

**SUMMIT EDUCATIONAL TRUST**  
**(Registration number IT1634/1994)**  
**Annual Financial Statements**  
**for the year ended 31 December 2023**

Issued 27 June 2024

**SUMMIT EDUCATIONAL TRUST**  
**(Registration number: IT1634/1994)**  
**Annual Financial Statements for the year ended 31 December 2023**

**General Information**

---

<b>Country of incorporation and domicile</b>	South Africa
<b>Trustees</b>	A.E. Wentzel G.E. Kerr-Phillips G.L. Korner L.L. Lalla N.T. Mapetla Chairman
<b>Registered office</b>	Building 7, Perspective Place Sunninghill Office Park Peltier Drive Sunninghill 2191
<b>Business address</b>	Building 7, Perspective Place Sunninghill Office Park Peltier Drive Sunninghill 2191
<b>Bankers</b>	First National Bank, a division of FirstRand Bank Limited Investec Private Bank
<b>Auditors</b>	Orkin Brown and Associates Chartered Accountants (S.A.) Registered Accountants and Auditors
<b>Level of assurance</b>	These annual financial statements have been audited in compliance with the applicable requirements of the Trust Property Control Act 57 of 1988.
<b>Issued</b>	27 June 2024
<b>NPO</b>	011/413NPO

**SUMMIT EDUCATIONAL TRUST**  
**(Registration number: IT1634/1994)**  
**Annual Financial Statements for the year ended 31 December 2023**

**Index**

---

The reports and statements set out below comprise the annual financial statements presented to the trustees:

	<b>Page</b>
Trustees' Responsibilities and Approval	3
Independent Auditor's Report	4 - 5
Trustees' Report	6 - 7
Statement of Financial Position	8
Statement of Comprehensive Income	9
Statement of Changes in Equity	10
Statement of Cash Flows	11
Accounting Policies	12 - 13
Notes to the Annual Financial Statements	14 - 16
The following supplementary information does not form part of the annual financial statements and is unaudited:	
Statement of Financial Performance	17

**SUMMIT EDUCATIONAL TRUST**  
**(Registration number: IT1634/1994)**  
**Annual Financial Statements for the year ended 31 December 2023**

**Trustees' Responsibilities and Approval**

---

The trustees 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 trust 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 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 judgments and estimates.

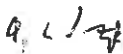
The trustees acknowledge that they are ultimately responsible for the system of internal financial control established by the trust and place considerable importance on maintaining a strong control environment. To enable the trustees to meet these responsibilities, the trustees set standards for internal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

The trustees 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.

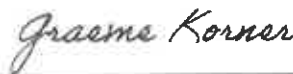
The trustees have reviewed the trust's cash flow forecast for the year to 31 December 2024 and, in the light of this review and the current financial position, they are satisfied that the trust has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the trust's annual financial statements. The annual financial statements have been examined by the trust's external auditors and their report is presented on pages 4 - 5.

The annual financial statements set out on pages 6 to 17, which have been prepared on the going concern basis, were approved by the trustees on 27 June 2024 and were signed on their behalf by:



Trustee



Trustee

---

## Independent Auditor's Report

---

### To the Trustees of Summit Educational Trust

#### Opinion

We have audited the annual financial statements of Summit Educational Trust (the trust) set out on pages 8 to 16, which comprise the statement of financial position as at 31 December 2023, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Summit Educational Trust as at 31 December 2023, 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 and the requirements of the Trust Property Control Act 57 of 1988.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Annual Financial Statements section of our report. We are independent of the trust in accordance with the sections 290 and 291 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised January 2018), parts 1 and 3 of the Independent Regulatory Board of Auditors' Code of Professional Conduct for Registered Auditors (Revised November 2018) (together with the IRBA Codes) and other independence requirements applicable to performing audits of annual financial statements in South Africa. We have fulfilled our ethical responsibilities, as applicable, in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) respectively. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Other Information

The trustees are responsible for the other information. The other information comprises the information included in the document titled "Summit Educational Trust annual financial statements for the year ended 31 December 2023", which includes the Trustees' Report as required by the Trust Property Control Act 57 of 1988 and the supplementary information as set out on page 17, which we obtained prior to the date of this report. The administrator/ manager' report, does not form part of the annual financial statements. The other information does not include the annual financial statements and our auditor's report thereon.

