

REPORT IN RESPECT OF THE AFFAIRS OF THE CARE PROVIDER FOR THE PERIOD 1 MARCH 2022 TO 28 FEBRUARY 2023

This report is prepared for the information of members of the Management Association in terms of Clause 33(1)(k) of the Constitution.

Clause 48(2) of the Constitution prescribes that directors of the Care Provider (OWOBV (Pty) Ltd) should be trustees of the Management Association.

The following trustees are, at the date of this report, serving as directors of the Company for an indefinite period in terms of Section 68 (1) of the Companies Act, (Act No. 71 of 2008):

Mr. Hennie Hurter
Dr. André Dreyer
Mr. Bruno Wehrle
Mr. Ferdie van der Merwe
Mr. Frits Vleggaar

The Directors meet monthly, prior to the meetings of the Board of Trustees. Copies of the latest minutes, income statements, balance sheets and debtors' ledgers are tabled at the trustee meetings.

The period under review was the sixth full year of operation under the management of Ms. Ina Prevedello, assisted by her well-trained staff complement.

The multi-disciplinary team consists of:

- Matron Ina Prevedello – Nursing Manager
- Dr. Theresa Swart – Medical practitioner with post-graduate training in palliative care.
- Dr. Marilize Vlok – Medical Practitioner
- Dr. Mariaan Kühn – Medical Practitioner
- Ms. Edna Lampbrechts – Social Worker
- Ms. Lindie Uys – Occupational Therapist
- Senior Registered Nurses at the Care Centre

The team has regular meetings and discussions, either in person or through of their WhatsApp group.

The audited financial statements for the period under review will be circulated to members for consideration at the Annual General Meeting of the Management Association.

Results for the year to 28 February 2023

1. **Income:** Amounted to R7 465 444 for the year, 2,63% under budget. Occupation levels were disappointing, mainly due to the decision taken by the Board to reduce the number of rooms in the Care Centre to a 28 bed-unit.
2. **Expenses:** Totalled R8 260 103 for the year, 2,4% within budget.
 - 2.1 Salaries: More than double the amount budgeted for was spent on contract nursing but the overall nett to budget was within the budget.
 - 2.2 Covid expenses were reduced from R49 469 to R12 954.
3. **Nett Operating deficit:** The nett operating deficit for the year amounted to R694 659.
4. **Funds:** The loan from Oude Westhof Management Association increased to a balance at year end of R7 754 271.

BUDGET 2023-2024

Although the income budgeted for will increase by R184 928 compared to the previous financial year, a net loss of R896 900 will be inevitable.

Note on the progress in respect of the seven (7) assisted living units which were decided upon to be created and were completed after year-end:

An amount of R13 952 000, including the selling price, VAT and entrance levies was received. The remaining two (2) units are still in the market at R1 950 000 each.

The entrance levies of R1 395 200 were paid to the Management Association. An amount of R3 000 000 in respect of a short-term building loan for the erection of the units, was also repaid.

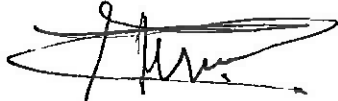
The amount owed to the Management Association on the long-term loan at year end has been paid back.

GENERAL

The Social Worker and Occupational Therapist, are both still employed on contract at an hourly rate. They are not only rendering services to our residents, but are also involved in the training of staff on an ongoing basis.

In conclusion I wish to convey the thanks and appreciation of the Directors to the Nursing Manager and her staff for their loyalty and dedication displayed in the execution of their duties.

To Mr. Gerhard van der Merwe, the Company Secretary, our sincere thanks for the manner in which he executes his duties, as Secretary, towards the Care Centre.

A handwritten signature in black ink, appearing to read 'HW Hurter', with a large, sweeping flourish above the name.

HW HURTER
CHAIRMAN: BOARD OF DIRECTORS
6 JUNE 2023