



PARKTOWN BOYS'  
HIGH SCHOOL



# Overview Pack

November 2020

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# AGENDA

**1. Current Status**

**2. Operating Model**

**a. Role of SGB**

**b. Role of Foundation**

**3. Financial Overview**

**4. Assistance Required**



# A STORY OF TWO TALES

## A tradition of excellence...

Founded in 1923, Parktown Boys' is one of the pre-eminent government boys' schools in South Africa. The original school buildings enjoy provincial heritage status.

- The school celebrates its Centenary in 2023.

Parktown was the first government school to allow previously disadvantaged learners into a mainstream 'white' school in 1991.

Parktown actively competes with private schools, at fraction of the cost, offering value for money education.

Parktown currently has a student population of 895.

- 270 students are either fully or partially supported through either scholarships and fee exemptions.
- Parktown is significantly transformed and nurtures future leaders across race and income divides.

Adding to the heritage school buildings and facilities, a new world class boarding house was opened in 2016, that can accommodate 20% of the learner population

### Academic results:

Parktown Boys' consistently produces excellent academic results. In 2019,

- the top 5 candidates achieve 7 or more distinctions
- 94% of the class qualify to study at tertiary institutions
- AP Maths average 10% higher than national average

## ... But also facing significant challenges

- A coach and boarding master was found guilty of numerous accounts of sexual assault and sentenced to approximately 150 years in prison.
- Despite everything being done to ensure this can never happen again, this has severely impacted the school's reputation, and has affected school and boarding house admissions (as evidenced by Samantha Cowen's recent book, etc).
- A Grade 8 learner, Enoch Mpianzi, drowned on an orientation camp at the beginning of 2020. This tragedy has understandably also negatively affected perception of the school and 2021 admission.
- The Coronavirus pandemic has dramatically impacted the collection of school and boarding fees in 2020, putting significant strain on the school's financial resources.

### So what's needed...

- **The active involvement of Old Boys;**
- **Old Boys' skills, expertise, professional resources;**
- **Financial support to ensure that long-term plan around the boarding house is not jeopardized;**
- **Financial support to ensure the school can continue to attract top teachers, coaches & students**



# Notable Alumni



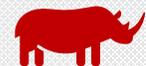
- Charles Feinstein
- Peter Tyson
- Dr. André Perold



- Sir Henry Benson
- Manfred Gorvy
- Rob Collins
- Ralph Patmore



- Christo Coetzee
- Trevor Rabin
- Craig Hinds
- Watkin Tudor Jones
- Pallance Dladla



- John Varty



- Jack Penn
- George Getzel Cohen
- Adam Kuper
- Joseph Volpe
- Dr. Gerald Nestadt
- Dr. David Abrams



- Eric Sturgess
- Wayne Ferreira
- Jackie Meckler
- Paul Bayvel
- Peter Cronjé
- Lawrence Britain
- Tabraiz Shamsi
- Michael “Madosh” Tambwe



- Raymond Louw
- Graeme Codrington



# OPERATING MODEL



# SCHOOL GOVERNING BODY

## School Governing Body (SGB)

- Responsible for defining policy & governance.
- Responsible for governing structure of the school.
- Determines school fees.
- Employer of non-GDE (Gauteng Department of Education) teaching staff.
  - **60%** of staff complement
- Provides S38A Additional Responsibility payments for GDE staff - ensures competitiveness as well as to attract and retain top teaching talent.
  - **21%** of staff costs

Constituency	Representatives
Parents	8
Headmaster	1
Staff	3
Learners	3
<b>Total</b>	<b>15</b>

