



house vs. home

Annual Report | 2021



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List of Abbreviations

ABBREVIATION	DEFINITION
3PPM	Third Party Property Management
B-BBEE	Broad-Based Black Economic Empowerment
BHC	Brickfields Housing Company (Pty) Ltd
CX	Customer Experience
EAAB	Estate Affairs Agency Affairs Board
FM5000	Facilities Management System
HSV	Housing Supervisors
JHC	Johannesburg Housing Company NPC
MAM	Makhulong A Matala Community Development Services NPC
POPIA	Protection of Personal Information Act
SHRA	Social Housing Regulatory Authority
SPV	Special Purpose Vehicle

KEY PERFORMANCE FIGURES 2017-2021

	2021	2020	2019	2018	2017
FINANCIAL PERFORMANCE					
Total Assets (R billion)	1.60	1.70	1.78	1.75	1.61
Total Investment Properties (R billion)	1.44	1.50	1.58	1.49	1.37
Total Rental Income (R million)	244.70	273.70	274.70	261.00	240.50
Total Expenditure (R million)	232.6	214.20	197.40	162.50	151.60
Operating profit after tax ¹ (R million)	21.9	47.50	61.70	83.90	67.00
Yield on Buildings	10%	15%	17%	20%	25%
Cost: Income ratio	66%	52%	49%	44%	43%
Debtors (% of total rent billing)	3.9%	8.983%	0.066%	-0.153%	-0.004%
Vacancies (average for the year)	23.0%	8.68%	3.84%	2.46%	2.23%
SOCIAL PERFORMANCE					
Total social housing units delivered ²	-	-	46	164	10
Total social housing units provided ³	4513	4513	4513	4467	4303
Total tenants accommodated	>12 650	>12 650	> 12 650	> 12 500	> 12 000
Playrooms/playgroups at	29 buildings	29 buildings	26 buildings	25 buildings	24 buildings
Providing access for children at	All buildings	All buildings	All buildings	All buildings	All buildings
Refurbished playrooms ⁴	15	4	6 (rubber mats)	1	7
Outdoor play facilities at buildings	31	30	27	21	16
Refurbished outdoor play facilities ⁴	3	6	2	3	2
Junior Soccer Development	All buildings	All buildings	All buildings	All buildings	All buildings
Neighbourhood Development	5 precincts**	6 precincts	6 precincts	6 precincts	6 precincts
Community Development programmes & events	527	382	665	562	367
Corporate Social Investment (Makhulong A Matala) (Rm)	Rm 7.7	Rm 7.5	Rm 6.7	Rm 5.8	Rm 5.4
Employment equity	95%	95%	92%	93%	93%
Staff wellness events	2	2	5	4	3
Staff training	Rm 0.35	Rm 0.41	Rm 0.63	Rm 0.49	Rm 1.3
Staff bursaries	Rm 0.35	Rm 0.36	Rm 0.69	Rm 0.47	Rm 0.2
Environmental Performance					
Total buildings ⁴	36	36	36	35	34
- Total new build	10	10	10	10	9
- Total refurbished/recycled	26	26	26	25	25
Waste Recycling at buildings	1	2	7	8	7
Food Gardens at buildings	8	6	7	12	10
Prepaid electricity meters installed	All buildings	All buildings	13 buildings	13 buildings	8 buildings
Electricity recoveries	84%	90%	84%	79%	98%
Water recoveries	84%	71%	65%	66%	73%

¹ Operating profit after tax excludes fair value adjustments

² New units delivered

³ Income generating units under management

⁴ Refurbished playrooms and outdoor facilities added

⁵ Income generating buildings

* Sylvadale refurbishment resulted in unit typology changes

**Ekhaya and the Hillbrow Improvement district (HID) merged into one, leading to a decrease to 5 precincts

JHC AT A GLANCE

36

Buildings under management

R244.7

Million
Total yearly rental income

JHC is a non-profit organisation within the social housing sector. We opened our doors in 1995 with the vision of tackling the housing challenges faced by many South Africans in the middle-to low-income groups.

In the almost three decades we have been in operation, we are proud of our successes, not just as an organisation, but as a member of the communities in which we operate. We know that a house is just a place to live, whereas a home is based on community, trust, and care.

“A house is just a place to live, but with JHC we help build homes. Homes are based on community, trust, and love. As landlords we hold the responsibility of providing care to each and every tenant.”

Mission

JHC is committed to smart and simple rental housing solutions, a great living experience and value for money for all who choose to live in JHC buildings and neighbourhoods, in an environment that simply works.

Values

- Here to stay
We have a heart, we care.
- Together we win
We are connected and collaborative.
- Straight up, no fuss
We have the courage to be honest and deliver.
- Sikuphethe
We purposefully make a difference

Property assets

JHC's property assets were valued at R1.441 billion (2020: R1.502 billion) by the end of June 2021. JHC owns and manages 4 513 rental accommodation units in 36 buildings, accommodating more than 12 650 people these figures are unchanged from the previous year.

Revenue

JHC's total rental income for the year decreased slightly to R244.7 million (2020: R273.7 million)

Staying on top of arrears

JHC continues to implement strict default management practices taking a firm, fair approach and keeping arrears and bad debt at a minimum. At the end of June 2021, arrears were at 3,9% of total rent billing this year compared to 8.983% in the previous financial year.

Managing vacancies

At the end of June 2021, the total average vacancies reached 23% (2020: 8.68%). The global pandemic and unemployment levels have certainly impacted our vacancy levels, yet we are optimistic that with the correct programmes and vision, we will bring this back in line.

JHC AT A GLANCE CONTINUED

Building management and maintenance

Ensuring our tenants have access to the best possible facilities in well-maintained buildings is a business imperative for JHC. We believe it is our responsibility to improve the quality of life, where we can, of our tenants. We achieve this through constant maintenance, improved and relevant communications, as well as various social impact programmes. Addressing the socio-economic needs of our tenants in a timely and transparent manner is crucial to the success of our organisation. Where we required external suppliers, we aim to employ the services of black-owned and staffed companies. The relationships we have forged with these organisations allows us the opportunity of negotiating better rates, which assists us in superior building management and maintenance as these discounts are passed directly to the tenants.

JHC as a corporate citizen

JHC remains one of the biggest residential clients of the City of Johannesburg. Rates and utilities costs for the 2021 financial year amounted to R61.9 million (2020: R64.9 million). Current tax credit for the 2021 financial year totalled R10.1 million (2020: R8.0 million).

Community and neighbourhood development

Our newly formed Customer Relations team, which incorporates Makhulong A Matala (MAM) Community Development Services is focused on improving the lives of our tenants through social programmes. These are discussed in detail on page 26.

