



ANNUAL REPORT 2018

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Owner of immovable property and facilities for the care and accommodation of older persons and the administration of related services
Management board members Chairman:	Prof. van de Merwe, IDJ (Appointed 19 October 2017)
Chief Executive Officer:	Raubenheimer, JN
Independent members :	Cooke, PR Danckwerts, A (Resigned 15 March 2018) Long, W (Appointed 19 October 2017) Luüs, C W (Appointed 19 October 2017) Mason, PJG Ramokgopa, NP
Resident members:	Boulle, K Griffiths, D Oates, MR (RIP 29 December 2017) Van der Merwe, NR
Administration office:	Unit 4, Surrey Square Office Park 330 Surrey Avenue Ferndale, 2194
Postal address:	P O Box 3442 Randburg 2125
Bankers:	Standard Bank of South Africa Ltd Northcliff
Auditors:	Wakely-Smith Lattuca Inc. 33 Peter Place Lyme Park 2191
Association registration number:	000-836 NPO

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Mission & Values

OUR MISSION

Flower Foundation exists as a non-profit entity to provide life-time quality care in secure environments for self-reliant individuals who are older than 55 years of age and for those requiring long-term care or specialised Dementia care.

OUR VALUES

Friendly Staff – Our staff are completely focused on providing friendly service to our residents and their loved ones

Loyalty - Loyalty and dedication from our staff is imperative to both the Flower Foundation and all our residents

Outstanding care – We ensure that our residents receive exceptional care by taking the time to listen to them and their loved ones

Welcoming - Flower Foundation creates a welcoming environment for our residents immediately making them and visitors feel at home as soon as they arrive

Engagement – We encourage our residents to partake in all our activities thus increasing their social well-being

Respect – Our residents, staff and business partners are treated with respect and dignity

Chairman's Review

The 2017/ 2018 financial year proved interesting for Flower Foundation Retirement Homes (Flower Foundation). During the past year the Management Board and the Management Team focused on consolidating the effects of changes and to communicate the positive benefits of change. Change creates new opportunities and ensures that Flower Foundation remains dynamic and vibrant.

To quote from Brand South Africa's year in review: "It was a storied year for the country." The changing political and economic environment in South Africa impacted the NPO sector in many respects.

The past year was marked by recession and government policy uncertainty. GDP growth was projected at 1% which was marginally up from 0.7% as projected in the Medium Term Budget Policy Statement. GDP growth is forecast to reach 2.1% by 2020 which largely follows on growth in the agricultural sector, higher commodity prices and an incipient recovery from investor sentiment, to quote from the SA Treasury Budget review for 2018.

The challenge for Flower Foundation lies in dealing with the effects of rising commodity prices and to deal with the negative effects of this marginal growth compared to the International Monetary Fund's global growth forecast of 3.9%.

Flower Foundation remains a leader in the field of care and accommodation of our elderly and continues to operate effectively despite the negative impact of rising costs of imported goods which results from severe currency fluctuations and the 1.8% negative growth difference between the local and global growth forecasts. These effects are most severely felt in rising food, medical consumables and maintenance costs.

Flower Foundation reflected a total comprehensive surplus of R11,573 million in the past financial year, compared to a surplus of R37,851 million in 2016/2017. (The donation to the value of R31,267 million relating to the integration of Willowbrook into Flower Foundation resulted in an extraordinary increase in 2016/2017).

The Statement of Financial Position at 31 March 2018 reflected improved cash and investments at R27,044 million compared to R19,986 million at the end of the previous year.

Tenancy Rights sales received specific focus in the year under review. The Flower Foundation sales staff and management at the villages delivered record gross sales of R26,355 million compared to R18,192 million in the previous year.

The past year saw a continued trend of tariff increases for municipal services as can be seen in the growth in municipal charges from R7,218 million in the previous year to R11,055 million in the current year. We are expecting this trend to continue in the year ahead. We,

however, remain persistent in negotiations with local authorities to agree rebates for our villages.

The Flower Foundation Benevolent Fund was established to assist Flower Foundation residents and continues to remain a valuable component in our care focus. I would like to encourage those of our residents and other donors who are in a position to do so, to donate to the Benevolent Fund so that we can continue supporting those who are less fortunate.

During the year certain senior management members opted to take early retirement and we bade farewell to Mr Roy Michas, the Manager at Pioneer House, Cosmos Care and Orchid Place; Matron Sue Cunningham at Cosmos Care and Ms Alison Clark, Financial Manager. Flower Foundation was fortunate to replace them with competent and experienced professionals who integrated seamlessly into our environment.

The Management Board of Flower Foundation is constituted in compliance with the Constitution of Flower Foundation with four resident elected members, six independent non-executive members and the executive director/CEO. The Management Board met six times during the year under review. EXCO met six times of which one meeting exclusively dealt with remuneration matters.

The Constitution of Flower Foundation requires the Management Board and Management of Flower Foundation to adhere to the principles of the King IV Report on Corporate Governance for South Africa.



Chairman's Review

During the first meeting of the newly constituted Management Board post the 2017 AGM, the following committees were constituted in order to better align Flower Foundation governance practices with the requirements of King IV:

- Executive Committee
- Audit and Risk Committee
- Human Resource and Ethics Committee

The committees meet to deal with designated matters as prescribed in the respective charters for each committee. Matters for approval are referred to the Management Board.

During the past year Mr. Michael Oates passed away and Ms. Anetta Danckwerts resigned. Messrs. Fred Bruce-Brand and Christo Luūs were co-opted as replacements in compliance with the constitution.

The Management Board and Management of Flower Foundation are reviewing the strategy and strategic direction for Flower Foundation. Members will be kept apprised through the Chairman's and CEO's Newsletters.

Mr. Michael Oates, one of the longest serving Management Board members, passed away during December 2017. Michael made a significant contribution to writing the current version of the Flower Foundation Constitution. Michael served on EXCO and with his detailed financial acumen greatly contributed to matters pertaining Debtors, Benevolent Fund and Ethics. Mike has left an indelible mark on Flower Foundation and his contributions are already missed.

Ms. Anetta Danckwerts (Netta as she is fondly known) resigned at the beginning of 2018 after realising that the demands of retirement are much more than what she had expected. Netta became involved with the then Cosmos@Waverley when her mother-in-law became a resident of the facility. With her generous heart and amiable nature she immersed herself in matters Cosmos and Flower Foundation and she was soon invited to serve on the Management Board where she contributed to educate Board Members on Dementia and Alzheimer's. I would like to thank Netta for her contribution over the years and wish her and husband Mark well on their retirement adventure.

I would like to take this opportunity to thank everyone who welcomed me into the warm space of Flower Foundation. It is indeed an honour to serve an organisation of this stature. I would

especially like to thank the Management Board members who give of their time and themselves so generously. You are worthy custodians of Flower Foundation.

The villages are more than adequately guided at governance level by Resident Committees and in social activities by Resident's Associations. I would like to thank each and every one of the members and residents who participate in village affairs and Flower Foundation matters in such a committed manner. You give life to Flower Foundation.

Lastly I would like to express my gratitude towards the CEO and all members of staff of Flower Foundation. You don't always realise it but you are highly proficient at managing a proud institution which is deemed by many as the benchmark in the industry.

Thank you
Prof. Sakkie van de Merwe



CEO's Report



Flower Foundation Retirement Homes is a proud institution that has been providing loving care to retirees over age 55 since 1963. Flower Foundation has PBO status with SARS and operates as a Non-Profit Organisation. Even though Flower Foundation has in the past year reached eligibility to “retire”, we still

regard ourselves as being in our vibrant youth with a bright future ahead of us. The staff take great pride in the level of care and interaction they provide and regard it as an honour to be of service to our residents.

Flower Foundation remains at the forefront of current developments in the field of retirement facilities and continues to explore new opportunities for service to our communities.

As a non-profit organisation Flower Foundation receives no financial assistance from public funds and therefore operates on a self-supporting basis where each residential unit meets its operational expenditure out of its current income. We welcome donations and are grateful for having received a number of large donations over the last few years. These donations enabled us to refurbish more facilities than what we would otherwise have been able to do.

