263 986
Distributions						(10 151 485)	(10 151 485)
Class of '63 capital donations		57 469					57 469
Loss on sale of shares				(367 238)			(367 238)
Capital donation - C Seabrooke			1 500 000		-		1 500 000
Balance at 31 December 2019	45 437 105	3 093 439	7 041 601	11 194 964	2 625 715	(6 996 119)	62 396 705
Balance at 1 January 2020	45 437 105	3 093 439	7 041 601	11 194 964	2 625 715	(6 996 119)	62 396 705
Total comprehensive income for the year							
Profit for the year						13 133 155	13 133 155
Total comprehensive income for the year	-	-	-	-	-	13 133 155	13 133 155
Distributions						(11 554 324)	(11 554 324)
Balance at 31 December 2020	45 437 105	3 093 439	7 041 601	11 194 964	2 625 715	(5 417 288)	63 975 536
Notes	8.	9.1	9.2	9.3	9.4		

THE DURBAN HIGH SCHOOL FOUNDATION TRUST

(Registration Number IT 1146/1946/PMB)

Financial Statements for the year ended 31 December 2020

Statement of Cash Flows

Figures in R	Notes	2020	2019
Cash flows from operating activities			
Profit for the year		13 133 155	13 263 986
<i>Adjustments for:</i>			
Finance costs		-	83 436
Reversal of impairment on loan		(4 700 000)	-
Loan donated to Durban High School		4 700 000	-
Depreciation of tangible assets		22 949	246 544
Investment income		(1 097 854)	(501 967)
Profit on disposal of property, plant and equipment		-	(2 609)
Change in fair value of shares		154 150	(377 543)
Transfer to capital		-	(367 238)
Donations paid		(11 554 324)	(8 594 016)
Operating cash flow before working capital changes		658 076	3 750 593
<i>Working capital changes</i>			
(Increase) / decrease in trade and other receivables		(703 247)	1 282 155
Increase in trade and other payables		5 862 349	10 630 174
Net cash flows from operations		5 817 178	15 662 922
Investment income		974 009	410 215
Finance costs		-	(83 436)
Dividends received		123 845	91 752
Net cash flows from operating activities		6 915 032	16 081 453
Cash flows used in investing activities			
Property, plant and equipment acquired	3	-	(68 848)
Investment acquired	4	(129 158)	(1 500 000)
Proceeds on disposals of property, plant and equipment		-	517 447
Net cash flows used in investing activities		(129 158)	(1 051 401)
Cash flows used in financing activities			
Loans repaid		-	(857 261)
Net cash flows used in financing activities		-	(857 261)
Net increase in cash and cash equivalents		6 785 874	14 172 791
Cash and cash equivalents at beginning of the year		19 341 094	5 168 303
Cash and cash equivalents at end of the year	7	26 126 968	19 341 094

THE DURBAN HIGH SCHOOL FOUNDATION TRUST

(Registration Number IT 1146/1946/PMB)

Financial Statements for the year ended 31 December 2020

Accounting Policies

1. General information

The Durban High School Foundation Trust is a trust founded in South Africa. The type of trust and its principal activities is, as fully set out in the Trust Deed, to initiate and participate in fundraising ventures to raise funds for the beneficiaries of the Trust, to promote the goals and objectives of the beneficiaries, to provide funds or assets to the beneficiaries, to build and strengthen partnerships between the Durban High School, its Old Boys, Durban Preparatory High School and any other educational institution and the public, to establish and govern a credible, professional and high calibre entity, and generally to promote any objects which in the view of the Trustees may be advantageous to the development and extension of Durban High School.

2. Summary of significant accounting policies

The annual financial statements have been prepared in accordance with entity-specific accounting policies. These financial statements have been prepared under the historical cost convention and are presented in South African Rand.

In preparing the annual financial statements, the Trustees are 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. The accounting policies are consistent with the previous period.

2.1 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable from fund raising activities in the ordinary course of the trust's activities.