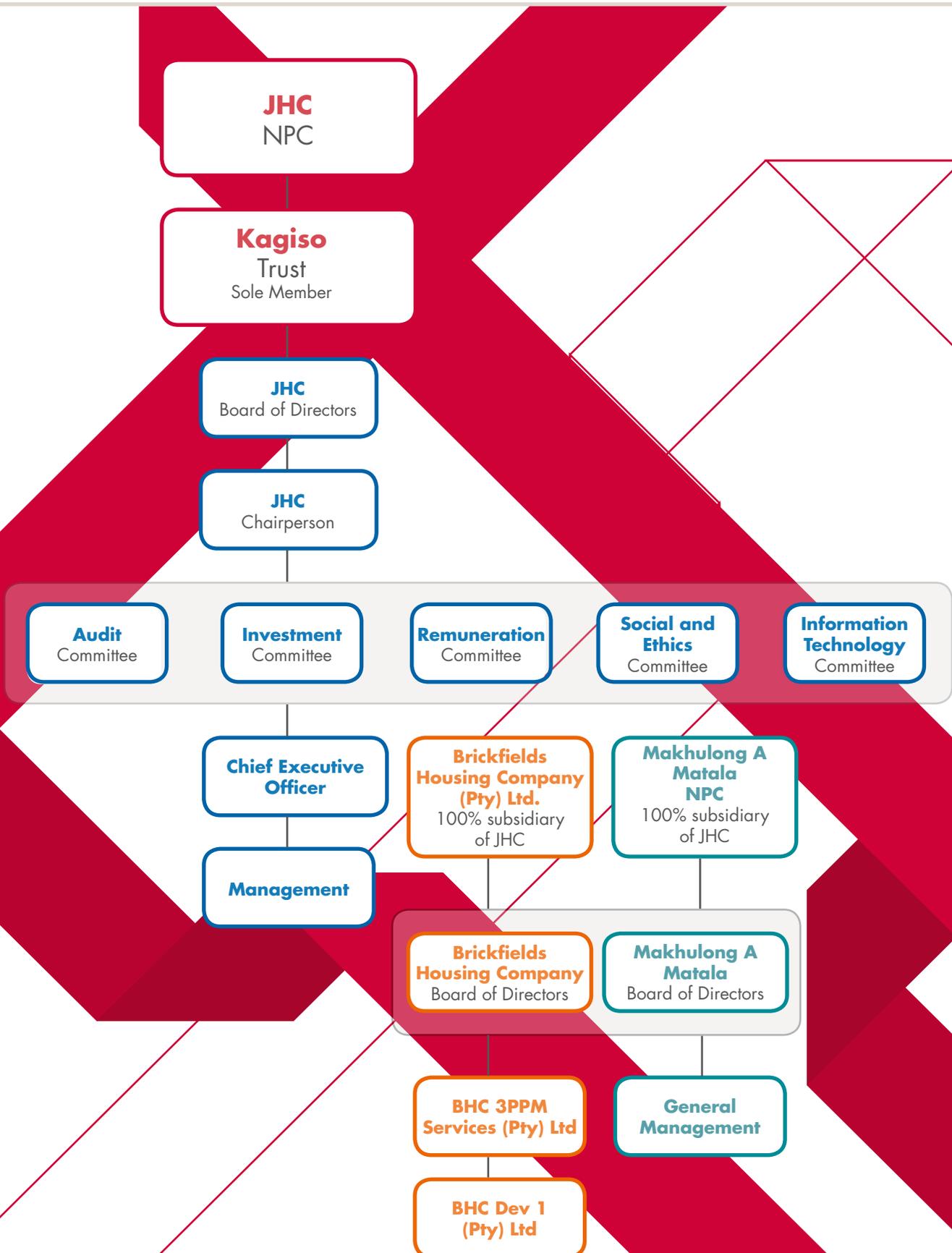
Staff training and empowerment

Empowering our staff through training is a key element of our business as we know that happy staff, lead to happy customers. Although training was impacted by lockdown during the financial year, we invested a total of 1.73% (2020: 1.58%) of the salary bill to training. In addition, we awarded 14 bursaries, and 2 staff completed their bursary related studies.

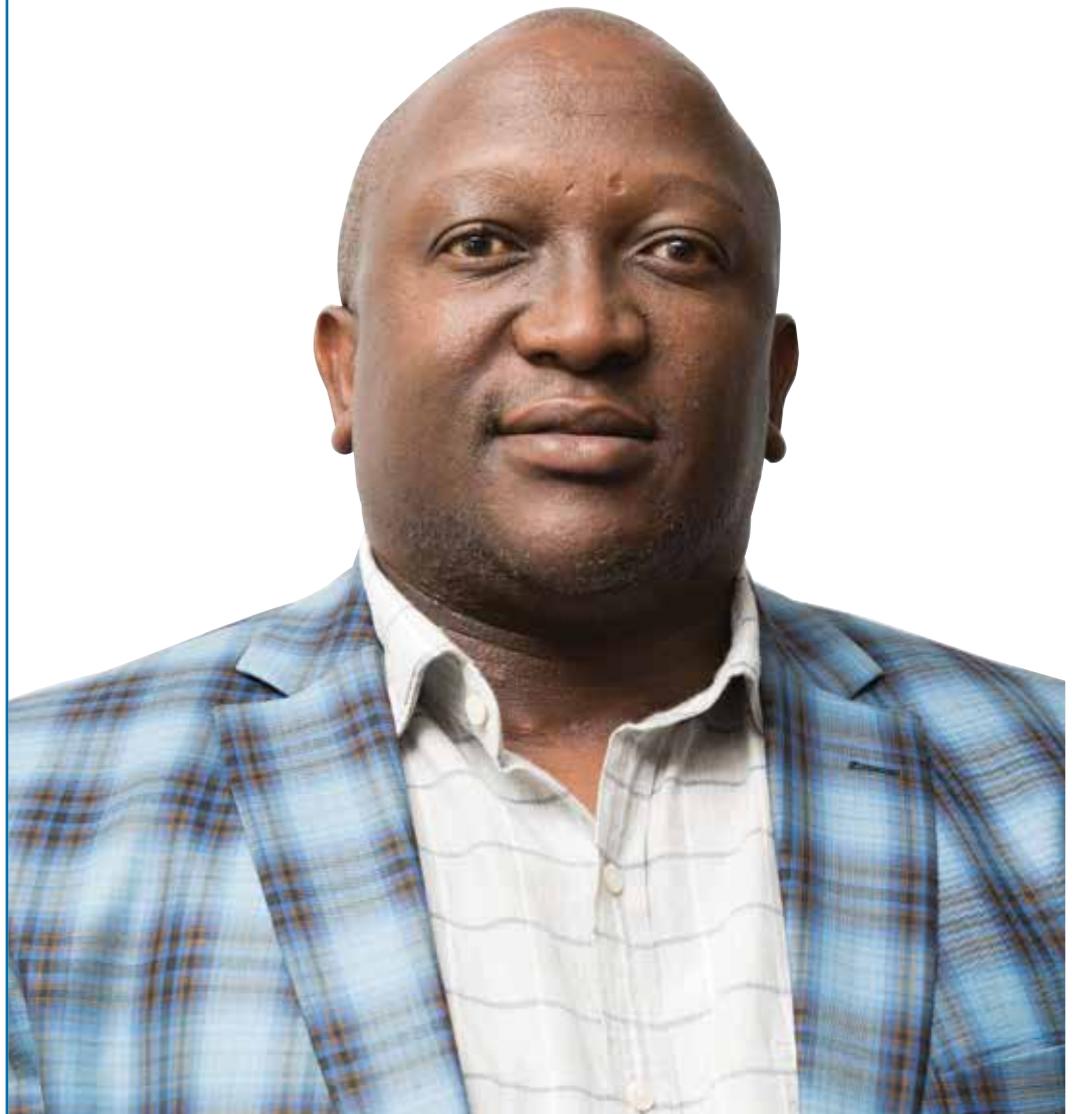
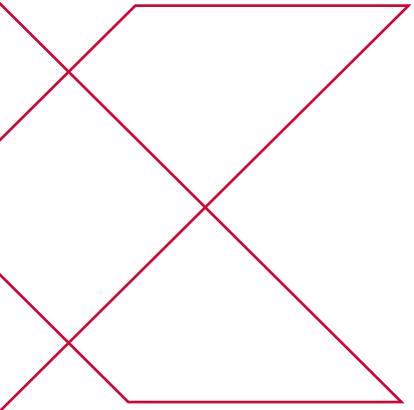
Employment equity

At the end of June 2021, JHC's staff amounted to 128 people (2020: 111). 95% of staff are previously disadvantaged individuals (PDIs) (2020: 95%), the gender percentages shifted in 2021, at 58% women and 42% men.