Flower Foundation has a portfolio of Villages spread across Gauteng:

- Witpoortjie Village incorporating Clivia Care, Zonneveld and Zonneblom in the West Rand,
- Silver Stream incorporating Willow Lodge care centre in Randburg,
- Elm Park incorporating Rose Lodge and Primrose Place in Northcliff,
- Maxhaven in Cresta / Northcliff,
- Willowbrook in Sandton,
- Orchid Place in Lower Houghton,
- Pioneer House in Oaklands,
- Cosmos Care, a specialist Dementia and Alzheimer's care facility in Waverley, and
- Kensington Gardens in Central Johannesburg.

As can be seen from the above we provide accommodation across a spectrum. Access to independent and assisted living is provided on a Tenancy Right basis while care services are available in various permutations and are paid for by way of a monthly levy.

Flower Foundation strives to provide peaceful environments for residents who can establish unique communities and a spirit of togetherness pervades the villages. We remain focused on providing integrative communities where we don't frown upon eccentricity, and welcome diversity.

The care offered to all residents covers a broad spectrum of physical, psychological and counselling support provided by trained staff members according to resident needs. Fully trained and dedicated staff members are always on hand in wellness, healthcare and administration.

Flower Foundation has adopted a proactive stance towards healthcare including the provision of opportunities for its residents to organise themselves in a social setting that will provide the stimulus to extend their years of active interest, youthfulness and participation in the community.

Villages

The beautiful gardens remain one of the major focal areas in all Flower Foundation villages. We consistently get compliments from first-time visitors to the villages and even regulars cannot comment enough on the beautiful gardens at our villages. This is a true tribute to the name of Flower Foundation.

Witpoortjie Campus

During the course of the last year I started to refer to **Witpoortjie Village, Zonneblom, Zonneveld and Clivia Care** as Witpoortjie Campus. Even though we essentially have two different villages with two uniquely different architectural styles the facilities are only divided by a road and they are managed by one manager with supporting staff.

Our villages in Witpoortjie are a tightly knit community. The living units are spacious and have been designed to allow a lot of natural light into the living areas.

The chapel services in Witpoortjie Village cater for all denominations. Residents have ample space for gardening and are very proud of their well-maintained gardens.

The villages provide a range of living options such as bachelor flats, one-bedroom units and two bedroom units. The buildings are finished in face-brick and we continuously re-furbish the interiors in order to keep in pace with current styles and finishing.

During the course of 2017 we welcomed our first non-paying residents in the form of Piet de Kock and his wife Saartjie. The resident chicken pair has since expanded their family and provides welcome entertainment to our care residents.

The security infrastructure was significantly enhanced in 2017 in order to maintain the integrity of security. This included new electric fencing, upgraded gates and access control and patrol support from our security company.

We are excited about planned developments for the next year. Clivia Care will be extensively re-furbished.

CEO's Report

This will modernise the environment and make it comparable with the best in the industry. At the same time we will upgrade some of the assisted living rooms, the reception area, dining room and the assisted living courtyard. We have extensively refurbished independent living units which were recently sold and will continue with that into the new year.

Silver Stream and Willow Lodge

As the name indicates Silver Stream borders a lovely stream with adjacent green space. The village has a warm and loving community and residents participate in a host of fun events and activities.

Willow Lodge underwent a major refurbishment in 2017. One of the challenges was to enhance lighting appropriately with the correct tone whilst also effecting savings in energy consumption and costs. The experience gained from this process enabled us to introduce more efficient lighting in all refurbishment projects. Vacancy levels have aggressively been addressed by the Village Manager and Flower Foundation sales team and they need to be commended for their efforts in increasing occupancy in both independent living as well as in care.

Elm Park, Rose Lodge and Primrose Place

I have often heard people referring to Elm Park as having a holiday resort feel. The adapted Cape Dutch style architecture creates a lovely ambience and the resident community is warm, welcoming and very active. The village has a lovely green lawn which is used for croquet and it boasts a chapel which caters for various denominations. Residents often host events in the lovely community lounge.

During the course of 2017 we bade farewell to the previous manager, Mr. Alex Weideman and we welcomed Mr. Gert Coetzee as new manager. I would like to thank Alex for his dedication and work at Elm Park and Maxhaven and wish him well for his future career.

Gert was transferred from Willowbrook to take responsibility for Elm Park, Rose Lodge, Primrose Place and Maxhaven and has settled in well in the new environment.

The transfer happened at a time when we were busy with large scale refurbishment at Primrose Place and he had a proper introduction with all the disruption and activity and despite inconvenience to residents the project was delivered as planned. Since the refurbishment the facility is consistently 100% occupied.

The same refurbishment programme in respect of independent living units is happening in all other villages.

Maxhaven

Maxhaven is ideally located opposite Cresta Shopping Centre but the village has the most serene feel once you enter through the gate. It boasts an abundant bird life and is quiet and peaceful. The village has a tightly knit community where new residents are warmly welcomed.

The perimeter wall at Maxhaven was replaced and corrected during the last year as the previous wall was badly damaged due to sagging soil conditions. Infrastructure maintenance was done through the year as well as re-sealing work on some of the roofs.

A joint project was undertaken between residents and Flower Foundation in refurbishing the guest cottage. We are told that it is quite popular with visiting relatives.

Towards the end of the financial year we were informed by Diane Botha who has been the Home Supervisor at Maxhaven for a number of years that she would be taking retirement. I would like to thank Diane for all that she has done for our Maxhaven community.

Willowbrook

Willowbrook, in the heart of Sandton, is a residential facility which is often referred to as a five star hotel. It was taken over from the Sacco Foundation and the final administrative matters regarding the integration were concluded in the year under review.

During the year the staff amenities were substantially upgraded together with the revamp of the reception area and general improvement of the exterior of the building. New residents get the benefit of newly refurbished rooms and we are working at enhancing the general feel of the dining room in the new year.

Willowbrook said goodbye to Mr Gert Coetzee who had been the manager for four years. As has been mentioned, Gert was transferred to Elm Park and we welcomed Mr Carel Botha as the new manager. Carel is vastly experienced in facilities management, catering and construction and took to Willowbrook like a fish to water.

I experienced the most fitting tribute to Gert when he recently visited the village for a function, the staff formed a guard of honour to welcome him.

Orchid Place

Orchid Place is our smallest village tucked away on a leafy road in Houghton.

Recent work at the village entailed a substantial refurbishment of one of the cottages. Continuous work is done on the garage doors and exterior paint.

The lovely old oak tree which was for many years the focal point of the village was struck by lightning and was eventually cut down after many attempts to revive it proved unsuccessful.

Pioneer House

A more tranquil and restful care facility will be most difficult to find in the area of Oaklands, Rosebank, Houghton and surrounds. The village has beautiful secluded gardens with warm and comfortable community facilities where residents can read, watch TV or listen to music.

Pioneer is in the process of major refurbishment with staff amenities being upgraded, a proper guard house being built and extensive refurbishment being done to some of the rooms.

CEO's Report

Ms Elaine Mouton has settled in well in her role as Village Manager after being promoted from Matron when Mr. Roy Michas took early retirement.

Cosmos Care

Cosmos Care is nestled on a large property in tranquil Waverley. The village boasts the most beautiful heritage building and purpose fitted rooms and facilities.

Cosmos Care is a specialist Dementia and Alzheimer's care facility with specially trained staff. During the year under review we experienced a period of discomfort with the simultaneous departure of the previous matron and manager who took early retirement at the same time.

Ms Ronel De Freitas-Smit and Matron Cheryl Dudgeon were appointed as their replacements and have done an immense job in settling residents and their relatives.

Due to the nature of the disease residents find change very disruptive but we were fortunate to appoint Cheryl who is regarded as an expert in care in this space.

The year ahead will see some renovation work being done to the heritage building as well as refurbishment of the reception area and manager and matron's offices.

Kensington Gardens

Kensington Gardens is a real haven in the Kensington / Bruma area. I recently read an article in the village newsletter (KGB – Kensington Gardens Bulletin) on the abundant bird life in the village and that confirmed the feedback that we regularly receive about the relaxed atmosphere in the village.