**Note:**

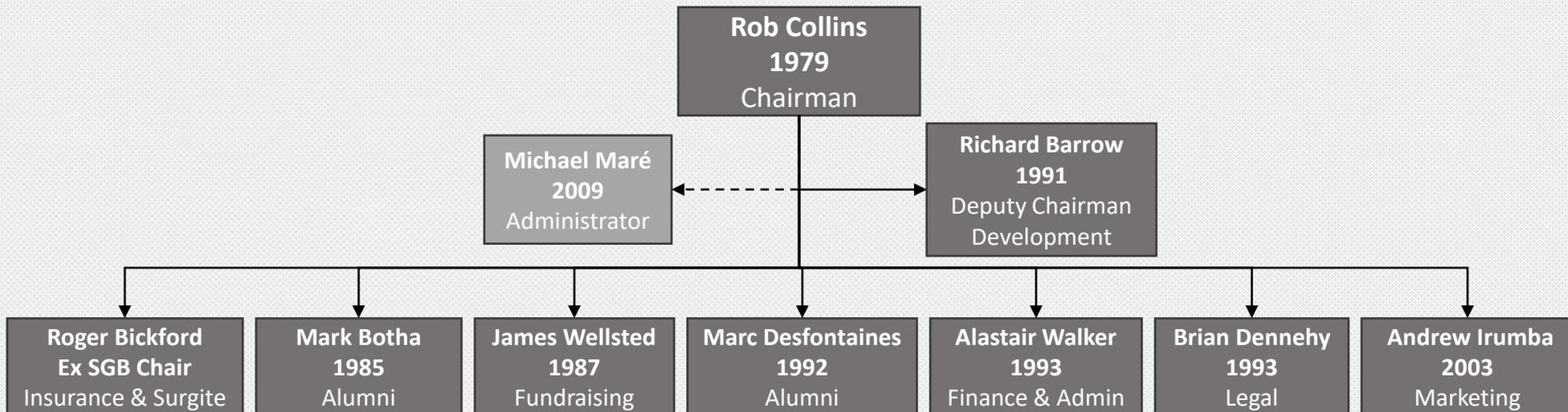
- Number of **parents on the governing body must be 51% of the members** who can vote.
- The next tenure of the SGB begins after elections in March 2021 - the nomination process takes place in late 2020.
- Old Boys can only be co-opted members (non-voting) but **old boys who are also teachers/ staff or parents can be nominated as voting members.**



# PARKTONIAN FOUNDATION

## The Parktonian Foundation

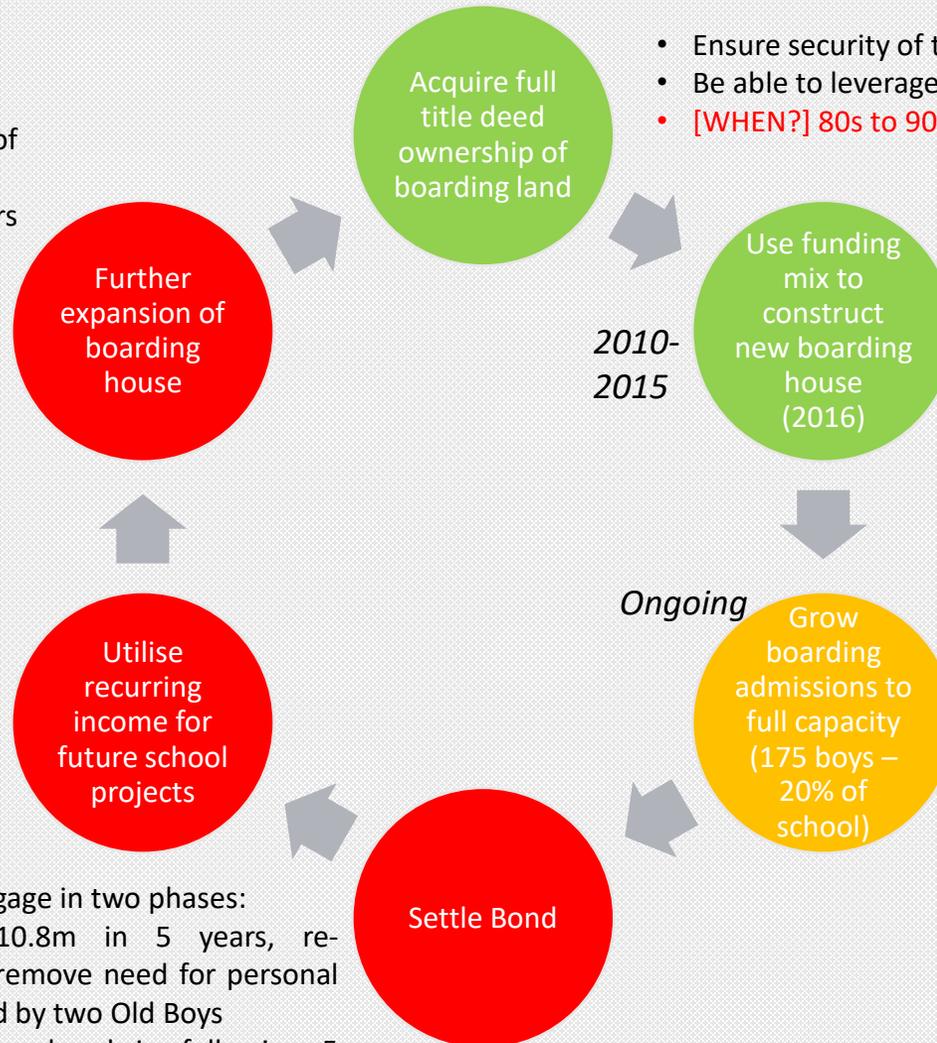
- Established in May 1978
- Mandate is to **raise funds** for the **betterment of the school**.
- Supports major projects and provision of scholarships.
- Structured as a Non-profit Trust, **Reg No. IT7988, PBO No. 930026928**.
  - able to provide tax certificates to donors, for qualifying donations.
- Traditionally raised money through alumni events & Old Boys' donations.
- Examples of Foundation funded projects:
  - Hockey AstroTurf (early 2000s)
  - Sports Centre (2010)
  - New Boarding House (2016)
  - Scholarships (ongoing)