JHC GROUP STRUCTURE



CHAIRMAN'S REPORT



BENJAMIN NOKANENG
CHAIRPERSON

JHC's 2021 milestones:

Active
approach to
minimising wasteful
expenditure

Co-rent
option available to
some tenants in larger
units

CHAIRMAN'S REPORT CONTINUED

4 513

Managed rental accommodation units

This financial year has been a change of pace for us at JHC, although that certainly hasn't stopped the team from achieving and delivering on their goals. We've forged ahead, despite the global pandemic, economic concern and employment issues across our country.

In addition to the virus, the rollercoaster of lockdown levels, loadshedding, and the overall unemployment rate of our nation, this financial year has proved to be a trying time for organisations, South Africa as a whole, and more importantly for our tenants. Job losses, salary reductions and illness have plagued them, and we feel strongly about our ability, through our vision and experience, to uplift and develop them. Giving our tenants hope for the future has given us renewed energy to continue doing what we do, but better and focused. We have taken time to stop, review our challenges, analyse our data, and consolidate our vision and strategy.

General Market Trends Impacting on JHC

The domestic economy grew by 4.6% in the first quarter of 2021, much stronger than the 2.7% expected. However, the unrest and subsequent economic damage could have lasting effects on investor confidence and job creation, the estimation seems quite dire, where the growth experienced has been all but negated. This ultimately resulted in an unchanged estimate of 4.2% for growth in 2021. The direct and indirect costs of recent events will likely further slow South Africa's economic recovery.

The Covid-19 virus continues to weigh on South Africa's economy despite steady improvements in vaccination rates, stronger confidence and better global economic growth. Lockdowns and other restrictive measures that remain in place in a number of countries will continue to weigh on economic activity, particularly in sectors dependent on close contact, such as our industry – social housing. As with the previous years, however, JHC has not let these issues impact our dedication to the cause and people we serve. Our priority remains to ease the burden of our tenants through various programmes, which are driven by our exceedingly passionate team. Economic and financial conditions are expected to remain volatile for the foreseeable future and because of this dismal outlook, providing our tenants with homes as opposed to houses, has become our business imperative. The Monetary Policy Committee in July has decided to keep the repurchase rate unchanged at 3.5% per annum. This stability in the repo rate is positive for JHC current loans.

Our Unique Approach

We have amended our organisational strategy in response to the tumultuous time in which we find ourselves. We are able to be nimble in decision-making processes, whilst never losing sight of the fact that our tenants remain our priority.

Over the last few years, we have developed programmes for our tenants which ensure that each interaction they have with JHC is streamlined, comfortable, easy, and leads to positivity. We know the importance of reputation, and if we care for our current tenants to the best of our ability, they are more likely to recommend us, and our offerings to their peers.

Keeping this in mind, we have brainstormed and created programmes aimed at developing and improving the lives of our tenants, from career days to play areas for the children. We have taken an active approach to minimising wasteful expenditure in order for us to look after our tenants more effectively, with the obvious added benefit of improving our financial standing.

We have re-engineered our strategy to include alternative streams of revenue, and we are starting to see the fruits of our labour. During the year under review, we took on the world of third-party property management, for example.

CHAIRMAN'S REPORT CONTINUED

100%
Junior Soccer
Development
available at all JHC
managed buildings

More than
**12
650**
tenants
accommodated

**Thank
you**
As an organisation
we do incredibly
well

Milestones for the Year

JHC Arrears

We have seen an enormous shift in the total debtors, 3.9% of total rent billing this year compared to 8.983% in the previous financial year.

We ended the year with an average vacancy rate of 23%. This is unprecedented in JHC's history. The first reason for the high vacancy rate is that a lot of tenants (with high arrears) could not move out due to lockdown restrictions for quite a long period and only moved out when some of the restrictions were lifted.

The second set of reasons are that most inner-city households continue to be under significant financial stress because of the global pandemic, compounded by higher fuel and electricity prices, which had a negative impact on demand.

The biggest threat to the recovery of the residential rental market still remains the persistently high and increasing rate of unemployment.

Household size is expected to continue to increase as co-living becomes a solution for affordability while tenants get back on their feet financially. JHC are giving tenants the option to co-rent some of the larger units in specific buildings (e.g., Hlanganani Gardens). JHC is also implementing existing tenant loyalty reward programs to reduce the tenant turnover rate.

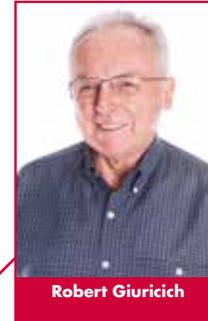
As a further intervention to halt the high vacancies, JHC also implemented a Rapid Results Project in October 2021 named BOLT. The objective of the project is to focus solely on the JHC vacancies. A cross-functional, multi-skilled team within JHC has been given a mandate to implement short-term solutions in a highly focused way to achieve the project goal.

It is with great pleasure that I am able to thank the amazing JHC team for always keeping the dream alive, never losing sight of the fact that we are here for our tenants and that they are the priority. To my fellow board members, thank you for making sure that whatever we, as an organisation do, we do incredibly well.

Benjamin Nokaneng
Chairperson

JHC DIRECTORS

JHC BOARD



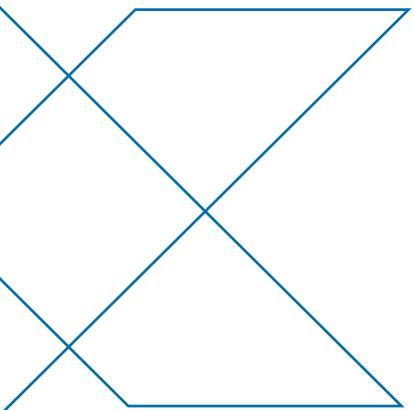
BHC BOARD



MAM BOARD



CEO'S REPORT



ELIZE STROEBEL
CHIEF EXECUTIVE OFFICER

JHC's 2021 milestones:

15

Staff promotions
across the
organisation

B-BBEE

Level 2

78%

Strategic objectives
of the five-year plan
achieved

CEO'S REPORT CONTINUED

70%

Improvement on
one-year strategic
objectives

0%

Increase in tenant
rentals

We have once again proved that we are more than just an organisation, we are a family who is dedicated to giving our tenants homes, not merely houses. Our efforts during the year have been based on teamwork and truly living our values and walking the proverbial walk.

Once again, Covid-19 has created challenges for us, but in JHC style, we have turned these into learnings and have used them to guide our future strategy.

Highlights of 2020/2021

Property Team

- A significant reduction in the current cost of security and cleaning.
- No increases to the current gardening, pest control and City Improvement District (CID) levy costs.

Property Development

- Successful acquisition of the 8 hectares of Teba land after years of negotiation.

Customer Relations

MAM has done amazing work like always, and the main standout point is, even during this volatile market, creating employment opportunities for tenants has been a priority, and ultimately a success. MAM hosted two entrepreneur development workshops during the year, as well as a Blue-Collar workers workshop and 29 tenants completed various courses to develop their skills sets.

Corporate Marketing, Digital Marketing and Communication

Our social media engagement and digital brand presence has really taken off this year. As of February 2021, social media content creation and community management was brought in-house and managed by our newly appointed Digital Marketing Manager.

Human Resources

We had 15 staff promotions across the organisation. Staff were promoted into Senior Housing Supervisor, Team Leader, Assistant Manager and Manager positions.

Compliance, Risk and Information

The JHC group verification for the FY 2019/2020 was conducted based on the Specialized Property Sector Code and JHC received a B-BBEE Level 2. An amazing achievement!

Information Technology

Our IT department under our new IT Executive, Tumi Pambo, has also taken huge strides. The department has been resourced and is operating like a well-oiled machine, as can be seen from the completed projects, details of which are on page 24 of this report.