The transfer of Gert impacted Kensington Gardens as he was also the manager there. His replacement is Ms Elaine Mouton who used to be the Matron for Kensington Gardens. Elaine has settled in well and contributes to efficiency at the village. We did however say farewell to Ms Elaine Halton who was the home supervisor for four years, who has decided to work abroad and has been replaced by Mr Burt Laas who has immediately taken a firm grip on the reigns at the village. We wish him well on his stay with us.

Social Activities

All villages have activity coordinators who are responsible for arranging activities that stimulate our residents physically, creatively, sensory, auditory and mentally.

Residents regularly participate in music quizzes, bingo, colouring in, knitting, crocheting, beetle drives and the like.

The social calendars are filled with music and choir evenings, birthday teas, mother's day functions, St Patrick's Day dinners, Christmas lunches and interesting talks such as a talk on African Rock Art by Prof David Lewis-Williams.

Residents regularly go on excursions to places like the Planetarium, Origin's Centre at Wits, Snake Park at Hartebeespoort, a number of theatres and the Linder Auditorium.

Many villages have knitting groups, cardies groups, book clubs and clubs like The Hammer and Chisel Club at Elm Park where a lot apparently happens, but not much is said about it.

Witpoortjie recently had its first morning market which was based on the successful recipes of markets at Silver Stream and Elm Park. We are excited about its future success.

Gardening is a favourite pastime and many cottage residents extend their green finger skills to the care centre and communal gardens.

All villages have well stocked libraries with books on diverse topics that cater for the most eclectic tastes. The libraries are manned by residents who regularly rotate books and add to collections with the most current editions.

Health and Wellness

Physical exercise is not neglected with most villages having a range of regular weekly physical exercise programmes

Staff and residents are focused on active healthy ageing in a supportive community environment. Weekly wellness clinics are run at all the villages aimed at enhancing and maintaining our resident's general good health.

Caring is not only left to the care staff, but everyone in the village, from admin staff to gardeners and fellow residents, who all look out for and assist each other where necessary.

Benevolent Fund and Other Special Donations

The annual financial report contains a detailed report of the various funds that we currently manage in Flower Foundation. Generous grants from residents, past and current, enable Flower Foundation to address unique needs amongst staff, residents and surrounding communities.

The Benevolent Fund financially assists long standing residents who cannot afford the full cost of caring for themselves any more.

The Mary Patchitt Fund and other funds within the Foundation provide funding for specialised training for nursing staff, purchasing medical equipment for the care centres and other areas of need identified within the facilities.

Flower Foundation had its origins in the practice in Sweden where donations in lieu of flowers and bequests assist with caring for the aged and in funding infrastructural projects and maintaining prime accommodation.

Flower Foundation appreciates the help from our vast network of volunteers from the community, either serving on committees or working within the residential or care facility.

I would like to honour these volunteers and express the gratitude of all our residents and staff for the selfless work that you so generously do.

Flower Foundation residents like to give back through involvement in the greater community and regularly donate

CEO's Report

to various charities and organisations. Many knitted items, blankets, teddy bears and jerseys were donated to Linden Police Trauma Centre, Teddy Bear Clinic and local SPCAs while items of food and clothing were donated to communities in need. Villages also sell crafts and baked goods on behalf of a number of other care organisations

With our intimate grasp of care requirements of the aged we continue with our Social Responsibility involvement with DeWetshof Municipal Retirement Village next to Kensington Gardens through weekly healthcare visits.

Training

Flower Foundation confirmed its commitment to continued staff development and training by renovating the heritage building at Kensington Gardens and installing a properly equipped training centre. This building was the family residence of the Bezuidenhout family who farmed in the area. The building is beautifully preserved and will also house the Flower Foundation museum.

The 2018 intake of community care trainees were the first students to benefit from this training facility. As the nearest healthcare facility is approximately four kilometres away, the students practice their new skills on the residents of DeWetshof which is located next to Kensington Gardens. The residents of DeWetshof appreciate the weekly basic health check-ups.

Flower Foundation will in future conduct all staff training at this beautiful venue. We will also explore options to rent the facility out to some of our business partners.

Finances

During the past year Flower Foundation bought a property adjacent to Elm Park for R2,9 million. Application for re-zoning has been lodged and various development options are being investigated.

In pursuing the ideal to establish Flower Foundation as the industry standard in retirement care, R2,4 million was invested towards the upgrading of 51 individual living units and R3,7 million towards general village upgrades and maintenance (entrances, care facilities, staff quarters, etc.) in the year under review.

The Flower Foundation share portfolio is managed by Sasfin. The portfolio was impacted by the year being volatile due to different macro-economic events ranging from the political sector through to financial scandals as well as environmental issues. The portfolio showed a growth of 4.5% with the portfolio mix remaining fairly constant over the year.

During the course of the year under review a number of corrections in remunerations have been implemented which had a financial impact, especially to Head Office expenditure. These changes have in all instances been approved by the Management Board after due consideration. Corrections were in respect of Medical Aid and Retirement Benefits whilst ICAS were contracted

to provide counselling support to staff being affected by the trauma of residents passing away.

The practice of remunerating the Chairman and Deputy Chairman was extended to all Management Board Members and members will notice an increase in the figure reported in the Annual Financial Statements.

In conclusion I would like to express my thanks and appreciation to all our residents on behalf of myself and every staff member of Flower Foundation. I remain acutely aware of the calibre of resident that we are privileged to serve and interact with every day. You are all an inspiration to us.

I would like to thank my Chairman, Prof. Sakkie van de Merwe for his guidance and for always being available to act as a sounding board. I appreciate your wisdom.

I did not have an opportunity to thank Mr. John Durrant for his contribution in making my entry into the Flower Foundation family a smooth one. John, you became a trusted friend in the short time that we worked together, and I look forward to counting you amongst my friends in the years ahead.

At the previous Annual General Meeting we elected a number of new members to our Management Board. I would like to thank all Board Members for their contributions during the past year. You kept deliberations most professional at meetings and shared your wisdom and experience freely. It is a privilege to work with you and my staff and I appreciate the generous way in which you share your experience and knowledge.

In the last instance I would like to thank each and every staff member at Flower Foundation. You never cease to amaze me with your generosity in care and love. Thank you for everything that you do for our residents and for Flower Foundation. I am honoured to work with you.

Johan Raubenheimer



Auditors Report



Independent Auditor's Report

To the members of Flower Foundation Retirement Homes

Opinion

We have audited the Financial Statements of Flower Foundation Retirement Homes set out on pages 14 to 24, which comprise the Statement of Financial Position as at 31 March 2018, and the Statement of Comprehensive Income, Statement of Changes in Reserves and Statement of Cash Flows for the year then ended, and Notes to the Financial Statements, including a summary of significant Accounting Policies.

In our opinion, the Financial Statements present fairly, in all material respects, the financial position of Flower Foundation Retirement Homes as at 31 March 2018, and its financial performance and cash flows for the year then ended in accordance with Note 1 of the Accounting Policies.

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 Financial Statements section of our report. We are independent of the foundation in accordance with the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Our opinion does not cover other information contained in the Financial Statements and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, 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.

Management Board's responsibilities for the Financial Statement

The members of the Management Board are responsible for the preparation and fair presentation of the Financial Statements in accordance with Note 1 of the Accounting Policies, and for such internal control as the members of the Management Board determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, the members of the Management Board are responsible for assessing the foundation'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 members of the Management Board either intend to liquidate the foundation or to cease operations, or have no realistic alternative but to do so.

Auditors Report

Independent Auditor's Report

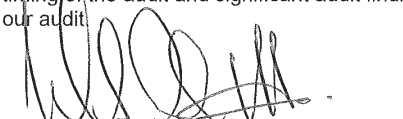
Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the members of the Management Board.
- Conclude on the appropriateness of the members of the Management Board's 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 foundation'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 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 foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the members of the Management Board 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.



Wakely-Smith Lattuca Inc.
Partner
Chartered Accountants (S.A.)
Registered Auditors

09 May 2018
Per : Dario Zuccolotto

Management Board's Responsibilities and Approval

The Management Board is 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 satisfy the financial reporting standards as to form and content and present fairly the statement of financial position, results of operations and business of the Organisation, and explain the transactions and financial position of the business of the Organisation at the end of the financial year. The Annual Financial Statements are based upon appropriate accounting policies consistently applied throughout the Organisation and supported by reasonable and prudent judgements and estimates.

