

The South African Board of Jewish Education  
Annual Financial Statements  
For the year ended 31 December 2022  
Registration No: NPO 004091  
PBO 93 000 4086

**General Information**

<b>Business address</b>	100 Club Street Linksfield 2192
<b>Postal address</b>	PO Box 46204 Orange Grove 2119
<b>Bankers</b>	The Standard Bank of South Africa Limited
<b>Nature of business and principal activities</b>	Ownership and management of Jewish Schools

## General Information

### Members

#### Office Bearers

- Chief Rabbi Dr W Goldstein (Honorary President)
- Cecil Wulfsohn (Honorary President)
- Adrian Gore (Honorary President)
- Raoul Gamsu (Honorary President)
- Steven Joffe (Honorary President)
- Eli Atie (Past Chairman)
- David Bloch (Chairman)
- Alan Joffe (Vice Chairman)
- Ilan Zwarenstein (Treasurer)
- Mark Levy (Information Technology Officer)

#### Executive members

- Rabbi Ricky Seeff (General Director)
- Mandy Nienaber (Financial Director)
- Anthony Glazer (COO)

#### Non-Executive members

- David Abrahamsohn
- Amit Brill
- Lesley-Anne Gatter
- Doron Joffe
- Hylton Kallner
- Kevin Klaff
- Shaun Matisonn
- Amanda Porter
- Greg Sacks
- Ryan Silberman
- Raelene Tradonsky (Director - King David Schools Foundation)

#### Principals

- Andrew Baker (Principal of King David Victory Park High School)
- Andrea Ben (Principal of King David Ariel – Appointed 1 January 2022)
- Mandi Defries (Principal of Minnie Bersohn)
- Shelly Freinkel (Principal of King David Linksfield Primary School)
- Jodi Goldberg (Principal of King David Victory Park Pre-Primary School – Appointed 1 January 2022)
- Kevin Lees (Principal of King David Victory Park Primary School)
- Caron Levy (Principal of King David Rosabelle Klein Nursery School)
- Sheva Messias (Principal of King David Linksfield Pre-Primary School)
- Lorraine Srage (Principal of King David Linksfield High School)
- Lynne van Dellen (Principal of King David Sandton Primary School)

### Auditors

PricewaterhouseCoopers Inc.

### Level of assurance

These annual financial statements have been audited in compliance with the applicable requirements of the International Financial Reporting Standards for Small and Medium-sized entities.

### Level of assurance

The annual financial statements were independently compiled under the supervision of M Nienaber CA (SA).

## Index

The reports and statements set out below comprises the annual financial statements presented to the members .

<b>Table of contents</b>	<b>Page</b>
Responsibilities of the Executives and Approval of the Annual Financial Statements	5
Governance Report	6-7
Independent Auditors' Report	8-10
Statement of Financial Position as at 31 December 2022	11
Statement of Comprehensive Income for the Year Ended 31 December 2022	12
Statement of Changes in Equity for the Year Ended 31 December 2022	13
Statement of Cash Flows for the Year Ended 31 December 2022	14
Accounting Policies	15-18
Notes to the Annual Financial Statements	19-26
The following supplementary information does not form part of the annual financial statements and is unaudited:	
Detailed Income Statement	27-28

## Responsibilities of the Executives and Approval of the Annual Financial Statements

The executives of the Board 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 fairly present the state of affairs of the Board as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

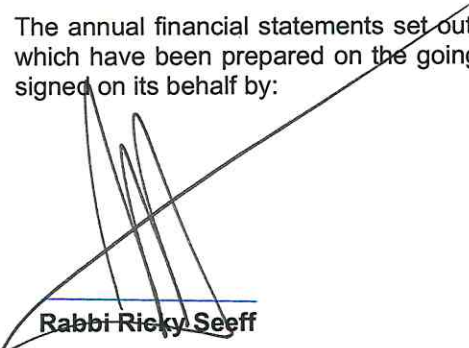
The executives of the Board acknowledge that they are ultimately responsible for the system of internal financial control established by the Board and place considerable importance on maintaining a strong control environment. To enable the executives of the Board to meet these responsibilities, the executives of the Board set 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 Board and all employees are required to maintain the highest ethical standards in ensuring the Board's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Board is on identifying, assessing, managing and monitoring all known forms of risk across the Board. While operating risk cannot be fully eliminated, the Board endeavors to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behavior are applied and managed within predetermined procedures and constraints.

The executives of the Board are of the opinion, based on the information and explanations given by management, 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 executives of the Board have reviewed the Board's cash flow position at 31 December 2022, and in light of this review and the current financial position, they are satisfied that the Board has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the Board's annual financial statements. The annual financial statements have been audited by the Board's external auditors and their report is presented on pages 8 to 10.