Our Strategic Priorities and Results

Due to the impact of the various lockdown stages on the economy and our business, JHC decided not to undertake its next 5-year plan immediately but take a year, 2021/2022, to effectively relook and understand the new market environment and ensure business sustainability before we go into our next 5-year planning cycle.

This proposal was accepted by EXCO and the one year 2021/2022 Strategic Plan was approved by the board in April 2021. The 2021/2022 Strategic Plan is therefore, ultimately, a planning year to set the basis for the future.

Although Covid-19 will eventually pass, its after-effects on the SA economy will remain for years to come. These impacts will be integrated into the planning process that takes place in the 2021/2022 year when thinking about the period from 2022 to 2027.

CEO'S REPORT CONTINUED

CEO OFFICE TEAM



Joan Stow
Executive Secretary



Tarryn Naidoo
Digital Marketing Specialist



Colleen Orsmond
Strategic Projects Manager

Fundraising

JHC will continue with fundraising to support the growth plan for 2023 onwards. In addition, we will continue with land assembly work which will ensure that we deliver on our growth plan in 2023. Should cash generating opportunities arise, these will be assessed on merit to ensure the acquisition does not jeopardise our capital and cash flow.

In response to the dire need of our tenants, we took a decision to keep rentals the same as the previous year. This means that, although our income stream was affected, we were able to make a direct impact on the lives of our tenants. To combat the loss of income to our bottom line, we negotiated with some of our suppliers to give us the same break – and I am so happy to say that most of them were amenable and agreed.

Alternative Revenue Streams

A subsidiary of BHC was formed as a dedicated vehicle for our third party property management business. The first client was Kempton Village, a greenfield project, in November 2020. Following this successful onboarding, we took on 33 Macintyre and Masana House in Jeppestown in April 2021. Each of these properties revealed a unique set of issues and challenges, so we took the informed decision to take a step back, learn from what we had achieved, and use that information to guide our future third party property management business endeavours. This will ensure our future success.

Other revenue streams that were to be included, based on the viability of this pilot project, were additional boreholes and laundromats. The plan was always to implement these projects incrementally, based on solid data analysis.

JHC as a value purpose brand – customer centricity

Positioning JHC as a customer-facing organisation is crucial to our success, making doing business with us easy for prospective and existing tenants. This is achieved by looking at the implementation of multiple touch points, tenant communication process flow and systems. In addition, the programmes set-up to develop our tenants from a socio-economic viewpoint is what sets us apart. Through our dedicated customer relations, we have achieved this goal, and will continue to do so in the coming year.

Acknowledgements

This year has surely proved the absolute imperative of living our values, providing homes to our tenants, keeping the lines of communication open, and generally being open to change. To our Chairman, thank you for your continued support and guidance. To my fellow board members, knowing that I have such an accomplished and dedicated team is a blessing, and I am extremely grateful for the unwavering support.

To our various teams, well done on the successes and lessons learned this year – remember, there are no problems, only solutions. Each issue that arose, you handled with grace and humour, and more importantly kept the machine running and you never lost sight of the most important element of our organisation – our tenants.

To the family and friends, of Shahida Nabi, we offer our deepest condolences on your loss. Shahida was an integral part of our organisation and will always be remembered for her kindness.

Here's to an amazing year to come.

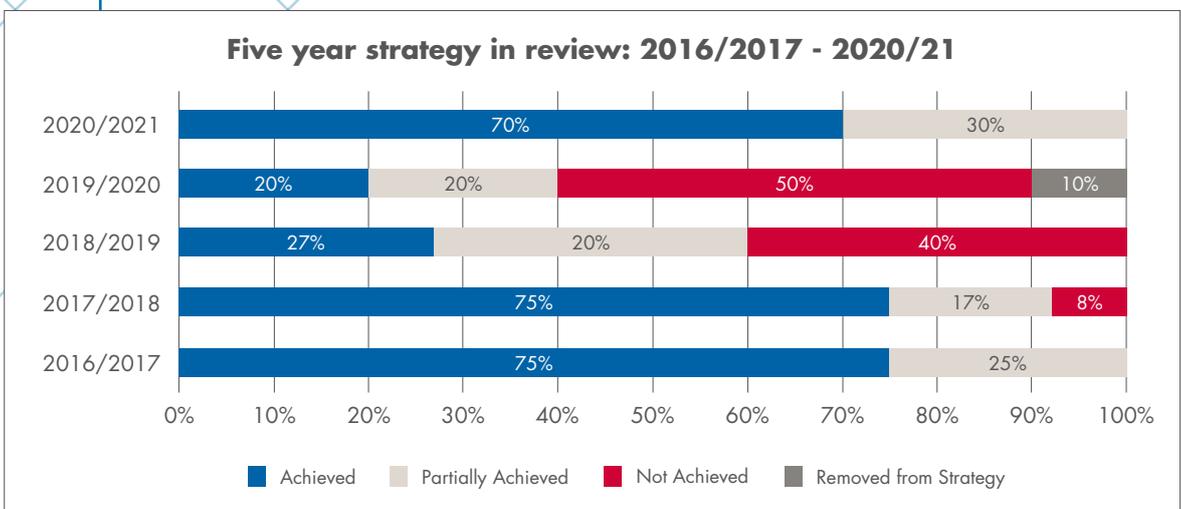
Elize Stroebel
Chief Executive Officer

5-YEAR PLAN AND ACHIEVEMENTS

The strategic 5-year plan, initiated in 2017, was due for review this year. Although we have shifted to a more adaptable and responsive strategy focusing on next year, we know the importance of reporting on this long-term strategy.

In essence, the fundamentals of positioning JHC competitively in this tenant-focused market were to **address the basics** of maintenance, including delivery of safe and secure parking and manage the service providers to the buildings in regard to lift maintenance and building upgrades; to identify **inefficiencies in business processes and systems** and implement **corrective action**; ensure **appropriate customer segment solutions**; introduce cost savings by **doing more with the same**.

Our achievement of the strategy over the five year period is illustrated in the graph below.



100%
Committed to providing homes to our tenants

Years 1 and 2 – Getting the basics right

The focus of the first two years was getting the basics right based on the tenant feedback received from the market research conducted. The areas where objectives were only partially achieved related to delivery of new units, implementation of prepaid electricity, occupancy levels in line with the JHC objectives, service provider management and cost savings received as a result of smart technology.

Year 3 onwards

From year 3 of the strategy the basics were in place and the focus was on getting JHC ready to scale off the existing base and preparing for generating non-rental revenue. In year 3 and 4 of the strategy there were areas that were not achieved. This was as a result of the changing economic climate and Covid-19. Many of the objectives not achieved related to vacancy rates, financial targets and implementation of the new property management system. Covid-19 created a significant negative impact on key financial performance targets which negatively impact on overall strategic performance and implementation.

Over the last year of the strategy, the level of achievement of strategic objectives improved again with 70% being achieved and 30% being partially achieved. The strategic objectives that were only partially achieved related to energy and water supply management alternatives. These projects have been initiated but the full scope of implementation has not yet been achieved. The other area of partial achievement relates to optimising tenant receipt of subsidies. This has been hindered by internal policies and inefficiencies at the Department of Human Settlements. JHC is actively following up on applications to enable as many tenants as possible to benefit from subsidies.

In total just 78% of the strategic objectives set for the five-year plan were achieved.

5-YEAR PLAN AND ACHIEVEMENTS CONTINUED

78%

Strategic objectives set for the five-year plan were achieved

We have to get the basics right

Our tenants deserve respect, health, safety, and the knowledge that we care. We therefore have a number of projects and programmes running constantly to ensure their quality of life.

Systems need to drive efficiencies

We have previously reported on the importance of implementing systems that will ultimately lead to a better-run, customer-centric organisation. We believe that we have made great strides under this pillar of the strategy. The goal of each activity remains that same: to create smart, simple rental housing solutions giving our tenants a great living experience.