The Management Board acknowledges that they are ultimately responsible for the system of internal financial control established by the Organisation and place considerable importance on maintaining a strong control environment. To enable the Management Board to meet these responsibilities, the Management Board sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards included 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 Organisation and all employees are required to maintain the highest ethical standards in ensuring the Organisation's business is conducted in a manner that in all reasonable circumstances is above reproach.

The focus of risk management in the Organisation is on identifying, assessing, managing and monitoring all known forms of risk across the Organisation. While operating risk cannot be fully eliminated, the Organisation endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Management Board is 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 going-concern basis has been adopted in preparing the financial statements. Based on forecasts and available cash resources the Management Board has no reason to believe that the Organisation will not be a going concern in the foreseeable future. The financial statements support the viability of the Organisation.

The Annual Financial Statements have been audited by the independent auditing firm, Wakely-Smith Lattuca Inc, who have been given unrestricted access to all financial records and related data, including minutes of all meetings. The Management Board believes that all representations made to the independent auditor during the audit were valid and appropriate. The external auditors' unqualified audit report is presented on page 11.

The Annual Financial Statements as set out on pages 14 to 25 were approved by the Management Board on 9 May 2018 and were signed on its behalf by:



Johan Raubenheimer
Chief Executive Officer



Prof. Sakkie van de Merwe
Chairman

Statement of Financial Position

as at 31 March 2018

Figures in R `000	Notes	2018	2017
Assets			
Non-Current Assets			
Investment properties	2	92,777	84,863
Plant and equipment	3	3,792	4,239
Investments	4	8,087	7,742
		104,656	96,844
Current Assets			
Special funds	5	2,515	938
Trade and other receivables	6	8,727	8,257
Cash and cash equivalents	7	18,957	12,244
		30,199	21,439
Total Assets		134,855	118,283
Reserves and Liabilities			
Reserves			
Revaluation reserve		2,664	4,703
Accumulated surplus		111,213	99,101
		113,877	103,804
Current Liabilities			
Trade and other payables	8	17,111	10,418
Deferred revenue - Specified donations	9	1,352	3,123
Special funds	5	2,515	938
		20,978	14,479
Total Reserves and Liabilities		134,855	118,283

Statement of Comprehensive Income

for the year ended 31 March 2018

Figures in R '000	Notes	2018	2017
Accommodation, board, levies and services recovered	10	79,642	72,153
Other income	11	25,213	14,665
Operating costs		(95,002)	(81,359)
Operating surplus		9,853	5,459
Investment income		1,408	842
Surplus for the year		11,261	6,301
Donation received - Willowbrook	14	-	31,267
Fair value adjustment - Investments	4	312	283
Total other comprehensive income		312	31,550
Total comprehensive surplus for the year		11,573	37,851

Statement of Changes in Reserves

for the year ended 31 March 2018

Figures in R '000	Note	Benevolent Fund	Revaluation Reserve	Accumulated Surplus	Total
Balance at 1 April 2016		1,500	3,337	61,116	65,953
Total comprehensive income for the year					
Surplus for the year				6,301	6,301
Total other comprehensive income		-	-	31,550	31,550
Total comprehensive surplus for the year		-	-	37,851	37,851
Transfer			(134)	134	-
Balance at 31 March 2017		1,500	3,203	99,101	103,804
Balance at 1 April 2017		1,500	3,203	99,101	103,804
Total comprehensive income for the year					
Surplus for the year				11,261	11,261
Total other comprehensive income		-	-	312	312
Total comprehensive surplus for the year		-	-	11,573	11,573
Transfer	5	(1,500)			(1,500)
Transfer			(539)	539	-
Balance at 31 March 2018		-	2,664	111,213	113,877

Statement of Cash Flows

for the year ended 31 March 2018

Figures in R '000	Notes	2018	2017
Cash flows from operating activities			
Surplus for the year		11,261	6,301
<i>Adjustments for:</i>			
Depreciation of plant and equipment		1,429	1,267
Investment income		(1,408)	(842)
Loss on disposal of investments		128	81
Operating cash flow before working capital changes		11,410	6,807
<i>Working capital changes</i>			
(Increase)/decrease in financial assets		(1,577)	48
Willowbrook trade and other receivables at 1 April 2016		-	1,786
Increase in trade and other receivables		(470)	(2,030)
(Decrease)/increase deferred revenue - specified donations		(1,771)	1,961
Willowbrook trade and other payables at 1 April 2016		-	(1,971)
Increase in trade and other payables		6,770	497
Net cash from operating activities		14,362	7,098
Improving and acquiring of investment property	2	(7,914)	(980)
Plant and equipment acquired	3	(982)	(2,025)
Investments acquired		(161)	(157)
Dividends received		164	175
Investment income		1,244	667
Willowbrook cash and cash equivalents 1 April 2016		-	1,082
Net cash utilised in investing activities		(7,649)	(1,238)
Increase in cash and cash equivalents		6,713	5,860
Cash and cash equivalents at beginning of the year		12,244	6,384
Cash and cash equivalents at end of the year	7	18,957	12,244

Accounting Policies

1. Summary of significant accounting policies

The Annual Financial Statements are prepared on a going concern basis with guidance and reference to international Financial Reporting Standards (IFRS) for Small and Medium-sized entities. The Annual Financial Statements are prepared using a combination of the historical cost and fair value basis of accounting. Those categories to which the fair value basis of accounting has applied are indicated in the individual accounting policy below. These accounting policies are consistent with the previous reporting period, unless otherwise stated. The Annual Financial Statements are expressed in South African Rand.

Significant judgements and sources of estimation uncertainty

In preparing the Annual Financial Statements, management is required to make estimates and assumptions that affect the amounts represented in the Annual Financial Statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the Annual Financial Statements. Significant judgements include:

Impairment testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values. These calculations require the use of estimates and assumptions. It is reasonably possible that the assumptions may change, which may then impact our estimations and may then require a material adjustment to the carrying value of tangible assets.

Flower Foundation reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable.

Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of tangible assets is inherently uncertain and could materially change over time. Estimates are significantly affected by a number of factors including supply and demand, together with economic factors such as exchange rates inflation and interest rates.

Provisions

Provisions are raised and management determines an estimate based on the information available. Additional disclosure of these estimates of provisions are included in the notes to these Annual Financial Statements.

1.1. Investment property

Investment property is property held to earn rentals and for capital appreciation, rather than for use in the production or supply of goods or services, or sale in the ordinary course of business.

The cost of purchased and self constructed investment property comprises its purchase price and other directly attributable expenditure incurred. If payment is deferred beyond normal credit terms, the cost is the present value of all future payments.

Investment property is initially recognised at cost. 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. This includes cost incurred to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of investment property.

After initial recognition, investment property whose fair value can be measured reliably without undue cost or effort is measured at fair value at each reporting period with changes in fair value recognised in other comprehensive income.

1.2 Plant and equipment

Plant and equipment are tangible items that:

- are held for use in the production or supply of goods or services, for rental to others or for administrative purposes; and
- are expected to be used during more than one period.

Costs include costs incurred initially to acquire or construct an item of plant and equipment 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 plant and equipment, the carrying amount of the replaced part is de-recognised.

Accounting Policies

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the costs of property, plant and equipment. This includes cost incurred to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Plant and equipment is carried at cost less accumulated depreciation and any impairment losses. Depreciation is provided using the straight-line method to write down the cost, less estimated residual value over the useful life of the plant and equipment, which is as follows:

Item	Average useful life
Plant and machinery	5 years
Plant and machinery - Lifts	10 years
Motor vehicles	5 years
Furniture and fixtures	5 years
Equipment	5 years
Computer equipment	3 years
Computer software	2 years

The residual value, depreciation method and the useful life of each asset is reviewed at each annual reporting period if there are indicators present that there is a material change from the previous estimate. Each part of an item of plant and equipment, with a cost that is significant in relation to the total cost of the item and have significantly different patterns of consumption of economical benefits, is depreciated separately over its useful life.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in surplus or deficit in the period.

1.3 Financial instruments

Financial instruments are initially measured at the transaction price. This includes transaction costs, except for financial instruments which are measured at fair value through other comprehensive income.