The annual financial statements set out on pages 11 to 26, and additional schedules set out on pages 27 to 28, which have been prepared on the going concern basis, were approved by the board on 14 June 2023 and were signed on its behalf by:



**Rabbi Ricky Seeff**  
General Director



**Mandy Nienaber**  
Financial Director

## **Governance Report**

The Board submits their report for the year ending 31 December 2022.

### **1. Review of activities**

#### **Main Business and operations**

The Board is engaged in the process of the ownership and management of Jewish Schools.

Fees increased by 3.9 % on 1 January 2022. The average number of pupils was 2 867 pupils across all schools and grades. King David Ariel celebrated its fifth year in existence in 2022, increased its number of pupils by 4% to 126 and added Grade 7 to the existing Grade 1 to 6 on offer in 2021. The costs of the Board are tightly controlled and strictly measured against budget and increased by 2.4%. These costs can be broken down into four major categories: Employee costs account for 65.4%, subsidies and other financial assistance 7.7%, cleaning and facilities management 3.4% and bad debts 1.7%.

During the year, the Board invested R50.2 million in property, plant and equipment, including R40.3 million in building infrastructure across the King David schools. Key capital additions include R11.2 million at King David Ariel, R6.3 million for Linksfield The Yards, Linksfield Primary School class renovations for R5.1 million, the Linksfield Primary Media Centre for R5.0 million, and King David Sandton classrooms for R4.6 million. These investments were funded by R33.7 million from the King David Schools' Foundation and R16.5 million of the Board's own cash reserves.

Our statement of financial position remains strong, and at year end, cash and cash equivalents totalled R58.9m.

### **2. King David Schools Foundation**

The King David School Foundation is a vital mechanism in ensuring the sustainability, continued leadership and innovation of the SABJE schools. The Foundation also makes possible improved infrastructure by funding various capital projects. The Board and The Foundation have drawn up a service level agreement whereby all transactions between the two parties are strictly monitored and approved.

The Board is grateful for the donations received from the King David Schools' Foundation of R33.7 million.

### **3. 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. Cash reserves of R59m are on hand at year end, and SABJE is well-placed for the year ahead.

### **4. Events After the Reporting Period**

The Board is not aware of any material event or circumstance arising since the end of the financial year.

### **5. Regulatory Compliance**

The Board is a registered Public Benefit Organisation and Non-Profit Organisation. It considers the principles contained in the Code of Corporate practises and Conduct recommended by the King IV Report on Corporate Governance for South Africa in designing and maintaining its governance practices.

The Board places strong emphasis on achieving the highest standards of financial, management, accounting and reporting. The financial statements are prepared in conformity with International Financial Reporting Standard for Small and Medium sized entities.

## **Governance Report (Continued)**

### **6. The Members**

The members of the Board during the year, and at the date of this report, are documented on page 3.

The affairs of the Board are governed by the members of the Board who are appointed and govern in terms of the SABJE Constitution. All Board members are required to sign a Code of Conduct and go through an induction process which includes a presentation on 'Effective Governance of Independent Schools'. The Board focuses on excellence which in turn will underpin continuing sustainability and the community mandate. The Board members are responsible for determining Ethos, Strategy and Finances.

The following sub-committees have been established:

- Audit Committee
- Culture Committee
- Ethos/Jewish Life Committee
- Finance Committee
- Heads Exco Committee
- HR/Talent Committee
- Information Technology Committee
- Infrastructure Committee
- Management Committee
- Marketing Committee
- Remuneration Committee
- Security Committee
- Subsidy Committee
- Sustainability Committee

### **General Powers**

The general powers of the members are set out in the SABJE Constitution, and each sub-committee is in addition required to comply with the terms of reference, which are set out in writing for that particular sub-committee.

### **7. Parent – Teacher Associations**

The financial results of the Parent Teacher Associations ("PTAs") of the schools owned and managed by the Board have not been consolidated into the Annual Financial Statements of the board as the Board does not have the power to govern the financial and operating policies of the PTAs. The Board is not involved in the appointment of the members to the Committees of the PTAs. The PTAs are capable of suing and being sued in their own name and their assets, income and property vest solely in the PTA.

### **8. Financial Assistance Programme**

The Board continues to assist those families who are unable to afford the full school fees. Deserving members of the community are assisted after a thorough and comprehensive process of evaluating a number of relevant criteria.

During the year ended 31 December 2022, 492 pupils (2021: 458) were assisted on the standard subsidy and student loan program at a cost of R34.1m (2021: R34.7m). The Board is grateful for the generous donation of R3.2 million received in the prior year from a Family Foundation, which funded a portion of the financial assistance costs this year. During the prior year, the Board also assisted 175 pupils (2020: 475) with payment holidays, COVID interim subsidies and/or COVID interest-free loans at a cost of R1.9 million (2020: R2.8 million) to assist families under financial pressure due to the COVID pandemic and resulting lockdown restrictions. A combined 17% (2021: 18%) of King David pupils were provided with financial assistance this year.