The trust recognises revenue when: the amount of revenue can be reliably measured; it is probable that future economic benefits will flow to the entity; and specific criteria have been met for each of the trust's activities, as described below:

2.1.1 Revenue

Revenue is generally recognised on the accrual basis.

2.1.2 Dividends income

Dividends income is recognised as revenue when the right to receive payment is established and is shown as 'finance income'.

2.1.3 Interest income

Interest income is recognised using the effective interest rate method and is shown as finance income.

2.2 Investment property

Investment property is recognised as an asset when, and only when, it is probable that the future economic benefits will flow to the enterprise, and the cost of the investment property can be reliably measured. Investment property is property held to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services, for administrative purposes, or for sale in the ordinary course of business.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

THE DURBAN HIGH SCHOOL FOUNDATION TRUST

(Registration Number IT 1146/1946/PMB)

Financial Statements for the year ended 31 December 2020

Accounting Policies

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

After initial recognition, investment property whose fair value can be measured reliably without undue cost or effort shall be measured at fair value at each reporting period with changes in fair value recognised in profit or loss. If the fair value cannot be determined without undue cost and effort, the investment property is classified to property, plant and equipment.

2.3 Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The following rates are used for the depreciation of property, plant and equipment:

Motor vehicles	20.00%
Furniture and fittings	33.33%
Computer equipment	33.33%

2.4 Impairment of non-current assets

The Trustees assess 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 an impairment loss subsequently reverses, the carrying amount of the asset (or group of assets) is increased to the revised estimate of its fair value less costs to sell, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (group of assets) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.5 Trade and other receivables

Trade receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the trust will not be able to collect all amounts due according to the original terms of the receivables.

2.6 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less.

THE DURBAN HIGH SCHOOL FOUNDATION TRUST

(Registration Number IT 1146/1946/PMB)

Financial Statements for the year ended 31 December 2020

Accounting Policies

2.7 Trust capital and retained earnings

All funds of a capital nature received by the Trust are accounted for directly to the Trust capital account. This includes the original donation received by the Trustees to establish the Trust, as well as all donations received by the Trustees since the Trust's inception. This excludes capital gains and losses realised by the Trust in the normal course of its business activities. Trust capital is reduced by any capital distributed by the Trustees to any capital beneficiary.

Retained earnings consists of all revenues, capital gains and capital losses retained by the Trust after payment of all expenses, taxes and distributions of income and capital gains to beneficiaries.

2.8 Borrowing costs

Borrowings are recognised initially at the transaction price (that is, the present value of cash payable to the bank, including transaction costs). Borrowings are subsequently stated at amortised cost. Interest expense is recognised on the basis of the effective interest rate method and is included in finance costs.

Borrowings are classified as current liabilities unless the trust has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

2.9 Trade payables

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest rate method.

2.10 Provisions

Provisions are measured at the present value of the amount expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.11 Donation and Investment Policy

All investment income and capital vests with the Foundation and the Trustees have sole discretion on the utilisation of all funds.

2.12 Related Parties

A party is related to the company if any one of the following are met:

- Directly, or indirectly through one or more intermediaries, the party controls, is controlled by or is under common control with the Trust;
- The party is a member of the key management personnel of the Trust;
- The party is a close member of the family of an individual referred to above;
- A close member of the family includes:
 - The individuals domestic partner and children
 - Children of the individuals domestic partner; and
 - Dependents of the individual or the individuals domestic partner.
- The party is a post-employment benefit plan for the employees of the Trust.

THE DURBAN HIGH SCHOOL FOUNDATION TRUST

(Registration Number IT 1146/1946/PMB)

Financial Statements for the year ended 31 December 2020

Notes to the Annual Financial Statements

3. Property, plant and equipment

	2020			2019		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
<i>Owned assets</i>						
Land and buildings	50 000 000	-	50 000 000	50 000 000	-	50 000 000
Furniture and fittings	58 600	(37 439)	21 161	58 600	(17 906)	40 694
Computer equipment	10 248	(5 124)	5 124	10 248	(1 708)	8 540
	50 068 848	(42 563)	50 026 285	50 068 848	(19 614)	50 049 234