Solutions need to be appropriate per customer segment

We are only able to position ourselves as industry leaders with a customer-centric vision and approach if we truly understand that each customer segment requires specific solutions and programmes. Through extensive research we have identified some key areas, all of which are on track and our key milestones have been achieved throughout the year.

We need to do more with the same

Fully utilising our resources and supply chain, relationships and reputation is key to success, and given the current economic climate, we had to be creative.



PROPERTY MANAGEMENT REPORT



BOYCE MARITZ
PROPERTY EXECUTIVE

JHC's 2021 milestones:

CID
Revival and a
return to order
and safety

PROPERTY MANAGEMENT REPORT CONTINUED

AGILE and resilient HSVs

The year was characterised by a mixture of challenges and successes. In addition to a war on vacancies and arrears, day-to-day operations and assignments such as, lifts replacement, roll-out of smart water metres, upgrading and reactivating of the biometric access control system, rollout of wi-fi at the buildings, take-on of the boreholes, refurbishment of units, braai facilities and the cost management initiatives all kept the team busy.

Maintenance cost recovery boundaries were eased to enable the recovery of all repairs and to encourage residents and children to take better care of the property as most of them were confined to their homes by Covid-19 restrictions and by working from home. This is an unfortunate but necessary measure notwithstanding the financial strain some of the residents are facing.

Highlights

The team pushed through to complete all the projects within timelines and the budget despite a stop-start situation brought on by the rise and decline of Covid-19 cases and the intermittent tightening and easing of restrictions.

Although the benefits will be experienced in the new financial year, a significant achievement has been the reduction in the current cost of security and cleaning, no increases to the current gardening, pest control and City Improvement District (CID) levy costs. Whilst it has been challenging, the city improvement districts (CID) continued to operate and provided precinct maintenance, security, cleaning and landscaping services. Newtown in particular, has seen a revival and a return to order, safety, aesthetical appeal and a resurgence in social activities.

The resilience of the Housing Supervisors and their agility to adapt to a new work environment while adopting new strategies to manage residents who were, and in some instances, are still experiencing dire financial and emotional challenges, has been inspiring.

The infusing of newly developed processes and reporting procedures by the management team and the agility of staff to adopt the newly established third-party property management business was remarkable. The team was exceptional as they learnt, on the go, the differing aspects of this business and yet still managed to meet objectives under trying times, one of which is the poor management of utilities by a third-party provider in Kempton Village.

Challenges

As can be expected, some of the significant challenges were brought on by the Covid-19 pandemic. The unprecedented high levels of vacancies and arrears and increased costs being amongst the most significant and this is evident in the net income figures and cost to income ratio. Several team members contracting the virus posed a challenge as team morale declined and the levels of anxiety increased. The support from the JHC family and the HR department proved extremely valuable as we navigated this difficult period.

Although no residential unit caught fire this year, fire incidences continued to trouble us with two major fires caused by commercial tenants. The fast-food shop in Tasnim Heights was completely gutted and a fire escape route and stairs behind the supermarket in Landrost also caught alight. The service of a structural engineer was enlisted, and the insurer approved both claims.

The Covid-19 peak periods forced the withdrawing of some of the services provided at building level and the reliance on only service providers for all maintenance inside units. In addition, the high tenant turnover, and the presence of residents in the buildings, including children, put a strain on the buildings and consequentially the budget.

Relations with residents were strained in Hlanganani when Eskom implemented frequent and prolonged load shedding schedules. Attempts, including a meeting with Eskom's management at Megawatt Park, to get Eskom to move the building's power supply from the RDP housing's circuit to a more stable supply was a challenge and ultimately unsuccessful.

PROPERTY MANAGEMENT REPORT CONTINUED

The Year Ahead

The following are some of the key objectives the department will be striving to achieve in the year ahead: revival of the Newtown CID, and one, the braai facilities built for tenants to use.

Following the integration of MRI, the resident management system, with IMPRO, the access control system, and on the back of reactivating the access system after the decline in Covid-19 cases, the team will embark on a mass registration and enrollment of co-residents on the resident database and the access control database.

Complete the implementation of FM5000 and derive full benefit of the system with regards to efficiencies, reporting, data analysis and decision making.

In-take of two artisan interns. One for plumbing and the other for carpentry.

Undertake a proof of concept at selected buildings for the CCTV off-site monitoring.

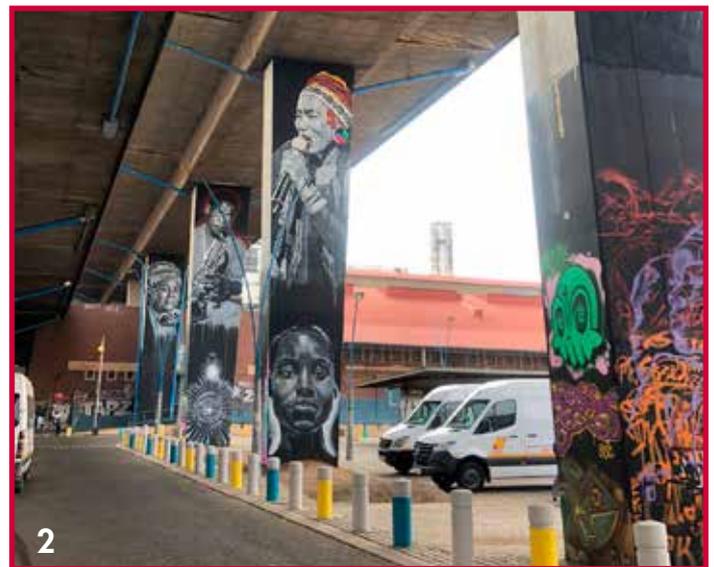
Roll-out of uninterrupted power supply (UPS) in each building to support business continuity in the event of power outages. Regrettably, the solution will not provide the units with power but will provide standby emergency power for key areas such as the HSV's office, guardroom, CCTV, and the access control system. Power will be provided for the average load shedding duration of 2 hours.

1, 2, 3 - Revival of the Newtown CID.

4 - New braai facilities built for tenants to use.