Financial instruments at amortised cost

Debt instruments, as defined in IFRS, 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 the end of 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 so, an impairment loss is recognised.

Financial instrument at cost

Commitments to receive a loan are measured at cost less impairment.

All financial assets whose fair value cannot otherwise be measured reliably, and which do not meet the criteria to be designated as an instrument measured at amortised cost, are measured at cost less impairment.

Financial instruments at fair value

All other financial instruments are measured at fair value through other comprehensive income.

1.4 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term, highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

1.5 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term except in cases where another systematic basis is representative of the time pattern of the benefit from the leased asset, even if the payments are not on that basis, or where the payments are structured to increase in line with expected general inflation.

Accounting Policies

1.6 Provisions and contingencies

Provisions are recognised when:

- the company has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation

Contingent assets and contingent liabilities are not recognised. Provisions are not recognised for future operating losses.

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.

1.7 Revenue recognition

Revenue from conditional and specific bequests and donations are generally initially recognised as deferred income in the statement of financial position, when received. The deferred income is recognised in other income on a systematic basis by matching, over agreed periods, the costs relating to the bequests and donations with the income received.

When the outcome of a transaction involving the negotiation or renegotiation of tenancy rights, or rendering of services associated thereto, can be estimated reliably and the incoming resident has taken occupation, revenue associated with the transaction is recognised through surplus and deficit. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to Flower Foundation;
- the stage of completion of the transaction at the balance sheet date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Revenue from the sale of the goods and services is recognised when all the following conditions have been satisfied:

- Flower Foundation has transferred to the buyer the significant risks and rewards of ownership of the goods or services;
- Flower Foundation retains neither continuing managerial involvement to the degree usually associated with ownership nor
- effective control over the goods transfers;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Foundation; and
- the costs incurred, or to be incurred, in respect of the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognised only to the extent of the expenses recognised that are recoverable.

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 of trade discounts and Value Added Tax.

Rental and associated income is accounted for on a straight-line basis over the lease term on on-going leases. Interest is recognised, in surplus or deficit, using the effective interest rate method.

Dividends are recognised, in investment income, when Flower Foundation's right to receive payment has been established.

Notes to the Annual Financial Statements

Figures in R '000	2018	2017
2. Investment properties		
Opening balances	84,863	54,225
Capitalised expenditure	4,928	980
Additions	2,986	-
Donation Erf 570 Sandown	Note 14 -	29,658
Closing balance	<u>92,777</u>	<u>84,863</u>

Land and buildings classified as investment property consist of retirement, semi-independent, assisted living and frail care villages. Details of the investment properties are available for inspection by members or their duly authorised agents at the registered office of Flower Foundation.

The municipal valuation of all Flower Foundation buildings amount to R310,5 million (PY 2017: R240 million). The reflected municipal valuation is currently under review by the local municipality.

3. Plant and equipment

	Cost	Accumulated depreciation	2018 Carrying value	Cost	Accumulated depreciation	2017 Carrying value
<i>Owned assets</i>						
Plant and machinery	1,570	793	777	1,063	508	555
Plant and machinery - Lifts	1,339	377	962	1,339	243	1,096
Motor vehicles	1,899	1,356	543	1,899	1,172	727
Furniture and fixtures	1,045	750	295	1,037	621	416
Equipment	3,871	3,016	855	3,532	2,555	977
Computer equipment	1,049	738	311	962	529	433
Computer software	241	192	49	202	167	35
	<u>11,014</u>	<u>7,222</u>	<u>3,792</u>	<u>10,034</u>	<u>5,795</u>	<u>4,239</u>

The carrying amounts of plant and equipment can be reconciled as follows:

	Carrying value at beginning of 2018	Additions	Depreciation	2018 Carrying Value
<i>Owned assets</i>				
Plant and machinery	555	508	(286)	777
Plant and machinery - Lifts	1,096	-	(134)	962
Motor vehicles	727	-	(184)	543
Furniture and fixtures	416	6	(127)	295
Equipment	977	343	(465)	855
Computer equipment	433	86	(208)	311
Computer software	35	39	(25)	49
	<u>4,239</u>	<u>982</u>	<u>(1,429)</u>	<u>3,792</u>

Notes to the Annual Financial Statements

Figures in R `000	Notes			2018	2017
	Carrying value at beginning of 2017	Additions	Willowbrook Assets	Depreciation	2017 Carrying value
<i>Owned assets</i>					
Plant and machinery	467	-	301	(213)	555
Plant and machinery - Lifts	734	473	-	(111)	1,096
Motor vehicles	259	601	29	(162)	727
Furniture and fixtures	288	7	255	(134)	416
Equipment	837	520	124	(504)	977
Computer equipment	152	399	5	(123)	433
Computer software	30	25	-	(20)	35
	2,767	2,025	714	(1,267)	4,239

Details of the plant and equipment are available for inspection by members or their duly authorised agents at the registered office of Flower Foundation.

4. Investments

Listed Shares and investments at fair value including investment portfolio cash.	8,087	7,742
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Fair value information

Opening Balance	7,742	7,387
Fair value adjustment	312	283
Dividends	164	175
Interest received	76	55
(Loss) on disposal of investments	(128)	(81)
Disposals	-	(1)
Expenses	(79)	(76)
Closing Balance	8,087	7,742

Notes to the Annual Financial Statements

Figures in R `000	Notes	2018	2017
5. Special funds			
Flower Foundation Benevolent Fund		1,507	-
The Mary Patchitt Training Fund		221	199
The Foyn and Bruton Fund		143	146
The Pat Comins Kindness Fund		267	282
Residents' Funds		377	311
Fund Balance		<u>2,515</u>	<u>938</u>
Flower Foundation Benevolent Fund			
This fund was initiated by Flower Foundation to assist residents that require financial aid. The fund is replenished by various initiatives that generate additional cash to assist residents in need. Flower Foundation annually contributes to this fund. External donations to this fund are most welcome. All applications made by residents follow a strict approval process by a selected panel. This fund was transferred from Equity to Special funds during 2018.			
The Mary Patchitt Training Fund			
This Fund was established from a bequest that was left by the late Mary Patchitt. The fund is to assist Flower Foundation in training care workers with the intention to enhance the overall skill levels of the workforce of Flower Foundation.			
The Foyn and Bruton Fund			
This bequest was left by the late Mr Foyn and Mr Bruton to be utilised for the purchase of additional medical equipment at the villages. The matrons at the villages annually submit applications to the nursing services manager who assesses these with the executive director for approval.			
The Pat Comins Kindness Fund			
Pat Comins, an ex resident at Waverley left a bequest to assist Kensington Gardens residents with the affordability of a temporary assisted living levy at Pioneer House. Applications are submitted to the nursing services manager for recommendation to the CEO for approval.			
Resident Funds			
Residents' Funds arise from fund-raising activities by residents. The other funds represented are donations and bequests received to be used for specific purposes. These funds are controlled by the various resident committees at the villages.			
6. Trade and other receivables			
Trade debtors		7,593	6,952
Prepaid expenses		310	317
Deposits		383	356
Value Added Taxation		235	186
Other receivables		206	446
		<u>8,727</u>	<u>8,257</u>
7. Cash and cash equivalents			
Cash on hand		10	66
Bank balances		18,947	12,178
		<u>18,957</u>	<u>12,244</u>
8. Trade and other payables			
Accrued liabilities		5,619	4,369
Trade creditors		3,780	3,213
Deposits received		304	259
Amounts billed in advance		6,757	6,005
Tenancy rights in advance		363	(3,533)
Other payables		288	105
		<u>17,111</u>	<u>10,418</u>

Notes to the Annual Financial Statements

Figures in R `000	Notes	2018	2017
9. Deferred revenue - Specified donations			
AH Dryburgh Will Trust donation to Flower Foundation		716	2,300
Schaffner training donation to Cosmos Care		41	58
Smorenburg and Comins donation to Kensington Gardens		192	192
Resident donations to Pioneer House		59	61
Bowman and Welstead donation to Pioneer House		291	451
Peter Finsen donation to Maxhaven		53	61
Total		<u>1,352</u>	<u>3,123</u>

AH Dryburgh Will Trust donation to Flower Foundation

This was a donation made by the above trust towards infrastructural upgrades to Flower Foundation villages. During the year R935 thousand was applied to subsidise the upgrades at Rose Lodge Care Centre and R661 thousand went towards the Willow Lodge Care Center.

