

1. Welcome and Apologies

Jannie de Villiers (JdV) opened the meeting welcoming all present, as well as noted the apologies below:

Dr Stefanie Freitag-Ronaldson, Perino Pama, Andrew Campbell , Michelle Utian, Kenneth van Strijp, Pam Tudin, Jo & Craig Lellyett, Paul & Micky Zwartz, Carol Hampshire, Giorgio Fioravanti, Mr and Mrs Sunkar, Paul Kotze, Jane & Clinton Wigg, Suzanne de Villiers, Kathy & Keith Shearer, Anthea Smith, Mike and Mary-Anne Beviss-Challinor, Darrel & Lauren Gebhard, Andrew & Monique Donnell, Patrick Reid, Gavin Loon, Sisa Thintelo, Tonya Bayleveld, Helen Lever, Andrew Hill and Sandy & James Hart.

JdV discussed the similarities and differences between his new and old school and how optimistic he is for the future of Oakhill. JdV mentioned that the group of staff at Oakhill are all highly qualified, the parents have a high level of interest and are generous in offering their support and have high expectations. Although there is a list of issues, very few are not typical of other schools. The three categories that the issues fall into are

- a) what all schools deal with
- b) issues of small schools where staff and children are stretched
- c) specific Oakhill issues

JdV said Oakhill is a 'gem' of a school which is agile and future minded. The school is a huge asset to Knysna and this puts Knysna into the next bracket.

2. Proxies and Quorum

JdV confirmed that various proxies had been received and that a quorum had been achieved therefore the meeting would continue.

3. Confirmation of Previous Annual General Meeting Minutes

Francois Hay (FH) asked for confirmation of the previous minutes. As there was no comments from the members of the AGM they were confirmed as accepted.

4. Oakhill School Association Finance Report

A presentation was done by Francois Hay where the following points were discussed:

- A) Operating Income and Expenses
  - Revenue with R4M in additional fees during 2015 caused a yoy distortion
  - Other income has increased with more donations and projects (e.g. tuckshop, clothing shop etc.)
  - For the 2017 budget there is a mix in the school fees with more pupils in the College which adds to higher budgeted revenue. At the end of 2016 the school fees increased by 8.5%.
  - Salaries were increased in line with expectations but more to be done in this area.
  - There were some other actual higher expenses (e.g. IT and going Google)
  - Finance is a high number due to fair value adjustments.
- B) Current level of Debt / Borrowing
  - Development Bank processed late but coming down.
  - New bond created as OSC transferred in Dec 2016(11%)
  - Debentures down due to some repayments and some donated.

- Funds are held on the balance sheet on behalf of new Bursary Trust until it is registered. Money from outside currently sitting at R1.2M.
  - A lot of work has gone into renegotiating debenture terms. The board has done well in reducing borrowing.
  - The Finance leases have come down and only sitting with tractor being financed.
  - Funding of long term assets with short term debt has been reorganised.
  - Once the restriction on the Title Deed changes the board will be able to create finance through bonds.
- C) Cash and capital Expenditure
- There is a small budget of R500 000 for capex. In 2016 this money was mainly spent on the road. This year there is a list of expenses which will need to be prioritised:
    - Budgeted capex includes key replacement and essential expenditure
    - Bus replacement
    - Astro Tech area permanent cover
    - Cricket nets
    - Walkway next to learning commons
    - Tuckshop area permanent cover
    - Pool (heating and deepening)
  - The student numbers have been stable for the last few years. The budgets are based on 480 pupils. A parent asked about the hostel – this would increase numbers but would also increase the number of teachers and classes required.
  - Debtors: there is no crisis with outstanding amounts from current families. Oakhill works on a cash basis with no overdraft and relies on schools fees being paid timeously.
  - The Additional Fees: All those who have made arrangements are currently paying and by the end of Dec R250 000 was still outstanding. Those in disputes have all gone legal. This is proving frustrating for the Finance Committee due to the slow legal process but it will be resolved. Gordon Shutte confirmed that the current number of debtors is less than 2% of revenue at the end Dec 2016.

A parent asked if families left due to the additional fee and the Finance committee confirmed this was not necessarily the overriding factor.
  - Over the next two years we have enough cash to finance operations and commitments. 2019 becomes pressured due to re-payments of debentures. Mitigating factors include:
    - Good student numbers
    - Debtor payments
    - Loan arrangements

The Finance Committee will continue to address the following three areas:

- Increase revenue
- Reduce costs / product
- Restructure debt

5. Consideration of financial accounts for the year ended 31 December 2016

Signed off by the Board and the Auditors and noted by the meeting.