# FOUNDATION STRATEGY – Boarding House

## ‘The Virtuous Cycle’

- Phase 2 & Phase 3 expansion of boarding facilities
- Further attraction of top learners from further afield.



- Ensure security of tenure of land.
- Be able to leverage off a non-GDE owned asset.
- [WHEN?] 80s to 90s

- Equity of R12m and debt of R15m.
- Offer scholarships to talented learners from further afield.
- Drive admissions from larger geographical spread with termly boarding.
- Attract more fee-paying learners.
- Create a source of recurring revenue for the foundation.

Projects to focus on:

- Provision of further scholarships to attract further academic, sporting, teaching & coaching talent.
- Further infrastructure capex.

- Grow fee-paying boarding admissions over a four-year period to get to full capacity.
- Note: breakeven is approximately 150 fee-paying boarders.
- Use world-class facility to attract talent.
- Evergreen “rental agreement” between SGB and Foundation to;
  - ensure service of mortgage and
  - thereafter a consistent revenue stream for Foundation

Settle R15m mortgage in two phases:

- Reduce to R10.8m in 5 years, re-mortgage and remove need for personal surety, provided by two Old Boys
- Settle remaining bond in following 5 years

### KEY

Completed

Under threat

Severely under threat



# THE OVERALL THREAT TO PBHS

## 'The Vicious Cycle'

The less fiscally stable the school is, the less autonomy the school will have.



- School & Foundation reserves have been exhausted by poor payment of fees in both school & boarding house,
- Covid-19 has exacerbated the situation

- Teaching and Admin staff; 20% salary cut in August to October,
- Coaching Staff salaries were paused throughout the pandemic.
- Bonus payments frozen for 1 year.