The carrying amounts of property, plant and equipment can be reconciled as follows:

	2020				2020 Carrying value at end of year
	Carrying value at beginning of year	Additions	Disposals	Depreciation	
<i>Owned assets</i>					
Land and buildings	50 000 000	-	-	-	50 000 000
Furniture and fittings	40 694	-	-	(19 533)	21 161
Computer equipment	8 540	-	-	(3 416)	5 124
	50 049 234	-	-	(22 949)	50 026 285

	2019				2019 Carrying value at end of year
	Carrying value at beginning of year	Additions	Disposals	Depreciation	
<i>Owned assets</i>					
Land and buildings	50 000 000	-	-	-	50 000 000
Motor vehicles	586 273	-	(359 343)	(226 930)	-
Furniture and fittings	-	58 600	-	(17 906)	40 694
Computer equipment	-	10 248	-	(1 708)	8 540
	50 586 273	68 848	(359 343)	(246 544)	50 049 234

	2020 R	2019 R
Details of property		
Opening balance	50 000 000	50 000 000

Erf 944, Durban North Township, Province of Kwa-Zulu Natal, Measuring 2.1936 H.

Erf 951, Durban North Township, portion No 165 Province of Kwa-Zulu Natal, Measuring 2.1193H.

Details of property continued onto next page...

THE DURBAN HIGH SCHOOL FOUNDATION TRUST

(Registration Number IT 1146/1946/PMB)

Financial Statements for the year ended 31 December 2020

Notes to the Annual Financial Statements

Figures in R 2020 2019

As 20 Gainsborough Drive Share Block (Pty) Ltd was unable to deliver a guarantee for the purchase price payable against transfer by the latest agreed date, it was decided to cancel the sale agreement concluded in 2016 with a forfeiture of all interest paid by the Purchaser to the Foundation and to conclude a new Consolidated Sale Agreement supported by comprehensive suretyships. This Consolidated Sale Agreement and Suretyships were signed by the Purchaser and its members on the 8 May 2019 and 18 June 2019 and the comprehensive suretyships has been accepted by the Foundation now that new LoA have been issued to the Trustees of the Foundation and a written resolution has been signed by all Trustees named in the new LoA.

During the year under review the purchaser of the DHSOBC Property defaulted against the payment terms agreed per Addendum 1 signed on 15th and 18th November 2019 by both parties. The default was as a result of the National Lockdown implemented in March 2020 in response to the COVID-19 pandemic. Given the uncertainty regarding the impact of the lockdown the Trustees were not in a position to re-negotiate with the purchaser before the 31 December 2020. In the absence of a new agreement, the purchaser continued to make a monthly interest payment.

4. Investments

Unit Trusts - at cost	Cost Price	Cost Price
Allan Gray Equity Fund	4 000 000	4 000 000
Unit Trusts - at market value	Market Value	Market Value
Allan Gray Equity Fund	4 010 900	4 035 892

The carrying amounts of investments are shown at market value.

5. Loans receivable

Loans receivable - Durban High School	-	4 700 000
Impairment loss	-	(4 700 000)
	-	-

As per resolution passed on the 11th September 2020, the impairment has been reversed and the loan has been donated to Durban High School in line with a resolution passed by the Trustees on 14 January 2014.

6. Trade and other receivables

Club Debtors	21 629	21 626
Durban High School	833 793	331 519
Value Added Tax	267 935	66 965
	1 123 357	420 110

7. Cash and cash equivalents

Cash on hand - favourable balance	-	444
Bank balances- favourable balance	26 126 968	19 340 650
	26 126 968	19 341 094

THE DURBAN HIGH SCHOOL FOUNDATION TRUST

(Registration Number IT 1146/1946/PMB)