Schaffner training donation to Cosmos Care

This donation was made by Mr Schaffner specifically for training of nurses at Cosmos Care in the area of Dementia and Alzheimer's

Smorenburg and Comins donation to Kensington Gardens

J Smorenburg and P Comins made a donation to the Flower Haven Fund, this is to aid Kensington Gardens with the upkeep of the care facility which has now been converted to a training centre. This donation will be moved to the Pat Comins Kindness fund in 2019.

Various resident donations made to Pioneer House

These are donations made by various families of residents at Pioneer House. These donations are utilised for the needs of residents and to replace items that will result in an improvement in the quality of service.

Bowman and Welstead donation to Pioneer House

This donation was made by Mr Bowman and Mr Welstead to aid Pioneer House in the upkeep and maintenance of the home. In 2018 we extended the sun room at Pioneer House for all residents to enjoy a more spacious lounge area with more natural light which improves the ambiance in the room. R160 thousand was applied to this upgrade.

Peter Finsen donation to Maxhaven

This donation was made by the late Mr. Peter Finsen for the benefit of the residents at Maxhaven. The donation is utilised for the needs of residents and to improve smaller items that result in an improvement in the quality of living.

10. Accommodation, board, levies and services recovered

Accommodation, board, levies and services recovered	55,275	50,223
Cottage levy	16,189	14,265
Nursing	1,971	1,855
Services recovered	2,215	2,122
Medical costs recovered	1,195	1,137
Rental income	1,465	1,318
Other	1,332	1,233
	<u>79,642</u>	<u>72,153</u>

Notes to the Annual Financial Statements

Figures in R '000	Notes	2018	2017
11. Other income			
Benevolent fund		(295)	(357)
Donations received		1,870	308
Entrance fees and subscriptions		824	450
Interest paid		(16)	(2)
Resale of Tenancy rights		26,355	18,192
Upgrade of Tenancy rights		(3,525)	(3,926)
		<u>25,213</u>	<u>14,665</u>

12. Analysis of operating deficit

Independent living units - net deficit	(1,121)	(280)
Assisted and Frail care units - net deficit	(878)	(1,327)
Net deficit all accommodation	(1,999)	(1,607)
Head Office expenses not recovered from units	(7,317)	(3,259)
Building maintenance not recovered from units	(5,911)	(4,259)
Operating deficit for the year	<u>(15,227)</u>	<u>(9,125)</u>

13. Related parties

Remuneration

Board Members	<u>1,736</u>	<u>1,588</u>
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Historically a fee was paid only to the Chair and the Vice Chair of the Board. From March 2018 a fee is paid to all Non-Executive Board members for attending Board meetings. Executive Board members earn a salary including employment benefits.

14. Willowbrook Retirement Village

On 14 March 2016 Flower Foundation entered into an agreement with Willowbrook Retirement Village (Pty) Ltd and WRV Property Foundation (Pty) Ltd whereby Willowbrook Retirement Village (Pty) Ltd and WRV Property Foundation (Pty) Ltd donated all their assets and liabilities to Flower Foundation on 1 April 2016. This contract is in compliance with the Companies Act 71 of 2008 schedule 1 (4) and the Income Tax Act Section 30 (6A)

Land and Buildings	-	29,657
Plant and Equipment	-	713
Trade and Other receivables	-	1,786
Cash and Cash equivalents	-	1,082
Trade and Other payables	-	(1,971)
Total Donations received	<u>-</u>	<u>31,267</u>

15. Income tax exemption

Flower Foundation is an approved Public Benefit Organisation in terms of section 30 of the Income Tax Act and is thus exempt from income tax.

Detailed Income Statement

Figures in R '000	Notes	2018	2017
Operating income			
Accommodation, board, levies and services recovered	10	79,642	72,153
Operating expenditure		94,869	81,278
Auditors remuneration		236	240
Computer expenses		609	536
Depreciation		1,429	1,267
Food, catering and cleaning		12,089	11,001
Insurance		576	547
Maintenance expenses		7,096	6,162
Municipal charges		11,055	7,218
Other administration and operating costs		5,645	4,832
Outreach expenses		679	490
Outside services		1,360	1,312
Professional and legal fees		464	219
Security		2,278	2,224
Staff remuneration and benefits		51,353	45,230
Operating deficit	12	(15,227)	(9,125)
Non operating income/(expenses)		26,488	15,426
Benevolent fund transactions		(295)	(357)
Dividends received		164	175
Donations received		1,870	261
Donations received NLDTF		-	47
Entrance fees and subscriptions		824	450
Interest paid		(16)	(2)
Interest received		1,239	667
(Loss) on sale of investments		(128)	(81)
Resale of Tenancy rights		26,355	18,192
Upgrade of Tenancy right units		(3,525)	(3,926)
Surplus for the year		11,261	6,301
Other comprehensive income			
Donation received - Willowbrook	14	-	31,267
Fair value adjustment - Investments	4	312	283
Total comprehensive surplus for the year		11,573	37,851

Long Service Awards

A Long Service award ceremony was held at Elm Park in July 2017, 38 staff members were acknowledged for their dedication and service.

Nine staff members received awards for service longer than 20 years.

30 Years : Thembani Magudulela, Florence Nkosi, Martha Moetapele

25 Years : Douglas Phalane

20 Years : Patrick Mohali, Ruben Nhone, Sheila Masengemi, Lillian Mazani, Frans Legodi

15 Years : Doreen Nkosi, Mantebaleng Sefuthi

The theme this year was *Zinikele – be humble, it takes all of us*.

CEO Johan Raubenheimer thanked the staff for their dedication to the Foundation. In his speech to the recipients, Johan said what a remarkable achievement it is to spend 30 years with one employer. Employees like this are setting the benchmark for others to achieve and is impressed by what they have achieved. He thanked all staff for the service they offer our residents. "It is a labour of love to give of oneself to create a community spirit for our residents. To treat our residents with love, patience and respect" he said. "Management and residents value and appreciate what you do. Treat others as you wish to be treated."

Bongi from Silver Stream Village, 10 year recipient, gave an impromptu address to the staff and residents. He gave the analogy that trees that are pruned flourish and bear fruit and said "Today we have been pruned, we want to show the love to these old people"



Flower Foundation Gets a New Look

One of Flower Foundation's objectives for the past year was to undergo a brand transformation. During the course of November and December the new image was rolled out to residents, staff and family members at all the villages.

As beautiful as the previous branding was, it was outdated and needed to be modernised and simplified. The simpler the logo the easier it is to remember.

Two basic colours were chosen for the brand, red and green. *Red* symbolises energy and affection, energy indicates the energy amongst our residents, the social activities and the social clubs within all our villages. *Green* symbolises the care given by our staff towards our residents and their family members.

Kensington Gardens was the first village to have signage installed with the new branding. Residents gathered to welcome the installation of the new sign. The momentous occasion was celebrated by releasing colourful balloons.



Upgrades and Renovations

Refurbishment of Frail Care Centres

With much excitement and a dash of stress (especially for the Matrons) we were excited to see the newly revamped frail care centres Willow Lodge at Silver Stream Village and Primrose Place at Elm Park Village.

After careful planning and a lot of consultations with relevant suppliers as well as paint and lighting experts and Resco members, the Foundation embarked on these two major revamps in March 2017.

The revamps took about two months and in that time new flooring was put in, LED lights, new entrance doors to facilitate light and aesthetics of the frail care and a fresh coat of paint. All wiring was hidden behind the new cornices.



In the passages the old wooden entrance doors were replaced with glass doors. Allowing more natural light into the passage ways and enhancing the look and feel of the area. The new lighting that was chosen will save on electricity and will give the best lighting options for the residents and a peaceful ambiance. Emergency lighting will be less noticed but more efficient. Lighting has become quite a science and with the latest technology there is more to buying a light bulb than just checking the watts. Our Project Manager Mr Andre Pienaar went on a lighting training course and came back with valuable information on the best lighting to use in our villages.

