

# **Chairman's Report on the Allison Homes Association for the Financial Year 1<sup>st</sup> April 2019 to 31<sup>st</sup> March 2020**

## **Preamble**

I would like to report that the year under review has been a positive one in most respects, and certainly was until March when the Covid-19 pandemic struck with little warning. It has invaded our lives and dramatically changed the way we live, probably forever. Notwithstanding, I have attempted, in this report, to concentrate on the years positives, and provide a synopsis of the salient points as well as other items of interest.

I have had the privilege and honour of leading Allison Homes since being elected Chairman in July 2008, a period of twelve years. Although sounding somewhat rhetorical, and not wanting to overstay my welcome, I would be happy to 'pass the baton' to one of my colleagues and retire to the Committee back benches. I leave my thoughts on the subject with my colleagues to contemplate.

## **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. Allison Homes is indeed fortunate to have such diversity amongst individual committee members.

## **Governance**

As conveyed in previous reports, legislation related to the Community Schemes Act (CSOS), requiring the payment of levies and the introduction of an Ombudsman Service was promulgated in late 2016.

Unfortunately, the latest available information is that the department remains dysfunctional. We therefore continue to collect the required levies, which are being held in trust until there is clarity on the Departments future.

## **Life Rights and Rental Accommodation**

Although the proceeds from Life Right sales is a major source of revenue and will continue to be so in the future and, as the Allison Homes Association is the sole beneficiary of the Trust, the investment income derived there from, together with that from other accumulated reserves, provides the capital resources to subsidise the Associations operational losses.

It is perhaps appropriate to mention that the reason for this loss is the fact that cottage rentals and levies are based on a percentage of resident's monthly declared income, with those only receiving a social pension paying the base levy. Research on other South African institutions suggests that Allison Homes is unique in offering subsidised accommodation of the quality provided, at a cost well under that required to break even. I often hear it said that we employ draconian methods in our endeavours to ensure that residents are scrupulously honest when declaring their incomes. It

is unfortunate that I have to report that during the year under review, it was necessary to take action against a number of residents as a result of non disclosure of income bearing assets.

Our operational loss, before receipt of the Trust subsidy, certainly vindicates our actions in this regard and we will continue to deal appropriately with those who intentionally make false declarations.

### **Frail Care Agreement and other services provided by Padca**

I believe it is necessary to remind ourselves of Allison Home's relationship with Padca, concluded in early 2015, regarding frail care facilities for our Residents. It will be recalled that the agreement is that Allison Home's residents are guaranteed preferential access to 10 beds at Padca's Sunnyside unit, subject to availability. For this privilege, we donate, to Padca, an amount equivalent to 10% of the annual loss (R620 428 in the year under review) incurred by the Sunnyside unit. It is necessary to emphasise that as a result of this unique arrangement, thirteen of our residents have benefited during the year under review. In addition, and also by formal arrangement, Padca also provide us with assistance on Human Resource matters, as well as advice on delicate Social issues which arise from time to time, all on an ad hoc 'needs bases.

### **Finance and Operating Results**

The financial statements under review reflect all operational income and expenditure undertaken by the Association save for certain projects financed by the Trust. The following is a simplistic analysis of the year's operations.

	<b>2018/2019</b>	<b>2019/2020</b>	<b>Variance</b>
Total Income	R 5 742 852	R 6 307 042	R 564 190 9,8%
Total Expenditure	<u>R 9 295 173</u>	<u>R 8 799 317</u>	(R 495 856) (5,3%)
Operating Loss	(R <u>3 552 321</u> )	<u>R 2 492 275</u>	(R 1 060 046) (29,8%)

In considering the comparative incomes in the year under review, it reflects an increase of R 564,190 (9.8%). Levies constitute almost all our income, and are generally increased annually in line with that for Social Pensioners, which was some 5% during the year under review. However, as a result of our review of a number of Residents levies, which excluded undisclosed income from assets, we were able to secure increased as well as backdated levies. This accounts for the unusual comparative increase. The comparative positive variance in expenditure (R 495 856 5,3%) is in line with inflationary trends and considered acceptable. The improvement in the operating loss of R1 060 046 is almost all attributable to the decrease in Maintenance on Buildings (R1 033 221). The major costs in this account are for refurbishment of cottages. During the year under review, the number requiring refurbishment was unusually low, accounting for the decreased expenditure. This has not followed historical trends and must perhaps not be considered the norm going forward. As I have mentioned in previous annual reports, many of our 272 Burger Street cottages were commissioned in the late forty's and require extensive infrastructural refurbishment and upgrade at considerable cost.

## **General Items of Interest – Burger Street**

### **Security**

Although a rhetorical subject, I again emphasise and express concern at the consistent security breaches in our Burger Street complexes. Having added to our physical presence by increasing the number of both day and night guard patrols significantly over the years, at considerable expense, R1 239 690 during the year under review, the tendency for vehicle access gates to be left open continues to create opportunity for criminal incursions.

I therefore appeal to residents to contribute their bit; be vigilant at all times and take care when entering and exiting your complex, whether by car or on foot and ensure gates have closed before proceeding.