Our opinion on the annual financial statements does not cover the other information and we do not and will not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, 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 Trustees for the Annual Financial Statements

The trustees are responsible for the preparation and fair presentation of the annual financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Trust Property Control Act 57 of 1988, and for such internal control as the trustees determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the trustees are responsible for assessing the trust'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 trustees either intend to liquidate the trust or to cease operations, or have no realistic alternative but to do so.

---

## Independent Auditor's Report

---

### Auditor's Responsibilities for the Audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual 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 International Standards on Auditing 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 annual financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual 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 trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' 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 trust'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 annual 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 trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the trustees 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.

**Orkin Brown and Associates**  
**Partner: G.P. Brown**  
**Chartered Accountants (S.A.)**  
**Registered Accountants and Auditors**

**27 June 2024**

**SUMMIT EDUCATIONAL TRUST**  
**(Registration number: IT1634/1994)**  
**Annual Financial Statements for the year ended 31 December 2023**  
**Trustees' Report**

---

The trustees have pleasure in submitting their report on the annual financial statements of Summit Educational Trust for the year ended 31 December 2023.

**1. Review of financial results and activities**

The annual financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium sized Entities. The accounting policies have been applied consistently compared to the prior year.

The Summit Educational Trust's (SET) financial statements are now far simpler than previous years, with all the historic accounting issues relating to the joint venture no longer in either the current year or the comparative year.

The trustees conducted a strategic review in 2023. This strategic review was considered appropriate as the trust has been operating in its new format for a number of years and it was necessary to review the progress of the trust.

While this review concluded that the strategy was generally appropriate and that good progress had been made, some policy refinement was needed, and some change was required to the modus operandi. Some of the key decisions/ policy amendments included:

1. That SET should avoid 'owning' projects (i.e. becoming very operational) but should rather position itself as a project partner/ sponsor/ supporter.
2. SET should look to be a lean organization that avoids creating a large (administrative/ operational) capacity (overhead) base, rather opting to use outsource partners/ consultants rather than engaging permanent staff. This would help to ensure that overheads remained at an acceptable level relative to actual income.
3. SET should add the following to its educational support areas:
  - Supporting ECDs and ECD standards.
  - Funding educational interns (teachers and ECDs).
  - Facilitating entrepreneur training (mainly for the youth), and
  - Providing undertakings to support the planting of ECDs in disadvantaged areas (this may be incorporated into the first point above).
4. That the SET ADvTECH bursary funds are to be largely allocated to ADvTECH intuitions on a high level and the management of these institutions will manage these as 'discretionary pots' with appropriate reporting to SET.
5. SET should engage reputable organisations (e.g. Feenix) to assist with the administration of the Non-ADvTECH bursary recipients where these organisations are able to do so cost effectively, with a focus on the total learner and with adequate reporting.
6. SET should place a higher priority on being an aggregator of capacity and assets.

The Trust recorded an accounting surplus after tax for the year ended 31 December 2023 of R 2,208,245. This surplus is however largely as a result of non-operational items or non recurring items, being mainly realised gains and fair value adjustments on investments (combined value of fair value and realised gain for the year was R 1,196,886), following the recovery in financial markets in 2023.

It is worth noting that the trust actually made an 'operational' surplus of R 1,011,359 if one excludes these investment gains. This 'operational surplus' translates into roughly 27.5% of total income.

Although the trust is required to distribute the bulk of its income, the Trustees do believe the trust is likely to produce modest operational surpluses in the future (in most years), given:

- Strict cost management (e.g. by keeping administration and related expenses contained).
- The probability that interest rates and dividends have 'normalised'.
- The bursaries awarded under the ADvTECH bursary fund are matched by notional income, and
- Non ADvTECH bursaries and other project spending is carefully managed and carefully considers the medium term outlook for income

The financial position of the Trust is very sound, with cash and financial assets approaching R 44 million at year end. The investment portfolio performed well as local asset markets improved somewhat.