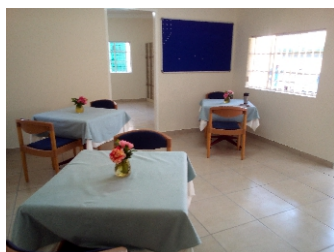
Wooden flooring was installed in the passages and rooms which makes the entire care centre look larger and open. The new flooring complements the new paint colours on the walls. Some changes in the rooms, to the washbasins and built in cupboards, as well as practical bedside lighting make the rooms more appealing for our residents. All doors and kickboards were replaced with highly durable plastic which should diminish the scuff marks from wheelchairs.

The Nurses stations have been reconfigured and now offer a more practical space for the nursing staff to work from.

Upgrades at Willowbrook Village

The year under review brought many changes to Willowbrook Retirement Village, a new manager, renovations and upgrades.

The staff quarters were renovated to create a more homely feel for the employees. The kitchen was upgraded to make it more functional and there were new lockers and showers installed. The old staff quarters did not have showers. This was well accepted by the staff.



The residents and staff were present at the inauguration of the new facilities and the Village Manager Mr Carel Botha and a resident Mrs Bev Pokroy cut the ribbon. To celebrate this momentous event, champagne and snacks were enjoyed by all present which included residents and head office staff.

Other renovations that took place at Willowbrook :

- Sluice room in Assisted/Frail care
- Full upgrade of two rooms in Assisted/Frail care
- Upgrade of the guard room interior & ablutions
- Painting of passages and corridors
- Painting and interior decorating of inter-leading ramp between Jacaranda and the dining room
- Painting of exterior sections around Willowbrook
- Extensive work done on kitchen equipment – fridge, freezer, ovens etc.
- Replaced electric fence
- Repairs to paving all around the village
- Replaced numerous sections of gutters



Village Activities

Witpoortjie

The past year was a very active one for the residents at Witpoortjie and Zonneveld Villages. Residents hosted a Managers and Matrons meeting where “Back to School” was the theme and Heritage day was celebrated by staff dressing in their colourful traditional outfits. 10 residents and staff members braved the night by entering into a day night walkathon for Cansa. The walk started at 18h00 and ended in the early hours of the following morning.

Matron Heather had a dream and in March 2018 her dream came to fruition. Her dream was:

- Primarily to build a camaraderie between residents of Witpoortjie Villages and Zonneveld Estates
- To raise funds for Clivia Care Centre
- To have a market day for vacant cottages

The morning market was a huge success, resulting in a net amount of R15,000 being raised – an amazing feat. The tea garden was a big attraction with tables and chairs set under the trees giving visitors, residents and frail care residents the opportunity of sitting in the shade chatting to friends. Tea, coffee, cool-drinks and delicious pancakes were on sale. In addition, there were many tables/stands spread around the grounds – manned by Flower Foundation staff, residents and members of the public – laden with cakes, knitting/handcrafts, cards, books, white elephant, pot plants, jumble, painting etc. Boerewors rolls and biltong were also on sale. Croquet was set up for the young and energetic and beautiful hand-knitted teddies were raffled. A variety of music was played in the background and, together with a live singer and “hot-dog” clown, all made for great entertainment, resulting in everyone having a good time.

ENID VAN DER WALT – ZONNEVELD RESIDENT



Silver Stream Village

True to their nature, the Silver Stream residents are continuously on the go, in the last year they managed to collect fifteen cartons of clothing and bedding and three cartons of curtains which were all donated to the homeless residing at Toevlugsoord in Claremont. The Trauma unit at the Linden Police Station were once again presented with clothes, blankets and 120 teddies. Ruth Alvey, a resident at the village, knitted over 100 teddies. Valentines day, Mother's Day, Father's Day and Christmas Day were all celebrated in style with residents being treated to lunch and gifts. The Music Quiz evenings remain a favourite,

the quiz was held between Northwold Terrace Park, Elm Park Village and Silver Stream Village, Silver Stream takes the win. 2017 ended with a bang when Lorraine Beckett and Karen Mcallum organised an informal party at the village serving hot dogs and ice cream cones. Toe-tapping music was played by Les Walker, getting folk onto the dance floor. The evening ended nostalgically with Auld Lang Syne.



Village Activities

Cosmos Care (previously Cosmos at Waverley Gardens)

Cosmos Care has experienced many changes over the last year, particularly with staff. The change in nursing agency was not without its challenges but the bumps in the road are smoothing out and staff are now settled and happy which can be seen in the way they engage with residents and family.

Pet therapy is beneficial for those with anxiety, depression and dementia, and that is why Cosmos Care has adopted an adult cat. Her name is Violet and she provides companionship and unconditional love to our residents. The joy expressed by residents when they play with Violet is heart-warming. Doll therapy is also used at Cosmos Care, where weighted dolls are used to provide comfort to residents and calms them down when they become distressed.

Other changes taking place is painting the various wings and passage ways in different colours. This helps residents to orientate with where they are in the home and where their rooms are. There has been positive response from both residents and family members alike.



Kensington Gardens

Amongst a host of other activities, the residents at Kensington Gardens came together to support St Giles Association and Avalon Association, both organisations care for disabled people. Kensington Gardens participated in their street market to raise funds. Our residents "manned" the tables. Mrs Buddy Lathlief contributed some of her lovely knitted bears. Other residents supported with an assortment of articles varying from baked goods to plants. It was a successful day and at the end of the day all the goods were sold. The residents regularly give donations to the charity shops of Avalon and St Giles.



Elm Park Village

Elm Park has enjoyed some beautiful musical events over the last few months. The Elm Park choir entertained residents with celebratory songs over Christmas and Easter periods, while the Men in Red enthralled everyone with their repertoire of golden oldies. Residents also enjoyed a variety of cultural and educational outings. They visited the planetarium and enjoyed various stage performances.



Outreach Programme

Outreach Graduation - 25th January 2018.

Unlike previous years our outreach students had their graduation at the beginning of 2018 as they had started the course later the previous year due to some changes in the curriculum. Once again The City of Johannesburg Region B was there supporting the students , represented by Ms Gladness Boikanyo (Human Development Directorate) also in attendance was Lerato Legobane Regional Manager: Region B. They imparted some words of wisdom to the graduates about volunteering and giving their time in helping the community.



Our Guest Speaker on the day was Mrs Nombuso Ramokgopa who is one of the board members at Flower Foundation. A former nursing Sister herself she shared a lot about ethics, accountability and responsibility. Words of encouragement came from our CEO Mr Raubenheimer, who applauded the students on their achievement. The top 3 achievers were honoured and received the trophies donated by Mrs Belinda Magua owner of Northcliff Harvey World Travel.

2018 Outreach / HWSETA Students

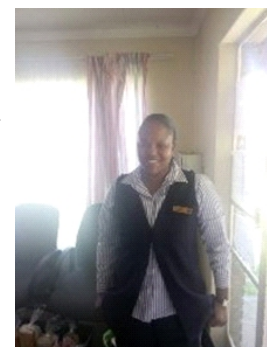
Once again the selection process began in November with over 40 applicants , of whom 15 were successful. The course has been changed from Level 2 Community Health Worker to Health Promotion Officer a learnership offered by HWSETA, together with Flower Foundation.

The course started on 12th March 2017 . The students have been placed in four of our frail care units for practical training. Wishing them all the best for the duration of their academic year.



Dewetshof Clinic

Every year Ms Elaine Mouton donates to the Village, either clothing or food parcels. Seen in the picture is Ms. Theodora Mokoena (Home Supervisor) from Pioneer House with the food parcels donated to Dewetshof from Pioneer House. A big thanks to Elaine Mouton, the residents were very grateful for all the lovely goodies brought over. Flower Foundation and other organisations donated clothing to the residents at Dewetshof. Free flu vaccinations were donated by Region F Mr Charles Ricketts and were administered to the residents.



Human Resources

Recruitment

The Human Resources Department is responsible for maximizing the productivity of Flower Foundation by optimizing the effectiveness of its employees. The department aims at recruiting candidates who share a common vision and who embrace our values and goals. During the 2017/2018 financial year Flower Foundation appointed 49 new permanent staff members.