1



2



3



4

PROPERTY MANAGEMENT REPORT CONTINUED

PROPERTY SUPERVISORS



Sifiso Ginindza
Property Portfolio Manager



Bongani Makhoba
Property Portfolio Manager



Cyril Midaka
Assistant Property Portfolio
Manager



Sabelo Makhaye
Assistant Property Portfolio
Manager



Simone Maphanda
Quality Controller Officer



Nothando Mthembu
Property Administration Manager

PROPERTY TEAM



Edward Mokwinda
Senior Housing Supervisor



Jas Matela
Housing Supervisor



Promise Gcwabaza
Housing Supervisor



Tshepo Noko
Senior Housing Supervisor



Marks Bila
Housing Supervisor



Thulani Luthuli
Housing Supervisor



Nokulunga Ndlovu
Senior Housing Supervisor



Obrey Makamu
Senior Housing Supervisor



Johannes Makananisa
Housing Supervisor



Annah Matima
Housing Supervisor



Eliot Mabunda
Senior Housing Supervisor



Timothy Nekokwane
Housing Supervisor



Molatelo Seshibe
Housing Supervisor



Jacob Bezula
Housing Supervisor



Benson Mabasa
Housing Supervisor



Emmanuel Kubeka
Housing Supervisor



Vincent Mbatha
Housing Supervisor



Joseph Ntabi
Housing Supervisor

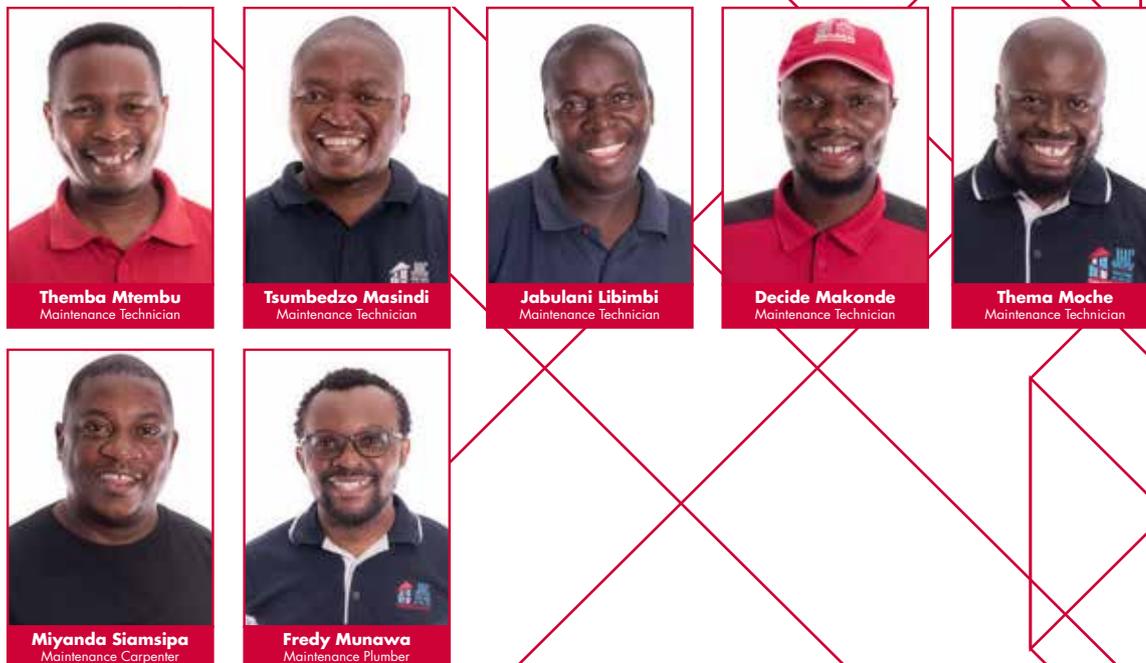
PROPERTY MANAGEMENT REPORT CONTINUED



PROPERTY ADMINISTRATION



PROPERTY MAINTENANCE



PROPERTY DEVELOPMENT AND INVESTMENT REPORT

Introduction

We are aware of the rough time South Africa has been through over the last 2 years, with Covid-19 wreaking havoc on every element of life. As an organisation in the housing sector this period has provided us with a focused view on the devastation caused – from loss of jobs, lower income streams and, sadly, the loss of life and health. In true JHC style, we haven't let this stop our continued efforts to improve and maintain the lives and homes of our tenants.

Overall, we are very happy with our performance over the year. We know that Covid-19 and the subsequent socio-economic consequences thereof have impacted our results, but all is not lost, we have learned some very important lessons over the year.

KEY FOCUS AREAS	LONG TERM MAINTENANCE KOKETSO LEGODI (PROJECT MANAGER)	NEW DEVELOPMENTS MATT JACKSON	LETTING AND MARKETING LYDIA NEKHUNGUNI
Project Highlights	<p>The planned number of units that were earmarked for refurbishment in both portfolios were 409 units, however the team managed to complete a total number of 441 units. Additional projects that were not on the annual plan were completed at Brickfields, Tower hill, Hlanganani, Cresthill, Landrost (within the approved annual budget).</p> <p>Phase one and two roll outs of the new digital sub and bulk water inclusive of electricity meters have been completed at Heritage view, Sylvadale, Lethabong, Brickfields, Elangeni, Hlanganani and Elangeni.</p> <p>Despite the lockdown 90% of the building preventative maintenance projects have been completed.</p> <p>The second passenger lift installation at Ukhamba has been completed, the third and final lift is to be completed within the 2021/2022FY budget.</p> <p>The strategic project of braai and recreational areas was implemented successfully in the buildings (Elangeni, Hlanganani and Douglas Village) which were earmarked as pilots for this project.</p>	<p>Acquisition of the 8-hectare Teba precinct land.</p> <p>The addition of 3 properties forming part of the Brickfields South land assembly in Newtown.</p> <p>Simultaneously the planning for the redevelopment of the Heritage View West (parking lot) has continued with a high-rise structure being explored. However, due to a continued weak leasing environment a lower rise version of the scheme is currently being investigated.</p> <p>Small Buildings redevelopment programme was commenced.</p> <p>Advancement of negotiations for quality investment opportunities.</p>	<p>During the third quarter, digital platforms were integrated to track and monitor the conversion on leads through a leads management process.</p> <p>Since the implementation of the tracked leads management process, 424 leads were received from digital platforms. Property 24 was our best performing platform contributing 32% towards the total leads coming in for the period.</p> <p>The third quarter witnessed an increase in applications compared to the previous quarter.</p> <p>The population of new tenants (in the third quarter) reached 324 new leases signed.</p> <p>A vigorous vacancy campaign was launched to achieve top-of-mind awareness in the minds of the mass market, lower-income level earners within the rental market.</p> <p>Tenant Referral Campaigns – was launched in both the JHC portfolio and the 3PPM buildings.</p> <p>Email banners were implemented across JHC aimed at promoting click-throughs to URLs.</p> <p>Creative flyers were created during this period that showcased our full offering and highlighting our value adds through MAM.</p>
Project Lows	<p>The building condition assessments projects have been rescheduled to 2022/2023 financial year due to the nature of the works and the Covid-19 pandemic the professional engineers recommended the postponement of the commencement of the projects.</p> <p>The lift replacements at Ukhamba was delayed and as a result the installation contractor has been penalised.</p>	<p>The Covid-19 induced weak economic environment has created a stop start context for commencing new developments. Caution has been applied when projecting future rental income due to uncertainty in tenant employment conditions.</p>	<p>Vacancy Drives and Activations Marketing results were affected by the quality of tenant applications we receive (typically poor) fraudulent and affordability. Tenants' early termination of lease agreements due to financial limitations impacted our vacancy rate.</p> <p>The rental market became oversupplied.</p> <p>Tenant market – tenants have become spoilt for choice.</p> <p>Tenants are being recycled amongst landlords in the inner city.</p>

PROPERTY DEVELOPMENT AND INVESTMENT REPORT

CONTINUED

KEY FOCUS AREAS	LONG TERM MAINTENANCE KOKETSO LEGODI (PROJECT MANAGER)	NEW DEVELOPMENTS MATT JACKSON	LETTING AND MARKETING LYDIA NEKHUNGUNI
Lessons learnt	<p>The insourcing of an additional technical resource within the projects department will alleviate the need for extensive external consultation services, i.e. measuring and development of specifications.</p> <p>Direct negotiations with suppliers for our commonly used materials will yield a significant cost reduction on projects.</p>	<p>The Covid-19 pandemic induced weak, affected rental income across the affordable housing sector. This has led to more reasonable price expectations of sellers. These selling prices have now started lowering to prices which are more in line with JHC's valuations of its portfolio.</p> <p>This lesson has proven JHC's inherent strategic approach of remaining patient, persistent and consistent in its valuations when pursuing investments.</p>	<p>It takes time to see tangible results, so we need to keep trudging forward.</p> <p>Facebook is the most effective channel for lead generation and brand awareness.</p> <p>Property24 is our best performing property site, proving the best ROI.</p>
The Way Forward	<p>Projects to conclude negotiations with the tiling, water meters, electrical meters and paint suppliers to realise additional savings in these trades.</p> <p>We are waiting the outcome of the motivation sent to HR for an additional resource, once approval is confirmed we will then also utilise the resource to measure and scope the building densification project in order for JHC to realise even bigger savings.</p>	<p><i>Teba as a "Live, learn, earn" precinct.</i></p> <p>The evolving economic conditions allow JHC to relook at the Teba precinct from a mixed-use perspective. As there are a number of existing commercial tenants, combined with the plans to develop the affordable housing precinct, the existing income presents a useful additional income stream during the land preparation phase of the development.</p> <p>However, these tenants, could evolve into more than a useful income stream. If proved viable, these tenants enable JHC to plan the development with meaningful focus on mixed uses.</p> <p>A catchy phrase which could guide this approach is – "Live, learn, earn" precinct.</p> <p>Going green becoming more viable for affordable housing.</p> <p>The advancement of South Africa's solar industry, the adjustment to energy generation legislation and the acceleration of green and ESG focused financing, presents opportunities for JHC to pursue a green building strategy when executing new developments.</p> <p>JHC already delivers a meaningful programme through its heat pumps, metering of utilities and focus on managing administrative costs.</p> <p>Going forward these elements, along with more "above the line" green building principles can more deliberately be integrated into the planning, design and future management of new developments.</p>	<p>We are continually planning and strategising ways in which we talk directly to our tenants, whilst improving and developing their quality of life.</p> <p>Our tenants are at the heart of our activities, and this will continue to be the case in the future</p>