The growing importance of investment activities is as would be expected as the trust continues to pivot more to an endowment type of fund. The trustees resolved during the year to modestly amend the asset allocation, mainly as the need for sizeable liquidity buffers was greatly reduced as the trust had established itself and bursary spending methodology is well established.

**SUMMIT EDUCATIONAL TRUST**  
**(Registration number: IT1634/1994)**  
**Annual Financial Statements for the year ended 31 December 2023**  
**Trustees' Report**

---

**2. A focus on early childhood development**

The Trustees see merit in investing in the area of early childhood development as this is the foundation of all learning, but do so in collaboration with organisations that have scale and a real impact in the area.

**3. Trustees**

The trustees in office at the date of this report are as follows:

**Trustees**

A.E. Wentzel  
G.E. Kerr-Phillips  
G.L. Korner  
L.L. Lalla  
N.T. Mapetla

**4. Events after the reporting period**

The trustees are not aware of any material event which occurred after the reporting date and up to the date of this report.

**5. Auditors**

Orkin Brown and Associates continued in office as auditors for the trust for 2023. They will continue in office for the 2024 financial year.



**SUMMIT EDUCATIONAL TRUST**  
**(Registration number: IT1634/1994)**  
**Annual Financial Statements for the year ended 31 December 2023**

**Statement of Financial Position as at 31 December 2023**

Figures in Rand	Note(s)	2023	2022
<b>Assets</b>			
<b>Non-Current Assets</b>			
Investment property	2	3 404 783	3 404 783
Listed investments	3	25 474 500	19 377 020
Capital bursary fund	4	17 000 000	18 000 000
		<b>45 879 283</b>	<b>40 781 803</b>
<b>Current Assets</b>			
Trade and other receivables	5	11 500	81 266
Cash and cash equivalents	6	14 546 298	18 439 219
		<b>14 557 798</b>	<b>18 520 485</b>
<b>Total Assets</b>		<b>60 437 081</b>	<b>59 302 288</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
<b>Equity Attributable to Equity Holders</b>			
Trust capital		100	100
Accumulated surplus		43 343 064	41 134 819
		43 343 164	41 134 919
Capital bursary fund reserve		17 000 000	18 000 000
		<b>60 343 164</b>	<b>59 134 919</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Deferred income	7	73 215	150 025
<b>Current Liabilities</b>			
Trade and other payables	8	20 702	17 344
<b>Total Liabilities</b>		<b>93 917</b>	<b>167 369</b>
<b>Total Equity and Liabilities</b>		<b>60 437 081</b>	<b>59 302 288</b>

**SUMMIT EDUCATIONAL TRUST**  
**(Registration number: IT1634/1994)**  
**Annual Financial Statements for the year ended 31 December 2023**

**Statement of Comprehensive Income**

Figures in Rand	Note(s)	2023	2022
Other income		3 681 390	3 398 004
Operating expenses		(3 577 546)	(3 228 145)
Investment revenue	9	2 104 401	1 549 996
<b>Total comprehensive income for the year</b>		<b>2 208 245</b>	<b>1 719 855</b>

**SUMMIT EDUCATIONAL TRUST**  
**(Registration number: IT1634/1994)**  
**Annual Financial Statements for the year ended 31 December 2023**