### **9. Auditors**

PricewaterhouseCoopers Inc. have been appointed and will continue in office.



## *Independent auditor's report*

To the Members of the Executive of the South African Board of Jewish Education

---

### *Our opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of the South African Board of Jewish Education as at 31 December 2022, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities.

### **What we have audited**

The South African Board of Jewish Education's financial statements set out on pages 11 to 26 comprise:

- the statement of financial position as at 31 December 2022;
  - the statement of comprehensive income for the year then ended;
  - the statement of changes in equity for the year then ended;
  - the statement of cash flows for the year then ended; and
  - the notes to the financial statements, which include a summary of significant accounting policies.
- 

### *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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Independence**

We are independent of the South African Board of Jewish Education 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)*.

---

*PricewaterhouseCoopers Inc., 4 Lisbon Lane, Waterfall City, Jukskei View 2090  
Private Bag X36, Sunninghill 2157, South Africa  
T: +27 (0) 11 797 4000, F: +27 (0) 11 209 5800, www.pwc.co.za*

Chief Executive Officer: L S Machaba

The Company's principal place of business is at 4 Lisbon Lane, Waterfall City, Jukskei View, where a list of directors' names is available for inspection. Reg. no. 1998/012055/21, VAT reg.no. 4950174682.



---

### *Other information*

The members of the executive are responsible for the other information. The other information comprises the information included in the document titled “The South African Board of Jewish Education Annual Financial Statements for the year ended 31 December 2022”, which includes the General Information, Responsibility of the Executives and Approval of the Annual Financial Statements, Governance Report and Detailed Income Statement. 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 identified above 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 members of the executive for the financial statements*

The members of the executive are responsible for the preparation and fair presentation of the financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and for such internal control as the members of the executive 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 members of the executive are responsible for assessing the South African Board of Jewish Education’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 members of the executive either intend to liquidate the South African Board of Jewish Education 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 South African Board of Jewish Education's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the members of the executive.
- Conclude on the appropriateness of the members of the executive's 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 South African Board of Jewish Education'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 South African Board of Jewish Education to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the members of the executive 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.

*PricewaterhouseCoopers Inc*

PricewaterhouseCoopers Inc.  
Director: Andrew Taylor  
Registered Auditor  
Johannesburg, South Africa  
30 June 2023

**Statement of Financial Position as at 31 December 2022**

<b>Assets</b>	<b>Notes</b>	<b>2022</b> <b>R</b>	<b>2021</b> <b>R</b>
<b>Current Assets</b>			
Trade and other receivables	2	8,481,374	4,059,397
Prepayments		515,235	971,659
Loan receivable	6	331,033	311,039
Inventories	3	1,168,147	1,174,210
Cash and cash equivalents	4	58,922,031	89,894,337
		<b><u>69,417,820</u></b>	<b><u>96,410,642</u></b>
<b>Non-Current Assets</b>			
Property, plant and equipment	5	244,467,413	197,891,808
Loan receivable	6	309,756	593,110
		<b><u>244,777,169</u></b>	<b><u>198,484,918</u></b>
<b>Total Assets</b>		<b><u>314,194,989</u></b>	<b><u>294,895,560</u></b>
<b>Equity and Liabilities</b>			
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	7	30,539,398	30,561,052
Provisions	8	401,562	15,277,952
Loan payable	6	1,748,439	1,642,261
Deferred income	9	200,000	200,000
Amounts received in advance	10	36,262,047	34,299,836
		<b><u>69,151,446</u></b>	<b><u>81,981,101</u></b>
<b>Non-Current Liabilities</b>			
Loan payable	6	1,636,264	3,132,052
Deferred income	9	400,000	600,000
		<b><u>2,036,264</u></b>	<b><u>3,732,052</u></b>
<b>Total Liabilities</b>		<b><u>71,187,710</u></b>	<b><u>85,713,153</u></b>
<b>Equity</b>			
Accumulated surplus		243,007,279	209,182,407
<b>Total Equity and Liabilities</b>		<b><u>314,194,989</u></b>	<b><u>294,895,560</u></b>

**Statement of Comprehensive Income for the Year Ended 31 December 2022**

	Notes	2022 R	2021 R
Revenue	12	359,538,527	357,220,736
Other income	13	17,377,207	15,282,510
Operating expenses	17	<u>(380,910,122)</u>	<u>(371,869,139)</u>
<b>Operating surplus/(deficit)</b>		<b>(3,994,388)</b>	<b>634,107</b>
Net finance income	14	<u>4,049,272</u>	<u>4,254,022</u>
<b>Reporting surplus</b>		<b><u>54,884</u></b>	<b><u>4,888,129</u></b>
Donation received from King David Schools Foundation	15	33,659,784	4,306,132
Donations from other donors		110,204	103,409
Donation received from a Family Foundation		-	3,165,330
<b>Total comprehensive income for the year</b>		<b><u>33,824,872</u></b>	<b><u>12,463,000</u></b>

**Statement of Changes in Equity for the Year Ended 31 December 2022**

	<b>Total Equity</b> <b>R</b>
<b>Balance at 01 January 2021</b>	<b>196,719,407</b>
Total comprehensive income for the year	<u>12,463,000</u>
<b>Balance at 01 January 2022</b>	<b>209,182,407</b>
Total comprehensive income for the year	33,824,872
<b>Balance at 31 December 2022</b>	<u><b>243,007,279</b></u>

The accounting policies on pages 15 to 18 and the notes on pages 19 to 26 form an integral part of the annual financial statements.