The new appointments amongst the senior positions include; Gwen Els who was appointed as the **HR Manager** from **01 March 2017**. **Gwen Els** started her career in Human Resources as an HR Officer for a packaging manufacturer in 2001. She held positions such as HR Officer, Training Manager and then she moved on to the HR Manager role where she worked for a Rock Drill manufacturing company in 2012. The company was liquidated with Marikana happening, and she joined a security company in 2013. She holds an Honours degree in Industrial Psychology and people are her passion.

Flower Foundation also appointed management staff across the units, with **Ronel de Freitas-Smit** joining **Cosmos Care** (previously Cosmos@ Waverly Gardens) in her capacity as **Village Manager**. Ronel was the CEO of Avril Elizabeth Home and previously worked at CANSA. Ronel joined the Foundation on the **10th of July 2017**.

A manager was appointed at Willowbrook and Orchid Place, **Carel Botha** who previously worked as a Facilities Manager at the Roedean School for girls. Carel joined the Foundation on the **24th of July 2017**.

At **Management Services**, **Luisa Miranda** was appointed as **Marketing Manager**. She has a solid track record in Marketing and Marketing Management. Luisa joined the Foundation on the **01st of August 2017**.

Management Services also appointed a new **Finance Manager** in **Leo Oosthuizen**. Leo started his career at BDO South Africa where he completed his articles and gained extensive experience in all types of companies from small to listed, during his 5 years of working in audit. He then moved to commerce where he has been a Financial Manager for 9 years, and worked at companies such as Primedia Face to Face, Primedia Instore, African Dawn Capital (Listed), Primedia Lifestyle and now at Flower Foundation Retirement Homes. He joined the Foundation in **November 2017**. Leo is a family man and passionate about sport and the outdoors, he holds an Honours degree in Accounting.

The Foundation currently employs 220 permanent employees.

Training

One of the core functions of the HR department is to ensure that staff are afforded training opportunities within budget provisions.

Flower Foundation Retirement Homes have had a Training Centre accredited by the **Health and Welfare SETA (HWSETA)** and have started conducting training at Kensington Gardens. The Training Centre will serve as a revenue stream for the Foundation and can be utilised by companies/organisations who want to use a training facility.

The HWSETA have also approved the Foundation for various categories of funding; workplace experience funding, unemployed learner funding and bursary funding for employees. The HR Manager works with the managers to identify the training needs of their staff. *Staff members are encouraged to discuss any training needs with the line manager who will contact the HR department and Nursing Services Compliance Manager to discuss the training requirements.*

Discipline

We endeavour to ensure our employees are familiar with the HR Policies and Procedures and thus stay up to date with the changing labour laws. The HR department is focused on resolving disciplinary matters as they arise, and strive to ensure that the Foundation is not harmed as a result of disciplinary matters.

The Flower Foundation Disciplinary code has been reviewed by the HR Manager and was implemented in 2017. With the changing legislation, the HR Department has to ensure that policies are regularly updated as per legislation.

Reward and Recognition

Long Service Awards

Our Long Service Award ceremony was held in **July 2017**, and there were 38 recipients. We thank the long-serving staff for their loyalty and commitment throughout the years. **CEO, Johan Raubenheimer** has requested that from 2018, every employee who has been employed with the Foundation for more than 30 years be his guests of honour at the ceremony.

Inter-garden competition

In the near future, the HR Department will work with the units to arrange a gardening competition. The gardens will be judged by a panel of judges and the unit with the "best looking gardens" will receive a "prize"/ recognition for having the best gardens. This idea has been received with great excitement by the units and correspondence regarding this event will go out soon.

Human Resources

New developments for Flower Foundation

The Foundation has made some new services available to its staff members. Some of these include:

- **ICAS** - focuses on Employee wellbeing, awareness and corporate performance and they aim at enabling business to boost our surplus and to retain top talent. The need for **ICAS** was identified by management as necessary as it assists employees with issues in their personal life, to deal with grief, assistance with coping with stress, and many other services. **ICAS** is trusted as the South African provider of people-focused solutions. Flower Foundation, as well as **ICAS** hold the idea that by investing in employees the organisation invests in “growth, productivity and morale”. Staff members and their dependents can contact **ICAS** on 0800 000 592.
- **Makoti Medical Aid Scheme - A medical scheme** has been introduced at Flower Foundation to all staff members. The CEO and the HR Manager assessed various medical aid schemes to identify one that is suitable for Flower Foundation. Makoti Medical Aid Scheme came out tops based on their mission to provide quality medical care at affordable costs and to prevent illness where possible by dealing with primary healthcare.
- **Section 14 Transfer from Sanlam to Allan Gray** - Flower Foundation has moved from Sanlam to Allan Gray who will administer the funds of the employees until retirement/resignation/dismissal etc. The decision to move to Allan Gray was made as the benefits are better for the staff members.

These services have been welcomed by the staff members and Flower Foundation looks forward to further growth in the future.

Policies and procedures:

Policies and procedures are extremely important in any organisation, especially an organisation such as Flower Foundation where we work with the elderly. Policies and procedures aim at providing clarity to the staff members when dealing with accountability issues or activities. The HR Department is currently in the process of reviewing all of its policies, as well as implementing policies which have not yet been introduced at the Foundation. The policies will be implemented in the **second half of July 2018**.

More than “just” HR...

Meet and greets

The HR Department has introduced “Meet and Greet” visits to the units following the appointment of HR Manager, Gwen Els. The aim is for the HR Team to visit each of the units every few months and is simply a way of interacting with staff and to find out whether HR could assist staff with any issues.

The staff at the Foundation are invaluable and the HR Department is focused on listening to their queries and concerns and to establish a mutually beneficial and respectable relationship between HR and staff members. The “Meet and Greet” sessions have been received well and the HR Department look forward to more of these meetings.

New uniforms

All staff members, with the exception of some staff at Head Office have received new uniforms. The process started in 2016 when it was decided that the Foundation needs a “new and fresh identity”. The uniforms have been rolled out and everyone looks beautiful. The identification is as follows:

**General assistants
(Cleaners/Laundry etc.):**
Black uniforms with a mauve collar:



**Nursing Staff (with the exception of
Staff Nurses/Professional Nurses/
Nursing Services Managers):**
Navy uniform with Mauve piping:



Receptionists/Administration/Sales Consultants/Nursing Services Managers all received a uniform consisting of Mauve blouses with a choice of either a skirt or pants and Nursing Services managers received a Gilet and a Jacket. Below are some of the Nursing Services Managers showing off their new uniform:



Gardeners: Each gardener received two coveralls as well as safety boots

In closing, the HR team consist of

- Gwen Els (HR Manager)
- Chanique Thompson (HR Officer)
- Rose McCourt (Payroll Administrator)

Notes

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Notes

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Contact Details

INDEPENDENT LIVING

Elm Park Village
1 Suzanne Crescent
Northcliff

Kensington Gardens
Erica Gardens & Protea Village
75, 11th Avenue
Kensington

Maxhaven Village
Cnr. Danie/Acacia Streets
Cresta

Orchid Place
43, 7th Street
Lower Houghton

Silver Stream Village & Chalets
9 Heather Street
Malanshof

Witpoortjie Village
69 Drommedaris Road
Witpoortjie

Zonneveld Village
38 Reyger Street
Witpoortjie

RESIDENTIAL LIVING

Willowbrook Retirement Village
Jacaranda Wing and Protea Wing
134 Willowbrook Place
Sandown

ASSISTED LIVING

Clivia Care Centre
Witpoortjie Village
69 Drommedaris Road
Witpoortjie

Maple Wing
Willowbrook Retirement Village
134 Willowbrook Place
Sandown

Pioneer House
15 Trilby Street
Oaklands

Rose Lodge
Elm Park Village
1 Suzanne Crescent
Northcliff

Willow Lodge
Silver Stream Village
9 Heather Street
Malanshof

FRAIL CARE

Clivia Care Centre
Witpoortjie Village
69 Drommedaris Road
Witpoortjie

Cosmos Care
Waverley Gardens
5 Murray Street
Waverley

Patricia King Wing
Pioneer House
15 Trilby Street
Oaklands

Primrose Place
Elm Park Village
1 Suzanne Crescent
Northcliff

Willow Lodge
Silver Stream Village
9 Heather Street
Malanshof

www.flower.org.za