6. Oakhill School Association Board Report

Richard Foyn (RF), chairman of the Board, welcomed Jannie de Villiers and family to Oakhill. He also thanked Shane Kidwell for his time at Oakhill and the smooth handing over period to the new Head of School. RF confirmed they are very happy with their decision and good choice with JdV at the helm of the school.

RF and Board are committed to providing a long term strategy. This will start being developed as soon as JdV has had time to settle at Oakhill. RF confirmed that the Board were looking at the following areas in the 5 year strategy:

- a) Not much more growth unless a boarding school is built
- b) Oakhill cannot incur more debt
- c) The registration of the Trust in order to look for more increased external donors
- d) Workable core strategy for a boarding school by looking at many financing options (private, parents/school, donations, etc)

RF confirmed there is no intent to look at selling the school as the Board feels the environment for schools is changing and they feel the advantage of being a private school in 10 to 15 years will be highly beneficial. We need to however be cognisant of the rapid changes in the school ownership environment in our area as this could have important consequences for Oakhill.

The Trust is currently being established and this will create more confidence in donors.

The schools financials are in a good state. All Additional Fees outstanding are currently in a legal process and the Board will not give up on it. No one will get away with not paying this.

In 2019 there will be a cash flow bubble but the Board are confident this is working hard to solve this and it is currently manageable but will stretch our resources.

**Questions and Answers:**

A parent asked about the delay in getting the Title Deed amended: RF explained that this restriction was set in place by Government and there was a change in law 18 months ago which allowed the decision to remove this to be made by local municipality. This is the first time the municipality are dealing with something like this and there is no precedent in place and an understanding of the process needs to happen. This will take more time than anticipated and it is unfortunately completely out of Oakhill's hands.

A parent asked about the free Increase: RF said that fees are increased annually in January which is standard every year. The increase depends on a number of factors although the Board is aware of high school fees. The Board aims to keep the increase in range of education inflation which should be under 10%.

A parent asked about boarding and 2019 being a pivotal year and why children don't seem to be progressing into the College: RF confirmed more pupils are moving up into the College and Grades 8,9,10 have reached capacity. Few children leave Oakhill because they are unhappy; most leave due to affordability or relocation. Gordon Shutte (GS) also reminded all that Knysna is a transient town.

The same parent suggested a survey be done in the junior school to address cultural changes in order to keep children. RF believes Oakhill needs a boarding school and that we need to keep families who understand the culture of the school. JdV confirmed that pupils are not leaving at the end of Prep and this speaks about the perceptions about what is needed for their schooling; we need to look at Oakhill's pull factors and not the push factors.

Another parent asked if it was possible to recreate the 'glory days' of 5 years ago at Oakhill and 'Make Oakhill Great' again: Karine Trollip confirmed only four families from Grade 7 upwards left Oakhill at the end of 2016 and this was because their families moved away from Knysna. Fifteen families came to Oakhill. KT suggested that the perceptions of the FP and IP phases offered a different delivery and touch points. KT confirmed that she believes Oakhill has never been in a better place.

A discussion around affordability was had. One parent asked how we can fill 100 seats in the prep school and suggested a fee discount to certain pupils. RF confirmed that should a discount be offered, it should be the same price for all and the risk is that if you drop school fees you may not fill the seats. GS said that if you bring in a child it has to be for their whole school career and would rather look at discounting the placement fee. GS also mentioned how important it is for Bursaries to be a 5 year plan (whole college schooling) as you don't want affordability to come to an end well before the end of a child's school career.

Another parent spoke about the number of pupils in Knysna being limited and having a boarding school would bring pupils in from further afield. He also spoke of the lack of marketing and feels this is due to the uniform / culture in the school. Other parents responded by saying a uniform would cause another 20 families to leave. It was mentioned that the main barrier to entry is finance, and not so much uniforms/culture.

7. Board Members

As there were no new proposals for the current two vacant board seats both Mike Verrier and Derek Devine were automatically elected for a further term.

8. General

None

9. Closure

RF thanked all present for attending and closed the meeting at 19:05.

**Richard Foy**  
CHAIRMAN