**Statement of Cash Flows for the Year Ended 31 December 2022**

	Notes	2022 R	2021 R
<b>Cash flows from operating activities</b>			
Cash utilised by operations	18	(19,254,010)	(3,827,909)
Interest received		4,049,272	4,254,022
Movement in amounts received in advance		1,962,211	3,663,199
<b>Net cash inflows/(outflows) from operating activities</b>		<b>(13,242,527)</b>	<b>4,089,312</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(50,213,517)	(27,524,542)
Net proceeds on disposal of property, plant and equipment		40,000	444,419
Loan payments received	6.2	263,360	239,424
<b>Net cash outflows from investing activities</b>		<b>(49,910,157)</b>	<b>(26,840,699)</b>
<b>Cash flows from financing activities</b>			
Movement in restricted project funds – Sands Estate		(200,000)	(200,000)
Loan payments made	6.1	(1,389,610)	(1,244,487)
Donations received		33,769,988	7,574,871
<b>Net cash in flows from financing activities</b>		<b>32,180,378</b>	<b>6,130,384</b>
<b>Total movement in cash and cash equivalents for the year</b>		<b>(30,972,306)</b>	<b>(16,621,003)</b>
Cash and cash equivalents at the beginning of the year		89,894,337	106,515,340
<b>Cash and cash equivalents at the end of the year</b>		<b>58,922,031</b>	<b>89,894,337</b>

## **Accounting Policies**

### **1. Presentation of annual financial statements**

The South African Board of Jewish Education is a Board established in South Africa. The address of its registered office and principal place of business is 100 Club Street, Linksfield, 2192. Their principal activities are the ownership and management of Jewish Schools.

The annual financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities. The annual financial statements have been prepared on the historical cost basis and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

#### **1.1 Significant judgements and sources of estimation uncertainty**

In preparing the annual financial statements, management is 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.

##### **- Critical judgements in applying accounting policies**

Management are required to make critical judgements in applying accounting policies from time to time. The judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the annual financial statements, are outlined as follows:

##### **- Financial assets at amortised cost**

The Board assesses its financial assets measured at amortised cost for impairment at each reporting date. In determining whether an impairment loss should be recorded in the statement of comprehensive income, the Board makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for financial assets measured at amortised cost is calculated on an account-by-account basis. In determining whether an impairment loss should be recorded in surplus or deficit, the Board makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

##### **- Impairment of trade receivables**

All receivables are reviewed individually with regard to their recoverability. Impairments are made based on historic payment as well as the track record the debtor has built up. Impairments have been more aggressively made as the economic situation has deteriorated.

## Accounting Policies (Continued)

### 1.2 Financial instruments

When a financial asset or financial liability is recognised initially, it is measured at the transaction price (including transaction costs) unless the arrangement constitutes, in effect, a financing transaction.

#### - Financial instruments at amortised cost

Financial instruments at amortised cost include loans, trade receivables and trade payables. These are subsequently measured at amortised cost using the effective interest rate method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in surplus or deficit.

#### - Trade 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 Board will not be able to collect all amounts due according to the original terms of the receivables.

#### - Cash and cash equivalents

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

#### - Trade payables

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

### 1.3 Property, plant and equipment

Property, plant and equipment are tangible items that are held for use in the production or supply of goods or services, or for rental to others or for administrative purposes; and are expected to be used during more than one period.

Property, plant and equipment is carried at cost less accumulated depreciation and accumulated impairment losses.

Cost includes 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 provided using the straight-line method to write down the cost, less estimated residual value over the useful life of the property, plant and equipment as follows:

Item	Average useful life
Motor vehicles	5 years
IT equipment	3 years
Furniture and equipment	20 years

If the major components of an item of property, plant and equipment have significantly different patterns of consumption of economic benefits, the cost of the asset is allocated to its major components and each such component is depreciated separately over its useful life.



## **Accounting Policies (Continued)**

### **1.3 Property, plant and equipment (continued)**

Land and buildings are not depreciated.

The residual value, depreciation method and useful life of each asset are reviewed regularly. The estimation of useful lives of assets are based on historical performance as well as expectations about future use, and therefore requires a degree of judgement to be applied by management. The Board reviewed the useful lives and residual values at the beginning of the reporting period, and certain immaterial adjustments have been made to all categories, with the exception of land and buildings.