Financial Statements for the year ended 31 December 2020

Notes to the Annual Financial Statements

Figures in R	2020	2019
8. Reserves		
Balance at beginning of the year	45 437 105	45 437 105
Balance at the end of the year	<u>45 437 105</u>	<u>45 437 105</u>
9. Trust Capital	<u>23 955 719</u>	<u>23 955 719</u>
9.1 Capital Profits		
Durban High School Trust capital	737 803	737 803
Durban High School Trust bequest	530 577	530 577
Durban High School - 125 celebrations	56 885	56 885
Durban High School Association Scholarships	88 935	88 935
Avoidance of sexual abuse	624 945	624 945
DHS Foundation Functions	66 223	66 223
Class of 1963	259 815	259 815
Consolidation various small donations	728 256	728 256
	<u>3 093 439</u>	<u>3 093 439</u>
9.2 Capital - Specific requests		
Pat Goss Fund	2 075 661	2 075 661
Estate of Late FD Tomlin	815 940	815 940
Karel Tip Class' 62	150 000	150 000
Capital Donation - C Seabrooke	4 000 000	4 000 000
	<u>7 041 601</u>	<u>7 041 601</u>
These bequests/donations have specific requests as to the use of the income thereon.		
9.3 Capital Profits		
Profit on sale of:	8 944 690	8 944 690
• Portion 4 of Erf 951 Durban North; and		
• Portions 223 & 224 (of 165) of Erf 944 Durban North.		
Distribution - Durban High School	(2 366 834)	(2 366 834)
Distribution - Durban Old Boy's Club	(3 311 217)	(3 311 217)
Profit on sale of investments	7 928 325	7 928 325
	<u>11 194 964</u>	<u>11 194 964</u>
9.4 Capital Tertiary Bursaries		
Estate Readshaw Bequest	1 590 009	1 590 009
Lillian Readshaw Scholarship	244 000	244 000
LCW Theobald Scholarship	341 668	341 668
Cecil Renaud Fund	105 600	105 600
BE Masojada Fund	344 438	344 438
	<u>2 625 715</u>	<u>2 625 715</u>

Donations received in prior years with requests that they be used for tertiary educational bursaries for Durban High School learners.

THE DURBAN HIGH SCHOOL FOUNDATION TRUST

(Registration Number IT 1146/1946/PMB)

Financial Statements for the year ended 31 December 2020

Notes to the Annual Financial Statements

Figures in R

2020

2019

10. Provisions

The following provisions are included in accounts payable:

	2020			2019
	Legal Fees	Audit Fee	Total	Total
Carrying amount at the beginning of the year	-	98 700	98 700	46 200
Current year provision	42 960	63 000	105 960	52 500
Amounts incurred and charged against the provision	-	(52 500)	(52 500)	-
Unused amounts reversed during the period	-	(46 200)	(46 200)	-
Carrying amount at end of the year	42 960	63 000	105 960	98 700

11. Trade and other payables

Trade creditors	580 765	182 863
Accrued liabilities	1 271	9 961
Sundry creditors	-	41 799
Unutilised funds - Old Boys Supporters Club	93 454	93 454
PAYE, UIF & SDL	30 524	-
Leave pay provision	-	22 848
C. Seabrooke	-	1 000 000
	<u>706 014</u>	<u>1 350 925</u>

12. Income

An analysis of income is as follows:

Donations Received - S18A	4 953 216	8 040 259
Donations Received - Other	326 872	634 150
Discount received	-	2 000
Penalty interest accrued in respect of the disposal of Old Boys Property	3 892 448	4 945 185
Profit from fundraising activities	36 101	47 022
Electricity recoveries	50 708	-
Rent received	678 928	1 503 962
Book sales	6 261	-
	<u>9 944 534</u>	<u>15 172 578</u>

13. Finance income

Interest received	974 009	410 215
Dividends received from listed companies	123 845	91 752
	<u>1 097 854</u>	<u>501 967</u>

14. Finance costs

SARS	-	4 051
Wesbank instalment sale agreement	-	79 385
	<u>-</u>	<u>83 436</u>

THE DURBAN HIGH SCHOOL FOUNDATION TRUST

(Registration Number IT 1146/1946/PMB)

Financial Statements for the year ended 31 December 2020

Notes to the Annual Financial Statements

Figures in R	2020	2019
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15. Income tax expense

The Trust is not liable for taxation as it has been approved as a Public Benefit Organisation in terms of S30 of the Income Tax Act and the receipts and accruals are exempt in terms of S10(1)(cN), under registration number 930022185.