**Statement of Changes in Equity**

	Trust capital	Accumulated surplus	Trust capital, property revaluation reserve and accumulated surplus	Capital bursary fund reserve	Total equity
Figures in Rand					
<b>Balance at 01 January 2022</b>	<b>100</b>	<b>39 414 964</b>	<b>39 415 064</b>	<b>19 000 000</b>	<b>58 415 064</b>
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>1 719 855</b>	<b>1 719 855</b>	<b>-</b>	<b>1 719 855</b>
Decrease in capital bursary fund reserve	-	-	-	(1 000 000)	(1 000 000)
<b>Total changes</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1 000 000)</b>	<b>(1 000 000)</b>
<b>Balance at 01 January 2023</b>	<b>100</b>	<b>41 134 819</b>	<b>41 134 919</b>	<b>18 000 000</b>	<b>59 134 919</b>
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>2 208 245</b>	<b>2 208 245</b>	<b>-</b>	<b>2 208 245</b>
Decrease in capital bursary fund reserve	-	-	-	(1 000 000)	(1 000 000)
<b>Total changes</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1 000 000)</b>	<b>(1 000 000)</b>
<b>Balance at 31 December 2023</b>	<b>100</b>	<b>43 343 064</b>	<b>43 343 164</b>	<b>17 000 000</b>	<b>60 343 164</b>

**SUMMIT EDUCATIONAL TRUST**  
**(Registration number: IT1634/1994)**  
**Annual Financial Statements for the year ended 31 December 2023**

**Statement of Cash Flows**

Figures in Rand	Note(s)	2023	2022
<b>Cash flows from operating activities</b>			
Cash used in operations	12	(1 846 862)	(1 706 621)
Interest income		1 351 089	945 587
Dividends received		753 312	604 409
<b>Net cash from operating activities</b>		<b>257 539</b>	<b>(156 625)</b>
<b>Cash flows from investing activities</b>			
Movement in investments		(6 097 480)	(2 350 050)
Movement in capital bursary fund		1 000 000	1 000 000
Fair value adjustment on listed investments		947 020	738 525
<b>Net cash from investing activities</b>		<b>(4 150 460)</b>	<b>(611 525)</b>
<b>Total cash movement for the year</b>		<b>(3 892 921)</b>	<b>(768 150)</b>
Cash at the beginning of the year		18 439 219	19 207 369
<b>Total cash at end of the year</b>	6	<b>14 546 298</b>	<b>18 439 219</b>

**SUMMIT EDUCATIONAL TRUST**  
**(Registration number: IT1634/1994)**  
**Annual Financial Statements for the year ended 31 December 2023**

**Accounting Policies**

---

**1. Basis of preparation and summary of significant accounting policies**

The annual financial statements have been prepared on a going concern basis 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, except for the measurement of investment properties and certain financial instruments at fair value, 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 Investment property**

Investment property is land and buildings held to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business. In addition, only investment property whose fair value can be measured reliably without undue cost of effort on an ongoing basis is included in investment property. All other investment property is included in property, plant and equipment.

Investment property is initially measured at cost.

The cost of investment property comprises its purchase price and any directly attributable costs incurred to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. If payment is deferred beyond normal credit terms, the cost is the present value of all future payments.

Costs include costs incurred initially to acquire or construct an investment property 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 investment property, the carrying amount of the replaced item is derecognised.

After initial recognition, investment property is measured at fair value at each reporting date.

**1.2 Financial instruments**

**Initial measurement**

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through surplus or deficit) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

**Financial instruments at amortised cost**

These include loans, trade receivables and trade payables. Those debt instruments which meet the criteria in section 11.8(b) of the standard, are subsequently measured at amortised cost using the effective interest 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.

**Financial instruments at cost**

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably without undue cost or effort are measured at cost less impairment.

**Financial instruments at fair value**

All other financial instruments, including equity instruments that are publicly traded or whose fair value can otherwise be measured reliably, without undue cost or effort, are measured at fair value through surplus and deficit.

**SUMMIT EDUCATIONAL TRUST**  
**(Registration number: IT1634/1994)**  
**Annual Financial Statements for the year ended 31 December 2023**

**Accounting Policies**

---

**1.3 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.

**Operating leases - lessor**

Operating lease income is recognised as an income on a straight-line basis over the lease term unless:

- another systematic basis is representative of the time pattern of the benefit from the leased asset, even if the receipt of payments is not on that basis, or
- the payments are structured to increase in line with expected general inflation (based on published indexes or statistics) to compensate for the lessor's expected inflationary cost increases.