Gains and losses on disposals are recognised in surplus or deficit.

### **1.4 Leases**

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. All other leases are operating leases. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

#### **- Finance leases – lessee**

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability.

### **1.5 Impairment of non-financial assets**

The Board assesses at each reporting date whether there is any indication that property, plant and equipment may be impaired.

If there is any such indication, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in surplus or deficit.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of assets) in prior years. A reversal of impairment is recognised immediately in surplus or deficit.

### **1.6 Employee benefits**

#### **- Short-term employee benefits**

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as leave pay and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

#### **- Defined contribution plans**

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

## **Accounting Policies (Continued)**

### **1.7 Provisions and contingencies**

Provisions are recognised when:

- the Board has an obligation at the reporting date as a result of a past event;
- it is probable that the Board will be required to transfer economic benefits in settlement; and the amount of the obligation can be estimated reliably.

Contingent assets and contingent liabilities are disclosed.

### **1.8 Revenue**

Revenue comprises tuition fees (net of discounts on upfront payments) and is recognised to the extent that the Board has rendered services under an agreement provided the amount of revenue can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the Board. Revenue is measured at the fair value of the consideration received or receivable, excluding value added tax and discounts.

### **1.9 Income received in advance**

Income received in advance comprises tuition fees which are deferred and recognised in the year to which the fees relate.

### **1.10 Other income**

Interest is recognised, in surplus or deficit, using the effective interest rate method.  
Donations are recognised on a receipt basis.

### **1.11 Finance costs**

Finance costs are recognised as an expense in the period in which they are incurred.

### **1.12 Deferred income**

Funds received from donors with specified terms and conditions are deferred and are recognised over the period of the terms and conditions of the donations.

### **1.13 Prepayments**

Prepayments consist of various payments that have been made in advance for goods or services to be received in the future.

### **1.14 Inventories**

Inventories comprise consumables of books and clothing purchased for internal use within the schools.

## Notes to the Annual Financial Statements

	2022 R	2021 R
<b>2. Trade and other receivables</b>		
Gross trade receivables	47,913,026	41,300,993
Less provision for doubtful debts	(40,745,616)	(38,522,501)
<b>Net trade receivables</b>	<b>7,167,410</b>	<b>2,778,492</b>
Deposits	407,697	377,697
Other receivables	906,267	903,208
	<b>8,481,374</b>	<b>4,059,397</b>

## 3. Inventories

Hebrew books	1,168,147	1,174,210
--------------	-----------	-----------

## 4. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	27,232,626	33,094,540
Cash on hand	18,860	45,692
Short term deposits	31,670,545	56,754,105
	<b>58,922,031</b>	<b>89,894,337</b>

## 5. Property, plant and equipment

	Cost R	2022 Accumulated depreciation R	Carrying value R	Cost R	2021 Accumulated depreciation R	Carrying value R
Land & buildings	197,299,290	-	197,299,290	156,987,443	-	156,987,443
Contract work in progress	12,901,084	-	12,901,084	16,351,800	-	16,351,800
Motor vehicles	13,458,485	(8,883,857)	4,574,628	13,215,123	(8,915,609)	4,299,514
IT Equipment	36,853,947	(30,654,977)	6,198,970	30,764,262	(28,389,965)	2,374,298
Furniture and equipment	35,693,722	(12,200,281)	23,493,441	28,743,378	(10,864,625)	17,878,753
<b>Total</b>	<b>296,206,528</b>	<b>(51,739,115)</b>	<b>244,467,413</b>	<b>246,062,006</b>	<b>(48,170,199)</b>	<b>197,891,808</b>

**Notes to the Annual Financial Statements (Continued)**

**Reconciliation of carrying value of property, plant and equipment - 2022**

	Opening balance R	Additions R	Transfers to other categories R	Depreciation R	Total R
Land & buildings	156,987,443	40,000	40,271,847	-	197,299,290
Contract work in progress	16,351,800	40,922,138	(44,372,854)	-	12,901,084
Motor vehicles	4,299,514	312,357	-	(37,243)	4,574,628
IT equipment	2,374,298	5,968,161	121,524	(2,265,013)	6,198,970
Furniture and equipment	17,878,753	2,970,861	3,979,483	(1,335,656)	23,493,441
<b>Total</b>	<b>197,891,808</b>	<b>50,213,517</b>	<b>-</b>	<b>(3,637,912)</b>	<b>244,467,413</b>

**Reconciliation of carrying value of property, plant and equipment - 2021**

	Opening balance R	Additions R	Disposals R	Depreciation R	Total R
Land & buildings	149,967,277	7,020,166	-	-	156,987,443
Contract work in progress	-	16,351,800	-	-	16,351,800
Motor vehicles	3,963,750	507,781	(366,519)	194,502	4,299,514
IT equipment	627,139	1,835,906	-	(88,747)	2,374,298
Furniture and equipment	17,109,798	1,808,889	-	(1,039,934)	17,878,753
<b>Total</b>	<b>171,667,964</b>	<b>27,524,542</b>	<b>(366,519)</b>	<b>(934,179)</b>	<b>197,891,808</b>