The Trust is liable for taxation on its trading income less apportioned expenditure. Its trading income comprises rental income from its property which is in the process of being sold and some sundry income.

16. Events after reporting date

Subsequent to 31 December 2020 the board of trustees was able to conclude a new offer on the DHSOBC Property which was signed by both parties on 2 March 2021. Per the new agreement the purchaser has until 30 September 2021 to pay the balance of the purchase price.

17. Profit from fundraising activities

Fundraising activities for 2020 consisted of events such as golf days and horseflies supporter club.

Contributions received toward fundraising activities

A Crawford - S18A Donation	-	40 000
CFC and Trading (Pty) Ltd	-	29 000
Philip Wylie	-	14 030
Contributions received under R12 000	136 115	246 693
	<u>136 115</u>	<u>329 723</u>

18. Donations

Non-section 18A donation

Beier Envirotec (Pty) Ltd	-	27 800
Chris Seabrooke (Music Centre)	-	32 260
Class '73	65 000	-
Derick Bass	56 174	-
Dr Chris Jennings	-	118 000
Ian and Laura Marthinusen	-	30 000
Impact DHS	134 389	-
MacBean Beier Plastics (Pty) Ltd. t/a Neucoat	(100 000)	100 000
Neil Coppen	-	60 000
Photo Note CC	-	27 500
Quinton Oswald	-	56 691
Roger Eaton	104 575	-
Total Marketing Support 360 SA (Pty) Ltd	-	40 000
Victor Daitz Foundation	-	114 650
Donations received under R12 000	66 734	27 249
	<u>326 872</u>	<u>634 150</u>

THE DURBAN HIGH SCHOOL FOUNDATION TRUST

(Registration Number IT 1146/1946/PMB)

Financial Statements for the year ended 31 December 2020

Notes to the Annual Financial Statements

Figures in R	2020	2019
Section 18A donation		
Andrew Aitken	-	17 400
Andrew Crawford	15 000	-
Apparel Components Manufacturers (Pty) Ltd	-	52 000
Bitrim Management & Financial Services (Pty) Ltd	164 000	-
Cecil Renaud Educational and Charitable Trust	-	35 000
CFC and Trading (Pty) Ltd	20 000	-
Charles Allan Solomon	50 000	50 000
Chris Seabrooke	994 000	1 176 000
Chris Seabrooke (Seabrooke Theatre)	800 000	1 000 000
Chris Seabrooke (Seabrooke Digiproject)	200 000	-
Colin Woodcock	56 400	29 500
Compendium Insurance Brokers	27 200	-
Conrite Walls (Pty) Ltd	-	128 800
Datatec	-	200 000
Denzil Andrews	124 150	-
Derick Bass	-	54 780
George Bennett	56 400	-
Gillian Freda Solomon	50 000	-
Uniform Manufacturers (Pty) Ltd	56 400	-
Grant Oldfield	100 000	120 000
Howard Buttery	-	141 000
Ian Robertson	-	100 000
Ian Wedderburn	-	55 000
Isaac Sandler Charitable Trust	302 700	260 000
Jakamar Trust	55 000	-
John Moshal	-	55 000
Jonothan Beare	-	1 000 000
Kenneth Herbert Douglas Solomon	50 000	100 000
Kenneth Lawson	-	30 000
Lance Corbett	-	55 000
Litho	-	50 000
LP Watrus	130 000	-
RAJ Investments Holding (Pty) Ltd	17 438	-
Narrowtex (Pty) Ltd	170 000	220 000
National Braiding Industries (Pty) Ltd	-	71 000
NCR Consulting (Pty) Ltd	25 000	25 000
P De Chaomony 81	20 000	-
P De Villiers	-	44 870
Peter O'Donoghue	-	16 000
Photo Note CC	-	27 500
Phumelela Msomi	39 000	22 500
Precious Prospect Trading 256 (Pty) Ltd	-	118 000
RAJ Investment Holdings (Pty) Ltd	44 638	-
Rand York Coretrays	55 000	-
Richmark Holdings(Pty) Ltd	-	200 000
Roy Jack Henry	-	200 000
<i>... donations note continued onto next page</i>		

