



7 October 2022

Dear Parents

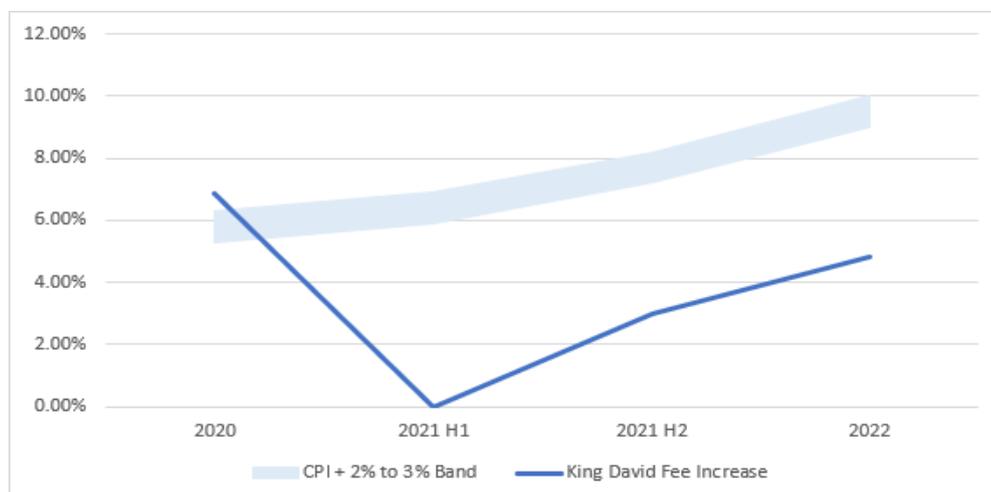
In 2022 the King David Schools have experienced a year of renewal. The vibrancy and holistic excellence of our schools is tangible at every Grade level. The sense of connectedness, community and Jewish ethos that truly differentiates King David has returned after a difficult two year hiatus.

Through prudent financial management and with the generous support from the King David Schools' Foundation, our schools have continued to invest in physical infrastructure and educational transformation in 2022. This unique investment, coupled with a committed strategic focus on educational innovation, positions our schools amongst the best in the country.

We are now looking to the future of our schools in 2023 and beyond to ensure our long-term sustainability and to achieve our strategic imperatives.

Traditionally, independent school fee increases have exceeded headline inflation by 2%-3%. This increase enables schools to invest in infrastructure and attract excellent teachers. Since 2021 King David school fee increases were kept below headline inflation in support of our families that had been adversely affected by the pandemic. The increases in 2021 and 2022 were 3% (1.5% when annualised) and 3.9% respectively. The compounding effect of these low increases has resulted in school fees trailing CPI for the period and falling below CPI +2% benchmark as can be seen in the table and graph below.

YEAR	FEE INCREASE	CPI	SABJE REAL INCREASE
2020	6.85 %	3.30 %	3.55 %
2021	1.50 %	4.55 %	- 3.05 %
2022	3.90 %	6.50 %	- 2.60 %



King David benchmarks our fees annually against the top schools in Gauteng and this negative compounding effect of low increases has also resulted in King David falling below the comparative private school benchmarks across several Grades.

During this period we have remained committed to retaining our staff and offering them appropriate increases to ensure that our schools have retained their standards of excellence and diverse offerings despite the challenging conditions.

It is with that background that King David will be implementing an increase of 8.8% across all Grades to correct this deficit caused by the low increases of the past two years and to bring us closer to restoring the fees to the appropriate independent schools' level of CPI +2%.

It is important to note that tremendous emphasis has been applied to ensuring that overheads and other expenses across the schools are being contained to below CPI, with budgeted costs for 2023 being reduced by 5% when compared to 2022, as we remain committed to containing costs and increasing efficiencies.

We recognise and acknowledge the efforts our parent body to pay fees, and express our appreciation to you for the continued effort to prioritise school fees in this challenging environment.

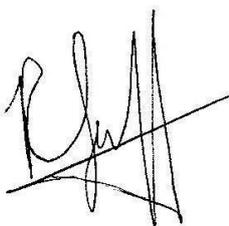
We are also grateful that we are able to assist students that cannot afford fees through our subsidy program and any parents in this situation should make contact with our finance department.

In conclusion, as we move forward into 2023, King David is in a strong position to be able to deliver on our mandate in the following key areas:

- Continued and relentless focus on delivering academic excellence through employment of high-quality teachers and strategic academic innovation.
- Significant and ground-breaking infrastructure and capex spend across the schools.
- Supporting the community through continued investment in the subsidy program which supports over 500 students.

Please find attached the fee payment information needed for 2023. Should you have any queries please do send an email to comments@sabje.co.za or be in contact with the finance department.

Sincerely

A handwritten signature in black ink, appearing to read 'Ricky Seeff', with a horizontal line drawn across the bottom of the signature.

RABBI RICKY SEEFF
General Director