

APN RETIREMENT HOMES

CHAIRMAN'S REPORT FOR THE ANNUAL GENERAL MEETING OF THE NEW GERMANY LUTHERAN CHURCH, DURBAN EVANGELICAL LUTHERAN CONGREGATION (DELP) & HILLCREST LUTHERAN CONGREGATIONS HELD IN FEBRUARY / MARCH 2017

EXECUTIVE COMMITTEE

The Executive Committee (Exco) continues to meet monthly throughout the year. The Executive assists the matron with their various expertise with the daily running of the home as and when needed.

COTTAGE RESIDENTS

Two cottage residents continue to serve as representatives on Exco to promote lines of communication between Exco on the one hand and the cottage residents on the other.

We thank them for the valuable contribution they make to the smooth running of APN.

Mr Hodges, a cottage resident, continues to assist the matron with the daily repair and maintenance responsibilities of the home. He continues to carry out these responsibilities with a keen sense of interest and responsibility and we thank him for that.

BAUMANN HOUSE

This building has 10 on suite bedrooms that are rented out.

2 bedrooms with one bathroom have been converted into for the use of visitors at a minimal rate.

At the date of this report 2 rooms are vacant.

DEVELOPMENTS

We have been granted further funding from The Hermann Ohlthaver Trust for maintenance expenditure required in the Care Centre.

We are extremely grateful and blessed for the continued support that we receive for all major building and infrastructure developments at APN.

The Christian ethos on which APN is managed and run has resulted in the many blessings that APN has received.

During the last year (2016) discussions started in the Exco to develop an identical APN Retirement Home in the Highway area. This concept was also presented to the members at the 22 September 2017 AGM. The long waiting list prompted these discussions i.e. there are presently some 322 names on the 2 bedroom cottage waiting list and 278 on the 1 bedroom cottage list.

A sub-committee was set up to investigate this possible new development.

A survey was carried out where 90 random people who were on the waiting list were asked to complete a questionnaire setting out the planned new development. The following response was received:

- 56% support the concept as sent to them in our questionnaire;
- 23% want to be removed from the waiting list;

- 8% could not be reached telephonically
- 13% said they would not be interested for various reasons

The above outcome has resulted in the Exco deciding to continue with this investigation. Suitable property is now being sought in the Highway area and then all relevant preliminary costs for the development of the property will be investigated. Subsequent developments at the DELP congregation has now opened a possible further option to consider the development of a new church building and old age home in the North Coast area. A lot of further research has to be done in order for us to make a call as to what location would be the most suitable. The financing of such a development would also require careful planning.

Discussions were also held with the Congregational Council of Bethanien (Izotscha) Lutheran Congregation at APN Retirement Homes in September. They own a piece of land next to their church which has space for some 150 cottages. The Council members wanted to get an understanding on how APN Retirement Homes is funded and run. Initial indications from them are that they are very interested to duplicate the APN concept with their development. Discussions will no doubt continue between ourselves.

Imagine an APN Retirement Home concept being developed in Izotscha and the Upper Highway area ! All people on the waiting list could then decide where they would like to purchase a life right as and when one becomes available in any one of these three different complexes !

The Exco of APN Retirement Homes has discussed the funding of a new development and is very clear that the financial stability of the New Germany complex will not be compromised in any way with the development of the above potential two new complexes.

We ask for God's guidance during all further discussions regarding these exciting concepts.

FUNDRAISING

The fundraising committee was once again organised the Easter Festival in March 2016. Our sincere thanks once again to the Fund Raising Committee, chaired by Brunni Kassier, and their helpers for their hard work.

The 100 Club was discontinued on 31 May 2016 due lack of sufficient support. Thank you to everyone who supported this initiative over the many years of its existence .

FINANCIAL

The objective of APN is to have a break-even of income and expenditure in the home account.

In the last financial year ended 31 March 2016 the total income improved by 25% to R4 312 660. (2015: R3 450 882). We expect a further good occupancy for the current year.

A big thank you once again to all ELCSA (N-T) congregations who have contributed towards offerings that are held from time to time for APN. A special thank you to the 3 member congregations for the special support that they have given to the residents, be it from the ministers from the congregations or from various congregation members.

The expenditure increased by 5% to R5 455 626 (2015: R5 184 025). This resulted in a deficit of R1 142 966 (2015: R1 733 143).

This deficit is largely the cost of the stay of the life right residents (previous cottage residents) in the Care Centre. The deficit is covered by Life Right recoveries (the original amounts that the life right residents in the Care Centre paid for their life right in their cottages) of R307 438 (2015: R398 070) and funding from the Care Fund amounting to R835 528 (2015: R1 335 073). This has then resulted in a break-even for the home.

APN investments continue to be managed by Nedbank Private Wealth. The annual returns on these investments are transferred into the Care Fund. This Fund is then used to fund the cost of the life right residents as was explained above. An annual return of 2.9% (2015: 16.4%) was achieved over the last financial year end. The current years' sharp decline in the return on our investments is the nature of a diversified long term investment strategy. APN is not dependant on the return that this investment generates. All cash flow requirements are met from returns on our long term investment as explained above, levies from cottage residents, accommodation income in the Care Centre from non life right residents, Bauman House accommodation income and other sundry income.

We continue to be in a position where our investment creates a return that maintains the real capital value of our initial investment and also covers the life right costs of the Care Centre that was explained above.

We have quarterly meeting with Nedbank to monitor our investment objectives.

The detailed audited accounts for the year ended 31 March 2016 were approved by the members at September 2016. A full signed copy of the audited Annual Financial Statements has been sent to ELCSA (N-T) and the other member Congregations of APN. We invite you to direct any questions that you may have on the finances of the home to me or the Treasurer of APN.

OBITUARIES

We remember the following residents who passed away during the period 1 April 2015 to 31 December 2016:

Mrs Eileen Coombe.	12 May 2015
Mrs Lynette Bonner.	19 August 2015
Mr Johannes Kuilderd.	10 August. 2015
Mrs Erika Schlenk.	23 November. 2015
Mr Harry Hohls.	13 November. 2015
Mrs Carmen Kistner.	27 January 2016
Mrs Jenny MacDonald.	7 April 2016
Mr Herbert Karst.	12 April 2016

Mrs Mimmie Cowell.	15 April. 2016
Mrs Doris Pressley.	27 April. 2016
Mrs Ver Skroor.	22 June. 2016
Mr Jochem Neff.	22 August. 2016
Mrs Waltruad Fedderke.	2 October 2016
Mrs M Lavender.	4 November. 2016
Mrs Hans Muench.	11 November. 2016
Mr Theo Conrads.	17 December 2016
Mrs Marianne Wies.	27 December. 2016

NUMBER OF RESIDENTS

There is a long waiting list for Life Rights in respect of cottages and we never have a problem to sell these Life Rights.

STAFF

Matron Hebbelmann and her dedicated staff must be complimented for the manner in which they show care and love towards all residents.

Our sincere thanks go to all the dedicated staff of the Home.

SECURITY

Security is of utmost importance to APN.

One guard is present at the main gate every 24 hours. Two guards patrol the property at night and their patrols are independently monitored. There is one guard on the premises during the day from 06h00 to 18h00.

We are currently reviewing the strength of boundary wall and effectiveness of the electric fence. We anticipate a large expense in the income months for this maintenance and possible upgrade.

CONCLUSION

We look forward to a successful 2017.

My sincere thanks to everyone who helps in making the stay of our residents at APN a happy one !

EGON VOLKER
Chairman