THE DURBAN HIGH SCHOOL FOUNDATION TRUST

(Registration Number IT 1146/1946/PMB)

Financial Statements for the year ended 31 December 2020

Notes to the Annual Financial Statements

Figures in R	2020	2019
Rudi Clark	-	20 000
Sabvest Finance & Gaurantee Corp (Pty) Ltd	554 660	1 281 500
Sabvest Finance & Gaurantee Corp (Pty) Ltd (Blackmore Project)	600 000	750 000
Seshego Benefit Consulting (Pty) Ltd	-	15 000
Sizwe Melusi Ali Nxedlana	25 000	-
Uni –Continental (Natal) CC	-	15 000
Webbing Products (Pty) Ltd	60 000	51 000
Donations received under R12 000	91 230	253 409
	<u>4 953 215</u>	<u>8 040 259</u>

THE DURBAN HIGH SCHOOL FOUNDATION TRUST

(Registration Number IT 1146/1946/PMB)

Financial Statements for the year ended 31 December 2020

Detailed Income Statement

Figures in R	Notes	2020	2019
Income			
Donations Received - S18A	18	4 953 216	8 040 259
Donations Received - Other	18	326 872	634 150
Discount received		-	2 000
Penalty interest accrued in respect of the disposal of Old Boys Property		3 892 448	4 945 185
Profit from fundraising activities		36 101	47 022
Electricity recoveries		50 708	-
Rent received		678 928	1 503 962
Book sales		6 261	-
		<u>9 944 534</u>	<u>15 172 578</u>
Other income			
Dividends received		123 845	91 752
Fair value adjustment		(154 150)	377 543
Investment income		974 009	410 215
Profit on sale of fixed assets		-	2 609
Impairment reversal		4 700 000	-
Sundry income		6 244	17 005
		<u>5 649 948</u>	<u>899 124</u>
Total income		<u>15 594 482</u>	<u>16 071 702</u>
Expenditure			
Accounting fees		117 380	94 080
Advertising		15 121	55 093
Assessment rates and municipal charges		(40 662)	259 630
Auditors' remuneration		25 770	57 625
Bad debts		-	11 396
Bank charges		17 169	37 188
Cleaning and consumables		4 133	22 380
Commission paid		85 281	-
Computer expenses		30 812	56 405
Depreciation		22 949	246 544
Electricity and water		509 986	410 239
Entertainment		6 023	6 630
Finance costs		-	83 436
Insurance		52 639	43 964
Lease rental on operating lease		9 000	-
Legal expense		291 731	133 084
Printing and stationery		3 114	11 780
Professional fees		41 250	4 750
Repairs and maintenance		117 670	103 200
Salaries		1 120 658	1 102 009
Security		7 631	14 328
Small Assets		-	16 677
Sundry expenses		3 299	6 605
Telephone and fax		20 373	15 693
Travel - local		-	14 980
		<u>2 461 327</u>	<u>2 807 716</u>
Operating profit before distributions		<u>13 133 155</u>	<u>13 263 986</u>

THE DURBAN HIGH SCHOOL FOUNDATION TRUST

(Registration Number IT 1146/1946/PMB)

Financial Statements for the year ended 31 December 2020

Detailed Income Statement

Figures in R	Notes	2020	2019
Distributions paid			
Durban High School - Bursaries		8 130 859	3 923 788
Durban High School - Capital Development Projects		3 122 545	3 286 849
Durban High School - Other		300 920	1 383 379
Capital donations received transferred to Trust's Capital		-	1 557 469
		<u>11 554 324</u>	<u>10 151 485</u>
Profit after distribution		<u>1 578 831</u>	<u>3 112 501</u>