**1.4 Provisions and contingencies**

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

Provisions are measured at the present value of the amount expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

Provisions are not recognised for future operating losses.

**1.5 Government grants**

Government grants are recognised when there is reasonable assurance that:

- the trust will comply with the conditions attaching to them; and
- the grants will be received

Government grants are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate.

**1.6 Revenue**

Revenue is measured at fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net trade discounts and volume rebates, and value added tax.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

Rental income received from property that is leased to Summit College under an operating lease is recognised in the statement of comprehensive income on a straight-line basis over the lease term and in accordance with the management agreement.

Dividends are recognised, in surplus or deficit, when the trust's right to receive payment has been established.

**1.7 Borrowing costs**

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

**SUMMIT EDUCATIONAL TRUST**  
**(Registration number: IT1634/1994)**  
**Annual Financial Statements for the year ended 31 December 2023**

**Notes to the Annual Financial Statements**

<b>Figures in Rand</b>	<b>2023</b>	<b>2022</b>
------------------------	-------------	-------------

**2. Investment property**

**Reconciliation of investment property - 2023**

	<b>Opening balance</b>	<b>Closing balance</b>
Investment property	3 404 783	3 404 783

**Details of property**

- Purchase price: 2018	3 000 000	3 000 000
- Additions since purchase	365 076	365 076
- Capitalised expenditure	39 707	39 707
	<b>3 404 783</b>	<b>3 404 783</b>

Investment property comprises of land and buildings situated on portion 7 of Erf 1159, Sunninghill, Extension 71 Township, Gauteng, measuring 551 square metres in extent and held under deed of transfer T49631/2018.

The trustees have not done a formal revaluation of the investment property as the current property market is very fragmented (i.e. not normal), but that indicative values, based on recent sales and the asking prices for similar properties in the office development suggest the current book value is broadly appropriate. The trustees would also not see distressed market values or sales as a good metric as the trust would be in no hurry to sell the property and could wait for improving market conditions (e.g. lower interest rates and improving business confidence).

**3. Listed investments**

Listed shares	25 474 500	19 377 020
---------------	------------	------------

The fair value of listed investments is based on the quoted market prices on the reporting date. The trust continues the process of building an endowment fund, similar to those established by the ivy league universities in the US.

The motivation for an endowment fund is to ultimately replace the ADvTECH bursary fund (i.e. to generate adequate income to replace the funding), to create a strong capital base (and income) for the Trust to ensure effectiveness over the very long term.

**SUMMIT EDUCATIONAL TRUST**  
**(Registration number: IT1634/1994)**  
**Annual Financial Statements for the year ended 31 December 2023**

**Notes to the Annual Financial Statements**

Figures in Rand	2023	2022
-----------------	------	------

**4. Capital bursary fund**

At amortised cost		
Capital bursary fund	17 000 000	18 000 000

Non-current assets		
At amortised cost	17 000 000	18 000 000

SET opted to take a portion of the proceeds from the sale of the property and school in the form of a bursary fund (the ADvTECH bursary fund). The ADvTECH bursary fund essentially represents a notional capital fund that will allow the Summit Educational Trust to offer deserving learners financial support to attend ADvTECH institutions, be they at schools or tertiary institutions.

The fund provided for an initial amount of R 2.5 million for 2016 to be allocated at the discretion of the SET trustees. The bursary fund essentially was valued at R 25 million in determining the amount to be paid to SET (in cash) for the sale of the school.

The bursary fund will operate for an initial period of up to 25 years (18 years remaining), with the annual amount available escalating by the annual average increase in the fees determined by ADvTECH.

The fund is amortised by R 1 million per year and hence the reduction in the asset value from R 18 million in 2022 to R 17 million in 2023.

While the fund is essentially a notional asset, the trustees see this fund serving as a key way in which they will provide financial assistance to deserving learners. It may be argued that the "true value" of a R 2.5 million annuity fund that will operate for 25 years will be considerably higher than the illustrated R 25 million.

