

Chairman's Report on the Marian Villa Home for the Aged for the Financial Year 1st April 2017 to 31st March 2018

Preamble

The year under review, I believe, has been a positive one in most respects, notwithstanding some challenging moments. I have attempted, in this report, to provide a synopsis of the salient points.

General Committee

The Committee met on 6 occasions during the financial year under review. I wish to take the opportunity of recording my thanks and appreciation to my colleagues for their commitment, guidance and advice in so many areas requiring specialist knowledge. Marian Villa is indeed fortunate to have such diversity amongst individual committee members. Naturally, this makes my task as Chairman considerably easier to fulfil.

With the changes to the Constitution approved at the last AGM, regarding the increase in Resident participation from four to six members, and a decrease in the Catholic Church representation to accommodate this, Mrs. Georgie de Klerk and Mr. Bernard Muirhead were co-opted to fill the vacancies. In addition, and, as elaborated on in the Agenda, Mrs. Sandra Bekker was also co-opted to fill the non-resident Members vacancy as a result Mr. James Smith vacating this role. However, he automatically remains a member of the Committee as a Trustee.

We thank Mrs. Linelle Irvine, who resigned as a Church representative, for her contribution over the years.

Governance

Your General Committee met on six occasions during the year under review. To improve the participation of Committee Members, I reported last year that a system of Portfolios was introduced under the following headings:

- Building maintenance – Hylton Linscott
- Security and Borehole – Kevin Bannister
- Residents Committee Liaison – Ron De Villiers
- Finance – Neville Thomas

This innovation has worked successfully and provided all evolved with 'hands on' participation in the Homes operations.

Legislation related to the Community Schemes Act, requiring the payment of levies and the introduction of an Ombudsman service, was promulgated in late 2016. It is still unclear whether Life Rights qualify for the payment of levies. However, application has been made for exemption and, in normal State bureaucratic ignorance and confusion, we still await a response. In the interim, a decision has been made to seek Counsels opinion on a judgement of the Cape High Court in this

regard. (Secretarial note: subsequent information recently received from the Department suggests that not only Life Rights but rental residents, exceeding a certain income and asset bracket, also qualify. This aspect is still being pursued).

Life Rights

The sale of Life Rights, as cottages become available, continues to be a popular option and, since the inception of the scheme in early 2015, 26 cottages have been sold totalling some R8 million in deposits, which includes six resales. The proceeds from Life Right sales are paid directly into the Trust. However, as the Association is the sole beneficiary of the Trust, it therefore benefits directly from the interest and growth from these funds which are used to finance Special and Capital projects.

It is perhaps necessary for me to emphasise that sales revenue cannot be arbitrarily spent. The Life Right contract provides that only 10% of the purchase price accrues to the Trust annually, with the remaining capital a decreasing liability over the ten year life right period. This tends to create some confusion in the minds of residents, who are under the impression that the net accumulated sales revenue invested can be utilised immediately.

As previously reported, the 80 age limit to qualify for the purchase of a Life Right has been abolished and the criteria will be determined by the ability of a purchaser to cope with an 'independent life style.'

Finance and Operating Results

In the financial year under review, the policy for the accounting of grants from the Trust and the expenditure for Special Projects and Cottage presale upgrades changed in that these have now been expensed directly to the Trust. Therefore, before analysing and comparing the Financial Statements for the period under review, it is necessary to adjust both the comparative income and expenditure figures for the 2016/2017 financial year as follows:

Income	R9,404,155	Expenditure	R10,079,659
Net Grant Income	<u>(R2,000,000)</u>	Project Expenses	<u>(R 1,208,664)</u>
	<u>(R 7,404,155)</u>		<u>(R 8,870,995)</u>

The adjusted comparison follows:

	2016/2017	2017/2018	INC/DEC	%
Total Income	R 7 404 155	R 8 119 959	R 715 804	9.7%
Total Expenditure	<u>R 8 870 995</u>	<u>R 8 285 688</u>	R 585 307	6.6%
Operating Profit/ (Deficit	<u>(R 1 466 840)</u>	<u>(R 165 729)</u>		

Income increased by R715,804 (9.7%), largely as a result of increased occupancy and thus increased income from the frail care unit of R435,017, as compared to the 2016/2017 comparative. Excluding the fore mentioned, the increase is a moderate 3.8%.

