



May 2010

### **FROM THE COUNCIL ROCK**

Late last year our auditor, Eben Nel, advised us that with the new Companies Act coming into force this year we would do well to get our structure and governance right.

The business and property of Applewood School are owned by a Section 21 Company i.e. a company not focussed on profit. It has a peculiar structure in that there are no shareholders but instead it needs to have a minimum of seven Members, who meet a minimum of once a year to check the accounts and appoint directors – that fact in effect puts them ultimately in charge of the company.

Then there are the Directors of the company, who are responsible for running the company and who can become personally liable if the company gets into trouble or hits the wall as a result of negligence on their part. In our view it makes sense that those Directors should form the core of an Exco and be responsible for running the show. The three Directors are currently Chris de Villiers, Malcolm Gradwell and myself. The other Exco members are Brendan Carroll in his capacity as Headmaster, Charlotte Kruger as Bursar and Amanda Luden as Secretary. We meet usually about six times a year.

In terms of our current Company Memorandum and Articles we are required to have five Directors, but as we feel that an effective Exco should not be too large we would like to reduce that figure to three – we will sort this out shortly.

Up to now the school has had a Board of Governors, but the Board of a Company is composed of its Directors (in our case the Exco) so in order to avoid any confusion in the future we have decided rather to call the “Board of Governors” the “Council”. The Council’s function is to back up the Exco, and to provide guidance and expertise to ensure that the governance of the school is of a high standard. One sensibly aims to have a broad range of complementary talents and experience on the Council covering areas such as strategy, development planning, legal issues, fund raising, leadership, education, etc. and I think we are fortunate in having a good spread of competence at the moment. The current Council members are Mike Taylor, Barry Gould, Craig Freemantle, Malcolm Gradwell, Chris de Villiers, Charlotte Kruger, Brendan Carroll, Wendy Simpson (parents’ representative), Jane Moodie (staff representative), Amanda Luden as Secretary and myself. (BJ Allsop who has served Applewood with distinction for years has recently retired.)

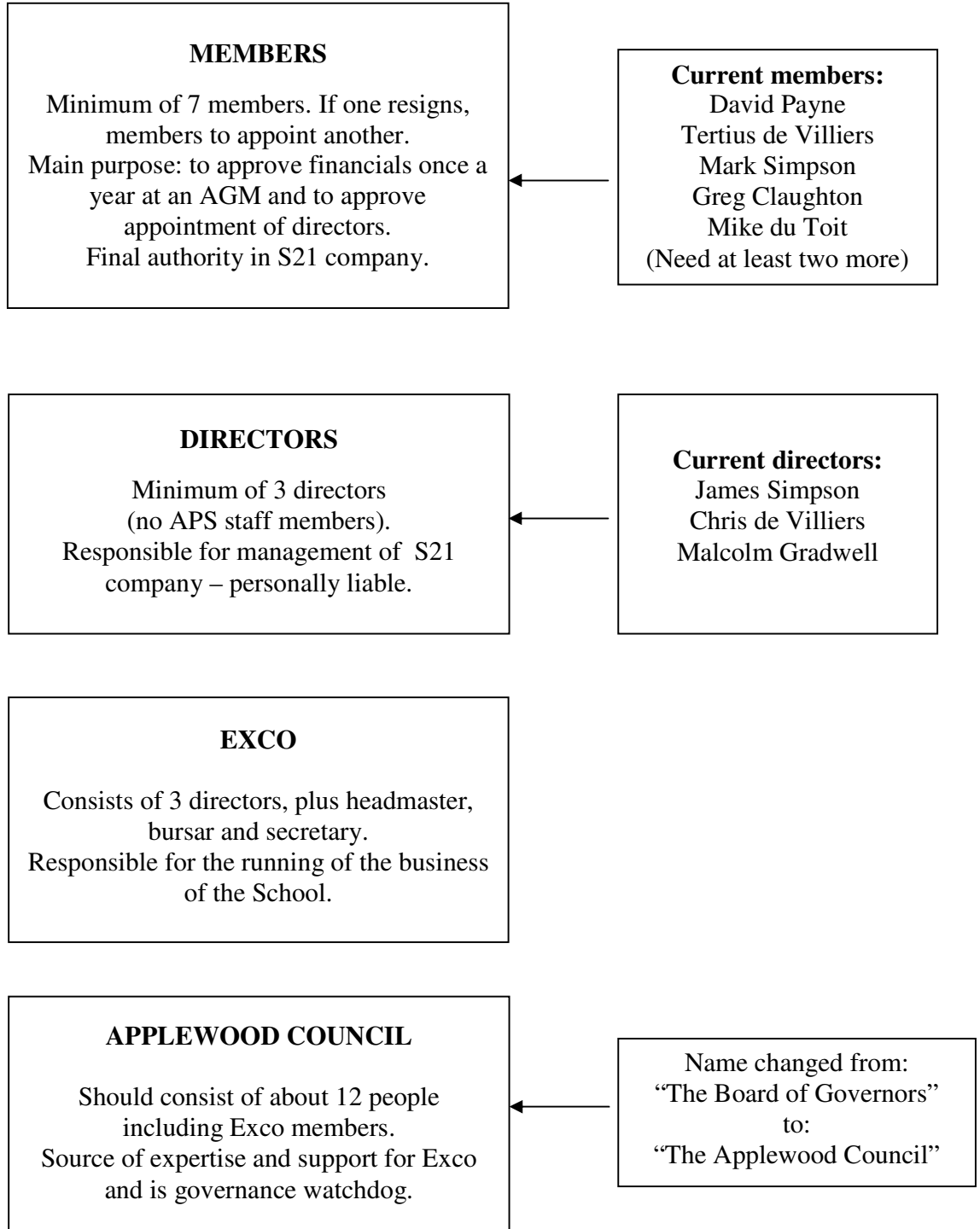
The Bursary Trust is now totally separate from the Exco and Council and has three trustees who are totally independent of the school, being Josias Beukes, Bruce Green and Sonja van Zyl. Once we have changed our Memorandum and Articles we should be very close to where our auditors would like us to be.

**Regards**

**JAMES SIMPSON  
CHAIRMAN**

**ORGANOGRAM**

**SECTION 21 COMPANY  
APPLEWOOD PREPARATORY SCHOOL**



- NOTES**
- i. Applewood Council appointed by Directors – people that have suitable expertise.
  - ii. Directors do not have a maximum service period but should be rotated from time to time.