Land & buildings on hand at 31 December 2022 comprise:

1. Sandton Primary School, 62 Bowling Avenue, Woodmead Ext 4, Sandton.
2. Victory Park Complex, including Pre-Primary, Ariel Remedial School, High School, Primary School and Sports Pavilion.
3. Linksfield Complex, including Pre-Primary School, High School, Primary School, Workshops, Forty Winks House Administration Block of The Board and Casper Centre.
4. Erf 67, Bramley, situated at 144 Corlett Drive, Bramley adjacent to King David Rosabelle Klein Nursery School.

## Notes to the Annual Financial Statements (Continued)

### 6.1 Loan payable

The Jewish Agency for Israel (JAFI) operates an Emergency Loan Fund for Communities at Risk, that assists Jewish communities in crisis resulting from the Corona pandemic. On 5 August 2020, the Board received a loan of R5,932,204 from JAFI, for the sole purpose of continuing to serve the community and its members. The loan is repayable in instalments adjusted for any increase or decrease in the year-on-year CPI movement. Annual repayments are made in four instalments in ZAR on 01 August 2021, 01 August 2022, 01 August 2023, and 01 August 2024.

	<b>2022</b>	<b>2021</b>
	<b>R</b>	<b>R</b>
Opening balance	4,774,313	6,018,798
Amount paid	(1,651,159)	(1,554,759)
Interest accrued	261,549	310,274
Loan payable to JAFI	<u>3,384,703</u>	<u>4,774,313</u>
Less non-current liability	<u>(1,636,264)</u>	<u>(3,132,052)</u>
Current liability	<b><u>1,748,439</u></b>	<b><u>1,642,261</u></b>

### 6.2 Loan receivable

On 31 August 2020, SABJE advanced a loan of R1,127,119 to Yeshiva College (Yeshiva) in a back-to-back agreement for Yeshiva's share of the loan funding from JAFI, to be used for general working capital purposes. The loan is repayable in four instalments on 31 July 2021, 31 July 2022, 31 July 2023 and 31 July 2024, adjusted for any increase or decrease in the year-on-year CPI movement, on the same terms as agreed between JAFI and the Board.

	<b>2022</b>	<b>2021</b>
	<b>R</b>	<b>R</b>
Opening balance	904,149	1,143,573
Amount received	(312,730)	(294,414)
Interest earned	49,370	54,990
Loan receivable from Yeshiva	<u>640,789</u>	<u>904,149</u>
Less non-current asset	<u>(309,756)</u>	<u>(593,110)</u>
Current asset	<b><u>331,033</u></b>	<b><u>311,039</u></b>

### 7. Trade and other payables

Accrued expenses	20,545,611	18,545,810
Allowance for leave pay	1,175,740	1,869,124
Trade payables	<u>8,818,047</u>	<u>10,146,118</u>
	<b><u>30,539,398</u></b>	<b><u>30,561,052</u></b>

## Notes to the Annual Financial Statements (Continued)

	<b>2022</b>	<b>2021</b>
	<b>R</b>	<b>R</b>
<b>8. Provisions</b>		
Provision for pension fund surplus	-	2,716,075
Provision for maintenance projects	240,204	5,248,192
Provision for subsidies	161,358	5,371,685
Provision for bus maintenance	-	442,000
Provision for Shabbaton/Encounter/Jewish activities	-	1,500,000
	<b>401,562</b>	<b>15,277,952</b>

On 19 November 2019, the Financial Sector Conduct Authority approved the transfer of an amount of R8.1 million from the SABJE Pension Fund to the Sanlam Umbrella Pension Fund (South African Board of Jewish Education). The transfer was affected on 19 December 2019, and the Sanlam Umbrella Pension Fund facilitated an Employer Pension Fund Contribution Holiday for the Board with effect from 1 January 2020. The surplus was received by 30 September 2020 and is recognised as income over a period of 3 years, commencing 1 January 2020.

The provision for subsidies largely comprises a generous donation of R6.8 million from a Family Foundation in 2020 and 2021. The full donation was ring-fenced, and together with R1.6 million in internal cash reserves, has provided much needed financial assistance to King David families under financial pressure due to the COVID-19 lockdown restrictions.

During 2020 and 2021, in response to the COVID-19 pandemic and lockdown restrictions, all committed maintenance projects were delayed. Essential projects not yet completed form the provision for delayed maintenance projects.

## 9. Deferred income

The capital received from the Sand Estate and the interest on that capital may only be used for the purposes specified in the Will, subject to the approval of the administrator of the Estate. Any interest accruing on the capital, which is not utilised for the purpose envisaged shall form part of the capital. As and when the funds are applied for qualifying purposes, the deferred revenue liability will be released to the Statement of Comprehensive Income.

