



St Andrew's School
— **for Girls** —
SKILLED FOR LIFE

11 October 2021

Dear St Andrew's Parents and Guardians

The Trustees of the St Andrew's Trust, the beneficial owner of the School, the Board of Directors and the School Management have recently approved the 2022 School budget and the attached 2022 fee structure schedule.

The ongoing global pandemic and the effect of the lockdown regulations in 2021 continue to have a devastating effect on the South African economy. This was intensified by the unrest experienced in the country in July 2021.

To assist our community in navigating the impact of the pandemic in 2021, the School's fees increased at an effective rate of 0%. (Tuition fees increased by 2%, but Capex and Development levy decreased by 30%, resulting in a net effective increase of 0%). We know that this was greatly appreciated by parents.

In formulating the 2022 budget, the School remained cognisant of the overwhelming financial impact borne by the School community in 2021, however this was strongly balanced with:

- Ensuring that the School's long-term sustainability is maintained;
- The School's continued commitment to deliver a world class education; and
- Forecast salary increases and general increase in cost of living.

After rigorous debate, for the 2022 academic year, the School approved a 4.25% increase in fees across all grades, for both tuition fees and the Capex and Development levy. This results in an average increase in fees of 2.1% over the 2 years impacted by the Covid-19 pandemic. This increase is well below the official inflation rate over the past two years.

The 2022 **operational budget**, in line with prior year budgets, is a balanced budget. Fundamentally, the School has also assumed that school activities will resume as per pre-lockdown.

An increase of 4.25% in tuition fees, which is slightly below the CPI noted by the Reserve Bank in August 2021, will allow the School to budget for an inflationary increase in salaries, subcontractor costs and operating costs.

Salary costs remain the single largest investment of the school, making up 64% of expenses. We believe that our staff have performed exceptionally well during 2021 by continuing to display high levels of professionalism, perseverance, and dedication during another very challenging year.

Subcontractor costs which include ground maintenance, cleaning, catering, and security, make up 9% of total costs. These costs have been budgeted to increase according to negotiated contractual arrangements aligned with inflation.

All other operating costs, making up 27% of total operating costs, have been budgeted based on operational requirements in line with inflation. The School is committed to continually reviewing and interrogating its cost structures and to identifying any cost saving initiatives.

The **Capex and Development strategy** for 2022 will remain very much in line with that of 2021: to maintain our beautiful campus, focusing on health and safety initiatives, security upgrades, and completing improvements to educational spaces, with only one major planned capex project.

Last year the School communicated to parents and guardians that it planned to carry out improvements to the School's boundary wall as this was identified as a security risk. After a thorough risk assessment, the School has decided that the School's boundary wall, from the boarding house all the way to the Johnson Road gate, will be completely rebuilt. The electric fence will also be extended across the entire perimeter of the School. The project is scheduled to start in January 2022 with a projected completion date of April 2022, at an estimated cost of R7.5 mil. We are aware of the challenges that building a wall will bring and we assure parents and guardians that we will take all possible security measures into consideration during the construction phase.

The other significant projects to be funded from the Capex and Development fee include: the annual upgrade of IT equipment (laptops, iPads, and interactive classroom solutions) and the refurbishment of educational spaces, including certain classrooms.

As is a norm, our 2022 fee schedule allows parents and guardians to elect the fee plan that best suits the family. Our Finance Department will email a payment election form to you in due course. Should you wish to change the method on which your fees are raised, please return the form by **31st October 2021**. New parents and guardians will be charged on a termly basis if they have not elected a billing option. Should you not complete a change form, your fees will be raised in line with the 2021 basis you were charged.

We would like to extend our gratitude to the families who have paid their school fees on time this year. The Trustees, Board and School Management are sincerely appreciative of the financial commitment our parents and guardians have towards the School, particularly in these challenging times.

St Andrew's remains committed to upholding the values and ethos of the School and enabling our students to be successful in an ever-changing global world.

Your sincerely



Joe Mthimunye
Chair of Finance Committee



Dave Morris
Chair of Board



Ivanka Acquisto
Executive Head



Samanta Dansie
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