PROPERTY DEVELOPMENT AND INVESTMENT REPORT

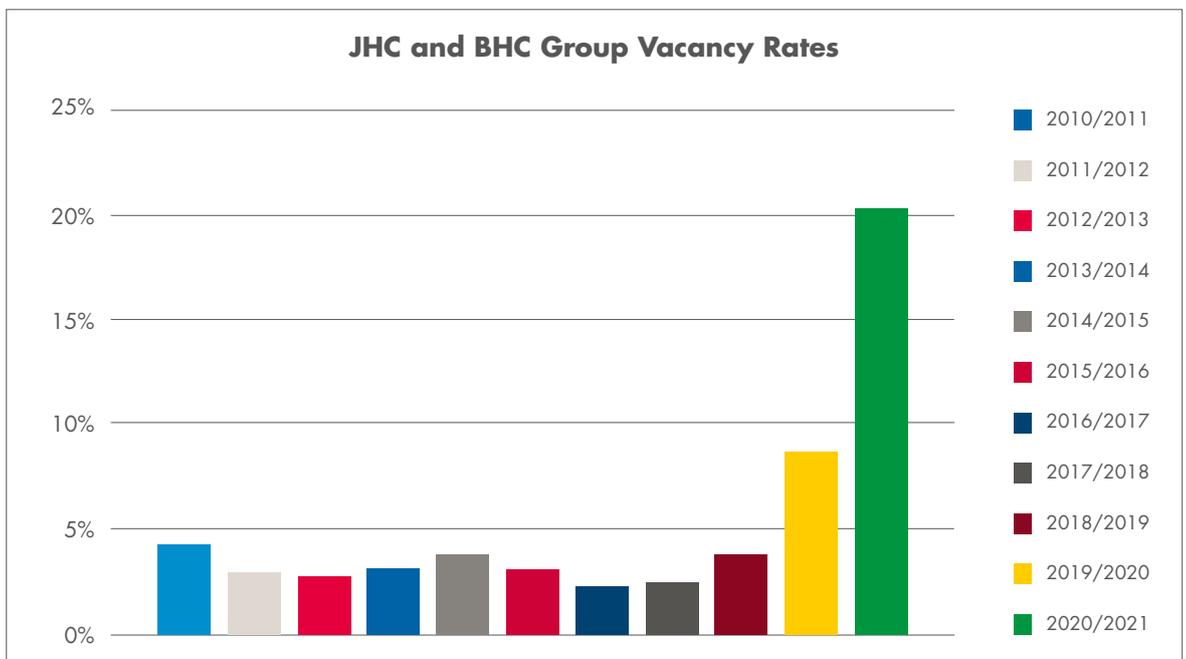
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LIVE,
learn, earn
precinct

The vacancy rate for JHC reached 23% compared to 8.68% in the previous year. The reason for the substantial increase in vacancies was a direct result of the Covid-19 pandemic. The rental market came to a halt as a result of Covid-19, as the government implemented lockdowns and citizens were forced to stay at home. Most households continued to be under significant financial stress because of the global pandemic, compounded by higher fuel and electricity prices, which had a negative impact on demand for the duration of the year. We experienced an increased supply of rental housing in the Johannesburg inner city, resulting in the rental market becoming oversupplied. This had an impact on our tenant's affordability rate, with renters leaving their apartments to live with family, and subsequently on the affordability of prospective tenants who desire to move into new apartments in the inner city.

Our communications efforts were therefore directed at increasing the awareness of our tenant-friendly and focused properties.

Vacancies Overview



PROPERTY DEVELOPMENT AND INVESTMENT REPORT

CONTINUED

PROPERTY AND INVESTMENT



Mbali Shezi
Property Development and
Investment Administrator



Matt Jackson
Development Manager



Koketso Legodi
Project Manager



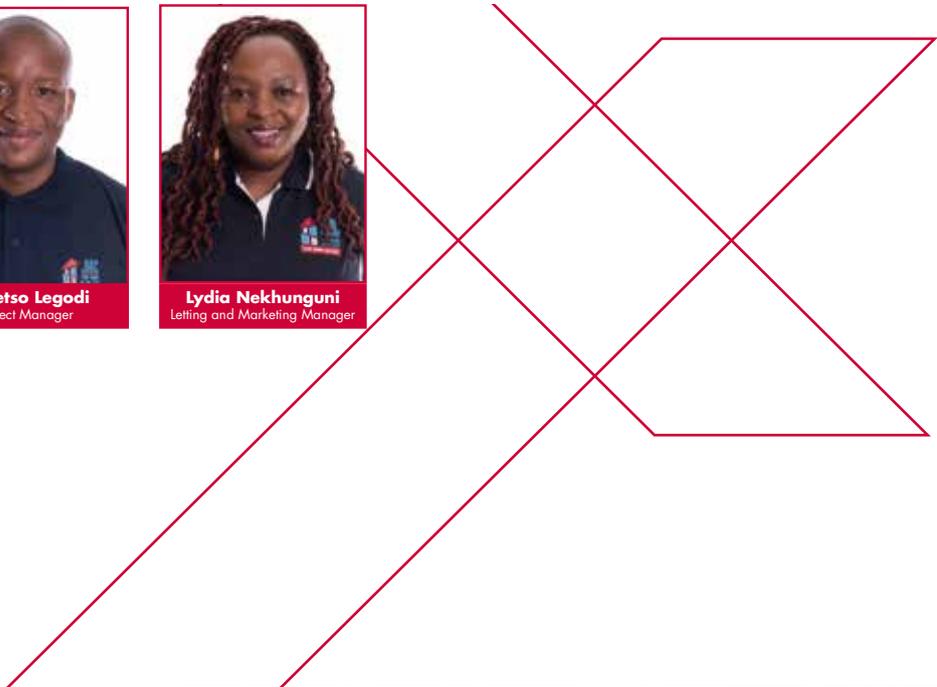
Lydia Nekhunguni
Letting and Marketing Manager



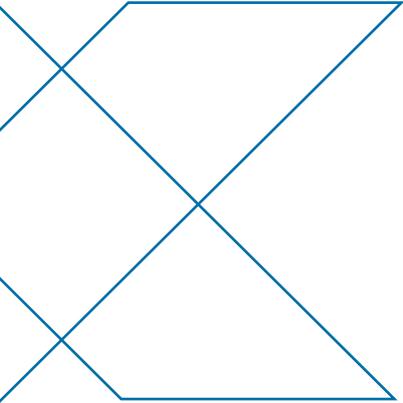
Rhulani Chauke
Project Coordinator



Lebo Seekane
Letting Consultant



IT REPORT



100%

File Transformer project had a positive impact on the Property Accounts team

MOST

Projects completed and delivered on time



TUMI PAMBO
IT EXECUTIVE

JHC's 2021 milestones:

IMPRO-MRI
Integration project completed

BUILDING
Assessment Tool developed

IT REPORT CONTINUED



Geoffrey Jiti
Business Analyst



Pasana Mbonane
IT Systems Analyst



Moipone Miya
IT Project Administrator

Highlights

All the strategic projects scheduled for the 2020/2021 financial year were delivered on time and within budget, except for one, which is on hold from a company perspective.