With the agreement of the administrator, the initial capital will be amortised over 14 years.

	<b>2022</b>	<b>2021</b>
	<b>R</b>	<b>R</b>
Sand Estate		
Current liabilities	200,000	200,000
Non-current liabilities	400,000	600,000
	<b>600,000</b>	<b>800,000</b>

## 10. Amounts received in advance

Tuition received in advance	32,038,486	30,431,345
Staff trips to Israel	2,642,353	2,555,369
Joining fees	1,581,208	1,313,122
	<b>36,262,047</b>	<b>34,299,836</b>

## Notes to the Annual Financial Statements (Continued)

### 11. Retirement benefits

#### Defined contribution plan

It is the policy of the Board to provide benefits to all its employees. The members of the executive during the year, and at the date of this report, are documented on page 3. The SABJE retirement fund is administered by Sanlam as from 1 April 2012 and is subject to the Pension Funds Act. All permanent staff members may join the fund at commencement of employment. The fund is a defined contribution fund. The fund is funded both by member and Board contributions, which are charged to the statement of comprehensive income as and when they are incurred. The Board is under no obligation to cover any unfunded benefits.

	<b>2022</b>	<b>2021</b>
	<b>R</b>	<b>R</b>
Gross employer contribution to such scheme	15,778,194	14,975,536
Less: Pension fund contribution holiday	<u>(4,115,810)</u>	<u>(2,716,075)</u>
Net employer contribution to such scheme	<b>11,662,384</b>	<b>12,259,461</b>

### 12. Revenue

Gross fees billed	360,664,793	358,327,452
Discounts granted	<u>(1,126,266)</u>	<u>(1,106,716)</u>
<b>Net fees billed</b>	<b>359,538,527</b>	<b>357,220,736</b>

### 13. Other income

Profit / (loss) on sale of property, plant and equipment	40,000	77,900
Other income	14,423,416	11,335,284
Other school related income	<u>2,913,791</u>	<u>3,869,326</u>
	<b>17,377,207</b>	<b>15,282,510</b>

### 14. Net finance income

Interest income	4,310,821	4,564,297
Interest expense	<u>(261,549)</u>	<u>(310,275)</u>
<b>Net finance income</b>	<b>4,049,272</b>	<b>4,254,022</b>

### 15. Donation received from King David Schools' Foundation Trust

Annual capital commitment	24,900,000	22,600,000
COVID grant repaid	-	(18,293,868)
Donations from individuals for specific building projects	<u>8,759,784</u>	<u>-</u>
	<b>33,659,784</b>	<b>4,306,132</b>

The 2020 donation was a COVID grant from The King David Schools' Foundation to SABJE to be used for COVID Interest-Free Loans to King David families under financial pressure due to the lockdown restrictions. COVID loan repayments commenced on 1 January 2021. As at 31 December 2022, R700 000 was still owing on COVID loans granted to parents.

## Notes to the Annual Financial Statements (Continued)

### 16. Taxation

No provision has been made for taxation as the Board is a public benefit organisation, approved by the Commissioner of SARS, and as such, is exempt from taxation in terms of section 10(1)(cN) of the income tax.

<b>17. Operating expenses</b>	<b>2022</b> R	<b>2021</b> R
<b>Auditor's remuneration</b>		
Audit services	433,237	362,400
Other services	-	-
	<u><b>433,237</b></u>	<u><b>362,400</b></u>
<b>Consulting and professional fees</b>	<b>126,799</b>	<b>66,410</b>
<b>Depreciation</b>	<b>3,637,912</b>	<b>934,179</b>
<b>Employee Cost</b>		
Salaries and related costs	252,787,767	236,482,733
Pension Fund contribution holiday	(4,115,810)	(2,716,075)
	<u><b>248,671,957</b></u>	<u><b>233,766,658</b></u>
<b>18. Cash generated from operations</b>		
Reporting surplus	54,884	4,888,129
<b>Adjustment for:</b>		
Depreciation	3,637,912	934,179
Net finance income	(4,049,272)	(4,254,022)
Profit on disposal of property, plant and equipment	(40,000)	(77,900)
<b>Changes in working capital:</b>		
Inventories	6,063	627,913
Trade and other receivables	(4,421,977)	867,294
Prepayments	456,424	(825,788)
Provisions	(14,876,390)	3,409,413
Trade and other payables	(21,654)	(9,397,127)
	<u><b>(19,254,010)</b></u>	<u><b>(3,827,909)</b></u>