**5. Trade and other receivables**

Trade receivables	11 500	81 266
-------------------	--------	--------

**6. Cash and cash equivalents**

Cash and cash equivalents consist of:

Bank balances	14 546 298	18 439 219
---------------	------------	------------

**7. Deferred income**

Government grants	73 215	150 025
-------------------	--------	---------

These amounts relate to an interest free loan provided by Government on 2 June 1994. The terms of the loan required inter alia that a school remains operative on the property for a period of 30 years from 2 June 1994, failing which the pro-rata amount of the loan still owing shall be refunded to the Government.

The loan was secured by a bond, but this was cancelled when the school was sold to ADvTECH. The loan is written off in 30 equal annual instalments. The accounting treatment effectively offsets the liability against deferred income.

The Trustees do not see this as a real liability as the loan will be fully written off in the 2024 financial year and ADvTECH has undertaken to continue operating a school on the property well into the future, especially after a very significant investment by them in the school over the past few years.

An offer was made to the Government for the settlement of this liability following the sale of the property.



**SUMMIT EDUCATIONAL TRUST**  
**(Registration number: IT1634/1994)**  
**Annual Financial Statements for the year ended 31 December 2023**

**Notes to the Annual Financial Statements**

Figures in Rand	2023	2022
<b>8. Trade and other payables</b>		
Accrued audit fees	20 702	14 501
Accrued expenses	-	2 843
	<b>20 702</b>	<b>17 344</b>
<b>9. Investment revenue</b>		
<b>Dividend revenue</b>		
Listed financial assets	753 312	604 409
<b>Interest revenue</b>		
Bank and investments	1 351 089	945 587
	<b>2 104 401</b>	<b>1 549 996</b>
<b>10. Auditor's remuneration</b>		
Fees	20 700	14 500
Adjustment for previous year	5 913	4 125
	<b>26 613</b>	<b>18 625</b>
<b>11. Taxation</b>		
<b>Non provision of tax</b>		
No provision for taxation has been made as the Trust is exempt from taxation in terms of S10(1)(eN) of the Income Tax Act		
<b>12. Cash used in operations</b>		
Surplus before taxation	2 208 245	1 719 855
<b>Adjustments for:</b>		
Profit on sale of shares	(947 020)	(738 525)
Dividends received	(753 312)	(604 409)
Interest received	(1 351 089)	(945 587)
Amortisation of capital bursary fund	(1 000 000)	(1 000 000)
<b>Changes in working capital:</b>		
Trade and other receivables	69 766	(63 523)
Trade and other payables	3 358	2 378
Deferred income	(76 810)	(76 810)
	<b>(1 846 862)</b>	<b>(1 706 621)</b>

**SUMMIT EDUCATIONAL TRUST**  
**(Registration number: IT1634/1994)**  
**Annual Financial Statements for the year ended 31 December 2023**

**Statement of Financial Performance**

Figures in Rand	Note(s)	2023	2022
<b>Other income</b>			
Bursary fund income received		1 993 278	2 033 905
Donations received		10 000	-
Fair value adjustment on listed investments		947 020	738 525
Government grants		76 810	76 810
Insurance claim		53 776	-
Profit on sale of shares		249 866	210 572
Rental income		350 640	338 192
		<b>3 681 390</b>	<b>3 398 004</b>
<b>Operating expenses</b>			
Administration and management fees		382 394	409 030
Auditors remuneration	10	26 613	18 625
Bank charges		10 995	7 187
Bursaries and other educational related support		2 846 321	2 582 238
Courier charges		-	3 298
Insurance		12 571	11 428
Levies		54 600	89 659
Municipal expenses		51 428	48 114
Portfolio management fees		90 337	57 473
Repairs and maintenance		102 287	1 093
		<b>3 577 546</b>	<b>3 228 145</b>
<b>Operating surplus</b>		<b>103 844</b>	<b>169 859</b>
Investment income	9	2 104 401	1 549 996
<b>Total comprehensive income for the year</b>		<b>2 208 245</b>	<b>1 719 855</b>