This will be under threat if salaries can't be restored

### KEY

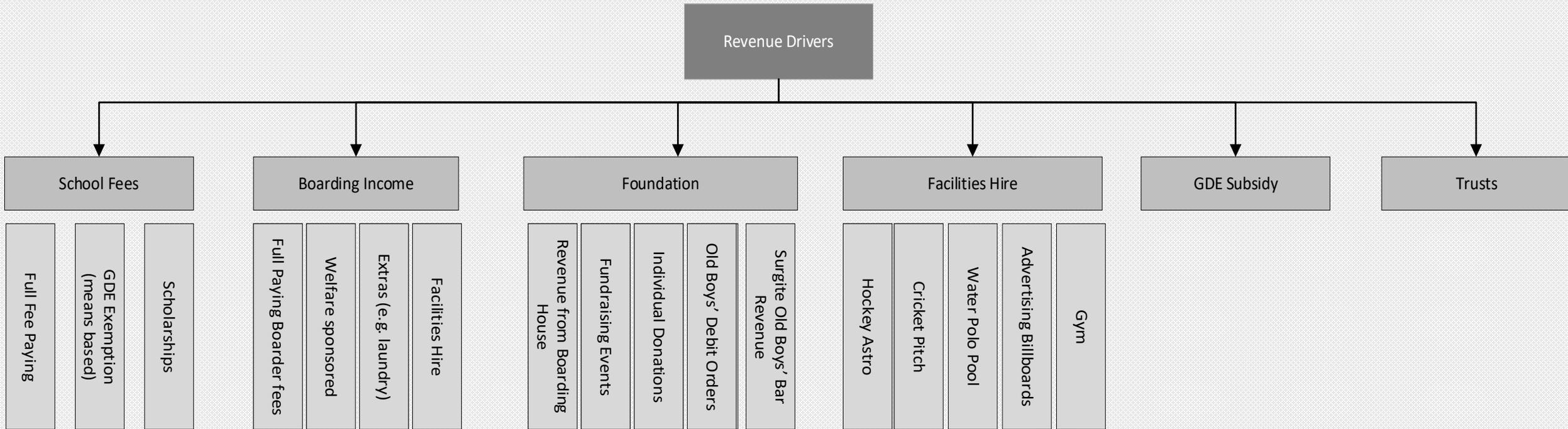
Risk is mitigated

Risk is becoming a possibility

Risk is currently playing out



# REVENUE DRIVERS



# REVENUE DRIVERS - PBHS

**Budgeted Revenue**  
R53.5m

**Budgeted Funding Sources**

**GDE**  
R0.65m  
(1.3%)

**External Funding**  
R3.6m (6.7%)

**School Fees (Scholarships)**  
2.3m (4.5%)

**School Fees (Exemptions)**  
R5.6m (10.5%)

**School Fees (Paying)**  
R41.3m (77%)

YTD Collected/ Granted %	FY Estimate	Shortfall
R0.34m (52%)	R0.65m (100%)	-
R2M (57%)	R2.8M (78%)	R0.8M (22%)
R4.7M (204%)	R4.7M (204%)	R2.7M (104%)
R4.8m (86%)	R7.2m (129%)	R1.6m (29%)
R28.4m (68%)	R31m (75%)	R10.3m (25%)

**Total Shortfall**  
R15.4m  
(28.8%)

**Notes:**

- Financial support from Education Department (GDE) is minimal.
- External funding includes
  - Donations
  - Scholarship funding
  - Levies
  - Rental income
  - Interest income
  - Advertising
  - Facilities hire
- Exemptions are cases whereby parents who cannot afford fees are allowed by legislation to apply to school for fees to be waived.
- R500k in fees shortfall is due to discounts for early settlement of fees.

As at 10 November



- As a Section 21 (fee paying) School; PBHS is **heavily reliant** on collection of fee income from parent body.
- Exemptions and scholarships are included in budgeted revenue, but are unrecoverable costs, unless external funding can be found (annually).

# REVENUE DRIVERS – BOARDING

Budget  
R10.3m

Budgeted Funding Sources

External  
Funding  
R0.8m (8%)

Boarding Fees (Paying)  
R9.5m (92%)

Total  
Shortfall  
R2.5m  
(24%)

YTD Collected/ Granted %	FY Estimate	Shortfall
R0.1m (12.5%)	R0.2m (25%)	R0.6m (75%)
R7m (74%)	R7.6m (80%)	R1.9m (20%)

As at 10 November

There are 13 boarders grouped as Welfare/  
Sponsored:

- 6 are fully paid;
- 4 are partially paid;
- 3 have no external funding.

The shortfall in boarding fees revenue is due to:

- R300k in discount for early settlement of fees
- Discounts granted for variable costs not incurred during the lockdown period of April to June – R1.4m (15% of fees)

The shortfall in external revenue is due to:

- External groups not being able to use Druce Hall due to Covid-19.

- Druce Hall, is a privately owned facility situated on land owned by the Parktonian Foundation; Foundation acts as landlord.
- Day to day operations and management is overseen by the school, via the SGB.
- Druce Hall is **heavily reliant** on fee income.
- Druce Hall relies on external funding from tour groups to turn a profit.

It was always anticipated that capacity would be built up over a four-year period. This was on track, prior to the Rex case and the pandemic.

The boarding house is key to:

- Attracting talented learners
- Attracting top coaches
- Creating a privately owned recurring income stream



# FINANCIAL ASSISTANCE

Financial contributions that would have the highest impact, if channeled through the Foundation and focused on:

## **Scholarships for the boarding house (Target = R10m)**

- 36 learners/ annum (@ 5 years/ learner)
- This facility can attract top talent
- It allows the school to recruit talent from further afield than the traditional feeder suburbs
- Top performing boys' schools typically have large well-run boarding houses

## **Scholarships for the school (Target = R10m)**

- 180 learners/ annum
- Financial assistance for talented and/or disadvantaged learners is key to fulfilling the school's mission
- Securing sponsorship of fees, ensures financial stability for the school
- This stability ensures the continued retention of top teaching & coaching talent
- Attracts talented learners (sporting, cultural and academic)
- Ensures Parktown maintains and increases competitiveness

## **Infrastructure projects (Target = R10m)**

- The school's impressive facilities constantly require maintenance and periodic overhaul
- The best learners, teacher and coaches are drawn to schools with top facilities
- These projects provide a very tangible and conspicuous way to show support for the school



# POTENTIAL CAPEX PROJECTS



- Upgrading of Classrooms & Auditorium



- Upgrading of School Hall



- Construction of 'Centenary Wing'



- Upgrading the Library



- Construction of Administration Block



- Phase 2 extension of Druce Hall



- Upgrading of Pavillion & Surgite House



- Indoor cricket nets