## Notes to the Annual Financial Statements (Continued)

### 19. Related parties

#### Relationships

Discovery Holdings Limited	Three Non-Executive Members, being A Gore, H Kallner and S Matisonn are directors of Discovery Limited and its Subsidiaries, which administer the medical aid scheme of which SABJE staff are members.
Edward Nathan Sonnenbergs	Two Non-Executive Members, C Wulfsohn and D Joffe are directors of the firm which provides legal services to SABJE.
King David Schools Foundation	Non-Executive Members, A Gore, S Joffe, C Wulfsohn, E Atie and R Gamsu are trustees of the King David Schools Foundation.
Members of key management	Rabbi Ricky Seeff Mandy Nienaber Anthony Glazer

	2022	2021
	R	R
<b>Related party balances and transactions</b>		
<b>Amount owing by related party</b>		
King David Schools Foundation	-	-
<b>Amount paid to/(received from) related parties</b>		
Discovery Limited– Medical aid contributions	8,595,163	8,220,706
Edward Nathan Sonnenberg– Legal fees	1,817	19,667
King David Schools' Foundation– Donations for building expansion	(33,659,784)	(22,600,000)
COVID grant for interest-free loans	-	18,293,868
King David Schools' Foundation– Donation for school fees	(6,573,643)	(4,409,097)
King David Schools' Foundation– Accounting fee	(361,080)	(340,000)

### 20. Going Concern

The Board has adequate financial resources to continue in operation for the foreseeable future, and accordingly 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. The Board is in a sound financial position. The Board has considered the impact of measures taken by government in response to the COVID-19 pandemic and has assessed that the pandemic will not have a material impact on going concern. The balance sheet and cash positions are adequate to withstand this short-term fluctuation, and there has been no significant impact on the Board's financial position or performance.

### 21. Events after reporting period

The Board is not aware of any material event or circumstance arising since the end of the financial year.

## Notes to the Annual Financial Statements (Continued)

### 22. Financial instruments by category

<b>2022</b>	<b>Financial Assets at amortised cost</b>	<b>Financial Liabilities at amortised cost</b>	<b>Total</b>
Trade and other receivables	8,481,374	-	8,481,374
Prepayments	515,235	-	515,235
Loan receivable	640,789	-	640,789
Cash and cash equivalents	58,922,031	-	58,922,031
Trade and other payables	-	(30,539,398)	(30,539,398)
Loan payable	-	(3,384,703)	(3,384,703)
Amounts received in advance	36,262,047	-	36,262,047
	<b>104,821,476</b>	<b>(33,924,101)</b>	<b>70,897,375</b>

<b>2021</b>	<b>Financial Assets at amortised cost</b>	<b>Financial Liabilities at amortised cost</b>	<b>Total</b>
Trade and other receivables	4,059,397	-	4,059,397
Prepayments	971,658	-	971,658
Loan receivable	904,149	-	904,149
Cash and cash equivalents	89,894,337	-	89,894,337
Trade and other payables	-	(30,567,052)	(30,567,052)
Loan repayable	-	(4,774,313)	(4,774,313)
Amounts received in advance	34,299,836	-	34,299,836
	<b>130,129,377</b>	<b>(35,341,365)</b>	<b>94,788,012</b>

### 23. Financial risk management

The Board is exposed to financial risk through its financial assets and financial liabilities. The Board manages these risks through its risk management processes.

The Board is not exposed to any significant foreign exchange rate risk. Loans payable and receivable carry interest based on the South African headline CPI. Surplus funds are placed in low-risk money market accounts and are available on demand.

**Detailed Income Statement**

		<b>2022</b>	<b>2021</b>
		<b>R</b>	<b>R</b>
	<b>Notes</b>		
<b>Revenue</b>			
Fees Billed	12	<u>359,538,527</u>	<u>357,220,736</u>
		<b><u>359,538,527</u></b>	<b><u>357,220,736</u></b>
<b>Other Income</b>			
Bad debts recovered		5,923,547	5,011,267
Shabbaton / Encounter		2,949,246	2,506,683
Joining fees		903,300	775,053
Bus fares		4,212,053	2,238,168
School income		2,913,791	3,869,326
Profit on disposal of property, plant and equipment		40,000	77,900
Other		<u>435,270</u>	<u>804,113</u>
	13	<b><u>17,377,207</u></b>	<b><u>15,282,510</u></b>
<b>Total Income</b>			
		<b><u>376,915,734</u></b>	<b><u>372,503,246</u></b>
<b>Expenses</b>			
		<u>(380,910,122)</u>	<u>(371,869,139)</u>
		<b><u>(3,994,388)</u></b>	<b><u>634,107</u></b>
<b>Net finance income</b>			
	14	<u>4,049,272</u>	<u>4,254,022</u>
<b>Reported surplus</b>			
		<b><u>54,884</u></b>	<b><u>4,888,129</u></b>
Donation from the King David Schools' Foundation	15	33,659,784	4,306,132
Donations other		110,204	103,409
Donation from Family Foundation		<u>-</u>	<u>3,165,330</u>
		<b><u>33,824,872</u></b>	<b><u>12,463,000</u></b>