



Hermannsburg Treuhänderschaft | Board of Trustees

1 August 2019

Dear Members of the Hermannsburg School Family

DEUTSCHE SCHULE HERMANSBURG - THE WAY FORWARD

On the 6th of June 2019, the Board of Trustees sent out a letter to the Hermannsburg school family outlining the financial plight of the school and explaining that a substantial recapitalisation in the order of R27-30million, at minimum, is required to enable the school to continue to operate and embark on the necessary upgrades and enhancements that are essential for its continued operation. To achieve this, two options for the way forward were presented to the school family. Option 1 detailed an opportunity to sell the school to a private company that has the required capital to invest in the school. Option 2 gave the school family, Old Scholars and parents the opportunity to raise the capital required for the recapitalisation process. Pledge forms were attached to the letter that presented the option to pledge funds over a period of 3 years (2019, 2020 and 2021).

To date, the following funds have either been pledged or donated:

	2019	2020	2021	TOTAL
Donated Funds	R52,000-00	R0-00	R0-00	R52,000-00
Pledged Funds	R311,100-00	R368,200-00	R577,200-00	R1,256,500-00
Total	R363,100-00	R368,200-00	R577,200-00	R1,308,500-00

Whilst we are deeply grateful to all who made pledges and donations, the funds pledged or donated are not enough to enable the school to continue to operate and embark on the necessary upgrades and enhancements to the school that are essential for its continued operation and growth. This leaves Option 1 as the only viable alternative to the Board of Trustees. The Board of Trustees also takes comfort in the fact that the majority of responses received from the school family support Option 1 as most would like to see the school continue.

Consequently, at an extra-ordinary meeting of the Board of Trustees held on 31 July 2019, the Board of Trustees voted unanimously in favour of entering into negotiations with the interested buyer. As you can appreciate, this is not an uncomplicated process, but we are confident to have the bulk of the negotiations concluded by the end of the 3rd term or earlier if possible. This is necessary to provide clarity and certainty, particularly to the parents. The Board of Trustees is very excited by the prospect of a substantial investment being made in the school in order to upgrade its facilities and to provide enough funds to allow the school to continue to provide an excellent education in the coming years.



Hermannsburg

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This decision means that all pledgors under Option 2 are released from their pledge obligations. Thank you again for your commitment; and a special thank you to all who made non-refundable donations.

We can reveal at this point that the interested buyer is a company, of which an Old Scholar is a majority shareholder, and who is passionate about Hermannsburg and continuing to build on the excellent track record of education excellence offered at the school. This company has the necessary funds to conclude such a deal and make the necessary investments to improve school infrastructure. As the negotiations proceed, we will provide greater detail on the 2020 vision and beyond; and we trust that you will be equally excited about the opportunity that this presents to Hermannsburg. We also appreciate that you may have many questions with regard to matters including the HMB Foundation, the museum, the relationship with our church, the ELCSA (N-T), the relationship with the Piggery and so forth. These are matters that will be discussed with the buyer. The Board of Trustees will inform the school community on these issues as soon as possible.

To all the parents and staff, we trust that this news gives you comfort and reassurance that the school will continue to be in good hands and, above all, that our scholars will benefit from the planned upgrades in school facilities and investment in educational excellence. This would certainly not have been possible under the existing status quo. The Board of Trustees also appreciates that the negotiations are not final, but clarity will be provided by the end of the third term.

The Board of Trustees wishes to thank you for the overwhelming support for our school and thank you also to all of you who have been carrying our school and its leadership in your prayers. We are deeply grateful to all who made donations or pledges. We ask for your continued prayers and support in the weeks and months of negotiations and deliberations that lie ahead.

Warm regards

Deutsche Schule Hermannsburg Trust