### **Municipal Utilities**

As I have eluded to in previous reports, the ‘nightmare’ of administering Municipal metered water charges continues to present a considerable challenge for our staff. The dysfunctional state of our Municipal billing department is catastrophic, and the inordinate amount of time and frustrating engagements with Municipal staff, in an endeavour to substantiate correct readings and hence the correct charges, has reached unacceptable levels. We are consistently engaged in a ‘rear guard action’ with municipal agents attempting to disconnect our utilities for non payment, notwithstanding clear documentary evidence to the contrary.

In an endeavour to deal with this ongoing problem, a decision was taken to seek legal recourse. Our Attorneys have been briefed and we have lodged a dispute with the Municipality and await the outcome.

In an effort to protect our Residents from indiscriminate electricity disconnections, we have prohibited any municipal staff, or agents acting on their behalf, from entering our premises without due notice of their intentions.

### **Residents Frailty**

Yet again it is necessary to express concern at the incidence of Residents children resisting the transfer of their parents to an alternative care facility, on reaching a stage where they can no longer adequately cope with normal daily chores. This places an unfair burden on our staff who, although willingly give their support and guidance in such cases, are neither equipped nor responsible to facilitate the required outcome. Our experience suggests that it is an increasing trend for children to believe that the problem is not theirs but ours. Unfortunately, there seems to be no easy solution and we have little alternative but to try and secure a satisfactory outcome, in the best interests of the affected parties. Accordingly, a procedure is in place where, on the advice of our nursing sisters, residents likely to reach the previously referred to incapacity are identified some months in advance. Immediately, those responsible for their welfare, as well as the resident, are advised to begin planning for their relocation to an appropriate care facility. By so doing, the last minute trauma of a sudden forced relocation can be avoided.

## **General Items of Interest- The Haven**

### **Life Rights**

The sale of Life Rights at the Haven, as cottages become available, continues to be a popular choice. Since the inception of the scheme in late 2014, thirty six of our forty six units are occupied by Life Right Holders. Five were sold in the year under review.

### **Pets at the Haven**

Following both international and local trends, and after extensive consultations with Residents, the Committee decided that based on individual applications, Residents would be permitted to have a small dog for companionship. Clearly, each application will be considered on merit and subject to stringent protocols to overcome any concerns that other Residents would be inconvenienced.

### **Residents Committees**

The Burger Street Residents Committee, ably led by their Chairperson Mrs Lilian Thunissen, has been active in a number of areas during the financial year under review.

- A successful fete was staged and an amount in excess of R40 000 was raised.

- The monthly birthday teas at the Burger Street complex continue to be appreciated by all and a vote of thanks must go to the Residents Committee for providing the wonderful fare so enjoyed by the participants.

- Our Haven Residents are also well catered for. Their Committee, Chaired by Mrs. Cobie Triep, held a number of functions, both culinary in nature as well as entertainment orientated. Most enjoyable, but separate Christmas lunches were arranged by the Residents Committee's of Burger Street and the Haven respectively, and our thanks and appreciation go out to all those who contributed to the occasions.

- In order to provide Life Right residents the opportunity to participate in operational aspects of the Haven, a body known as the 'Allison Haven Life Right Holders Association' was introduced. The object of this Association is to promote and protect the interests of Life Right Holders. The Committee, presently Chaired by Allan McEwen, meet quarterly and any matters arising there from are conveyed to the management committee for attention.

### **Staff**

On behalf of the Committee, I wish to record our sincere thanks and appreciation to our CEO Bill Sutherland and his Staff for their commitment and dedication, often under trying circumstances and beyond the call of duty. It would generally be unfair to single out any individual or group, as all have served us admirably.

As I reported last year, Denise von Meyer who had had a 33 year association with Allison Homes retired. Due to certain unforeseen circumstances her replacement resigned and Denise graciously agreed to 'step into the breach' and return temporarily to assist us.

**Acknowledgement, thanks and appreciation is accorded the following, who give of their valuable time, professional knowledge and expertise for no financial benefit;**

- J Leslie Smith Inc. for their invaluable legal assistance and donations.
- Our Ombudsman Margaret McCullough for giving her time in arbitrating disputes.
- Investec who manage our Investment portfolio, ably guided by my colleague and fellow Trustee Peter Miller.
- The Allison Homes Trustees for their guidance and generosity in financing numerous capital and special projects.
- The PADCA General Committee, CEO and staff for their co operation and assistance in various areas of common interest.
- All those dedicated Residents who give of their time in organising and operating Choices, the Library, Garage Shop, assist with pension applications and many other activities too numerous to mention. Pearl Westwood and her energetic group of assistants who continue to provide meals at such affordable prices.
- The Chairpersons of the respective Residents' Committees' Cobie Triep, Lilian Thunissen and Allan McEwen and their respective Committee members for services rendered to Residents, as well as their assistance in liaising with management.
- A special thanks to the girls at Epworth for their adoption of 'Grannies and Grandpas', which brings such joy and a feeling of being special for so many of our residents at Christmas time. Not to forget the annual tea and entertainment functions which are thoroughly enjoyed by all.
- The St. John's United Church Congregation for their generous support in providing donations of various consumables'.
- Last but not least, our sincere thanks and appreciation to the many other benefactors, too numerous to mention, who consistently collect and provide food parcels, clothes and other necessities which, with assistance and guidance from our staff and nursing sisters, are distributed to those in need and added to Choice's selection for sale.

**J.A. Wingfield**

**Chairman Allison Homes Association**

10/06/2020/2