Expenditure, after the adjustments reflected above, increased by 6.6%, a satisfactory outcome. The comparative 2016/17 operating deficit reflects differently from those in the financials of R674,143. The reason being that extra ordinary Special Project repairs and maintenance expenditure totalling R791,336, is included, but was subsequently recovered from the Trust.

It is necessary to remind Residents that operational expenditure must be financed from operational revenue, and cannot be subsidised by the Trust. However, in our endeavours to deal with the neglected routine maintenance, which had accumulated during the past years, due to depleted cash resources, we had no option but to utilise some of the capital reserves accumulated through the sale of Life Rights. This will not be repeated going forward.

General Items of Interest

Projects

The year under review has certainly been one of hectic activity in both capital and maintenance projects. As I conveyed in my previous years report, and again highlighted above, major maintenance had been neglected for many years. I can now report with confidence that remedial action in the majority of these areas has been completed.

I list the following major capital and maintenance projects undertaken to date for posterity:

- Provided 12 additional covered visitors parking bays
- Replacement of 10 cottage rooves
- Introduced a new 'buzzer' emergency system
- Hard surfaced the laundry drying area.
- Upgraded the gardens.
- Refurbished 31 Cottages – ongoing
- Refurbished Frail Care Centre
- Refurbishment of Verandas and Bedsitters – ongoing
- Conversion of the Victor Daitz Lodge to 6 Bedsitters.
- Covered walkway between Verandas, Victor Daitz Lodge and Frail care
- Relocated and provided a new maintenance facility and relocated the 'jumble room'.
- Total upgrade of upstairs Veranda ablutions
- Installation and relocation of additional water tanks.

The total cost of the completed projects between 2014 to date, the majority financed by the Trust, totals some R3,814,000.

Alzheimer's/Dementia Patients

In last year's report, I alluded to the agreement being negotiated with PADCA for the care of Residents suffering the fore mentioned afflictions, as Marian Villa does not have such capability. I can now confirm that a formal agreement has been concluded. Accordingly, Marian Villa patients will be given preferential admission on the waiting lists of Padca's Riverside and Sunnyside units.

Residents Committee

The Residents Committee has been active in a number of areas during the year under review. Under the watchful eye of Chairperson Jane Bannister, the Committee is a revitalised, vibrant institution serving the Home.

A very successful annual fete was held and an amount in excess of R42,000 was raised. As I have previously reported, all funds raised as a result of the efforts of Residents, are the responsibility of the elected Residents Committee to expend, as they consider appropriate. Previously, these funds, unfairly so, formed part of the Homes income.

- A most enjoyable Christmas lunch was held in December and our thanks and appreciation go out to all those who contributed to the occasion.
- Our gardens and the maintenance thereof have been rejuvenated by Di Linscott and Dawn Muirhead, who continue to do a sterling job.
- The application and processing of Residents new I.D. cards was completed in the year under review.

Staff

We bade farewell to Delwin Freese who relocated to Durban and Quinton Gourlie who joined his family in Australia. Both had given wonderful service to the Home. Ivan Sharkey and Claude Whiteman are their replacements and we wish them both a long and happy association with Marian Villa. We also welcomed Sister Felicity Dibben who joined our frail care staff.

On behalf of the General Committee and Residents, I wish to thank our CEO Linda Rees and her dedicated staff for their hard work, often beyond the call of duty. It would be unfair to single out any staff member or group, as all have served us admirably, often under trying circumstances.

Acknowledgements, thanks and appreciation are accorded the following who give of their valuable time, professional knowledge and expertise for no financial benefit and those who donate so generously in other ways;

- J. Leslie Smith Inc. for their legal assistance and donations.
- Michael Smith and Associates for invaluable assistance and advice in labour matters.
- The Victor Daitz Foundation Trustees for their generous donation.
- The Residents Committee for the work done in the interests of Residents.
- The PADCA General Committee and the CEO for their assistance in the realms of Special Care and Human Resources.
- The Trustees of the Marian Villa Trust for their guidance and generosity.

J. A Wingfield

Chairman Marian Villa Home for the Aged

July 2018