Completing the long-standing IMPRO-MRI Integration project was a highlight for JHC. It had suffered quite a few setbacks, such as resources passing on and resignations on both the JHC and the Service Provider side. When the IT Executive joined JHC, he picked up a complex project that was not even halfway done and had to ensure that all the external stakeholders were brought back together in order to resurrect the project.

In June 2021, the project was completed and JHC was able to do fingerprint enrolment for both tenants and service provider employees working at the buildings based on the data captured on our core system, MRI.

Another highlight was the File Transformer project which has had such a positive impact on our Property Accounts team. Prior to the delivery of the project, the team had been struggling with file formatting required by MRI. Different files such as the financial statement files from EasyPay and SpeedPoint files needed to be validated and transformed before being uploaded to MRI. This caused the team a lot of frustration as the validations and transformations were carried out manually with lots of errors occurring during this process. International service providers that had readymade off-the-shelf file transformation tools were approached. These tools were unfortunately very expensive. We approached a local service provider for the development of the proprietary solution. The costs were significantly less than budgeted based on the international service provider costs. With the savings made on this project, we were able to add more projects that we had not budgeted for such as:

- the acquisition of the Desktop Central applications,
- the upgrade of our Office365 license to enable sensitivity labels that would assist us as an organisation with the POPIA act,
- we also upgraded our bandwidth with Vodacom to improve the connectivity speeds of our staff working from home,
- we also developed a tool to assist with the assessment of the cost versus revenue for the buildings (the Building Assessment Tool).

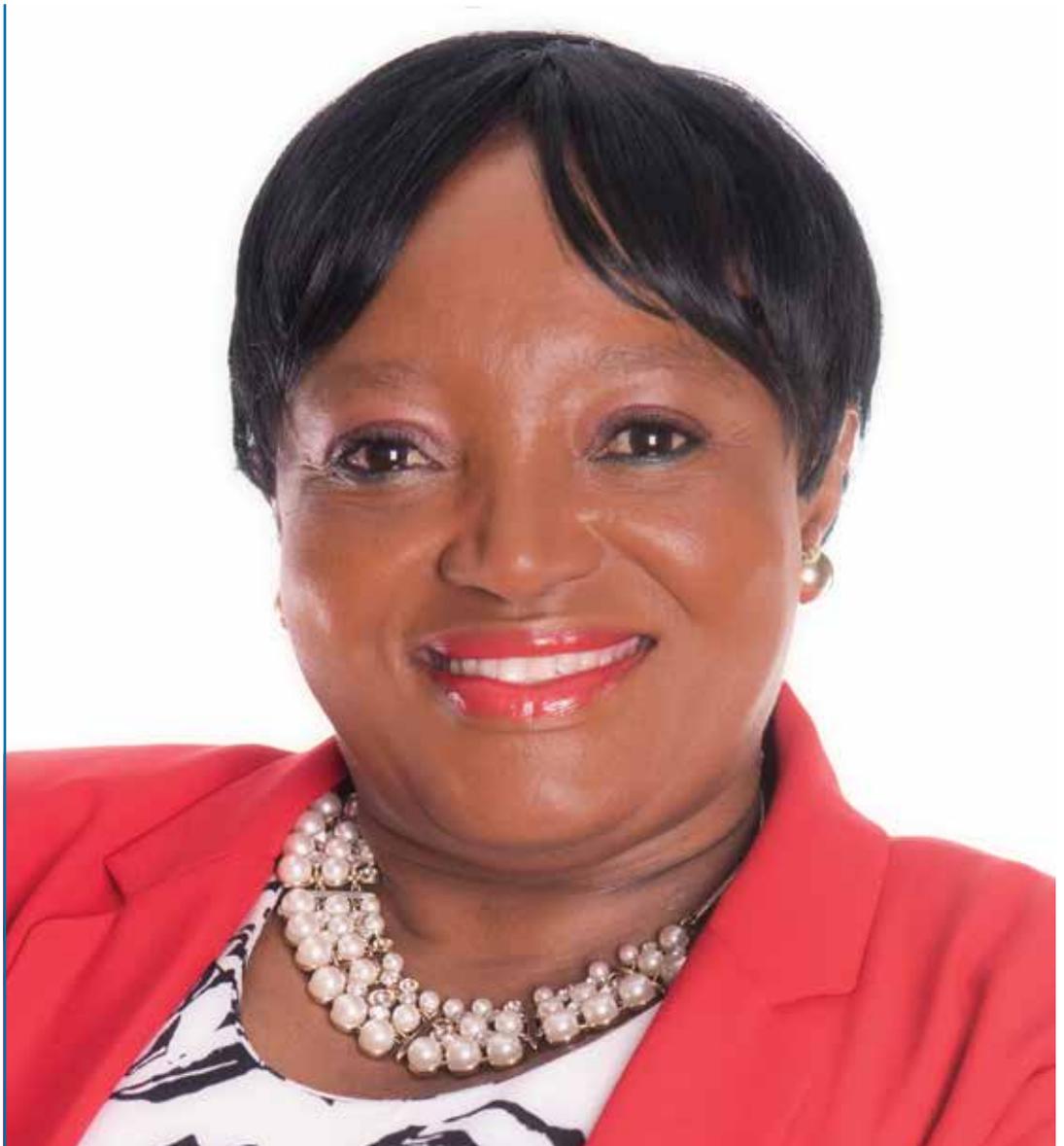
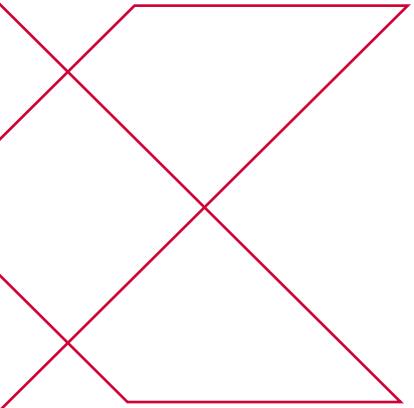
Lowlights

With the many projects we had started in the previous financial year, the IT department was short-staffed, we are currently in a recruitment drive.

Future

We are embarking on another complex project which seeks to have all secondary systems integrated with our core ERP system. This will allow for streamlined data in our core system which is MRI.

CUSTOMER RELATIONS REPORT



LINDI MALINGA
CUSTOMER RELATIONS EXECUTIVE

JHC's 2021 milestones:

527
Activities completed
in 2021

**TOGETHER
WE WIN**

CUSTOMER RELATIONS REPORT CONTINUED

BUILDING healthy tenant communities

Introduction

At JHC we know the value of our tenants, which is far beyond that of a normal customer to us.

Despite the disruptions caused by the impact of Covid-19, the Customer Relations team performed admirably in the previous fiscal year, highlighting the accomplishments of both the MAM and the CX streams. Customer Relations has done everything possible to meet the goals set for the fiscal year 2020/2021. In other cases, the team has had to divert and take on some of the activities to ensure that JHC meets its objectives. JHC achieved its goal, and the team rose to the occasion, staying true to one of our core values of "Together We Win."

Customer Experience

The Customer Experience (CX) team took over management of JHC's front office, leasing functions, walk-in centre management, and manning the newly introduced call centre. The team did not disappoint. CX was in 11 months at the end of June 2021 and is performing admirably, operating like a "well-oiled machine."

The team has finished developing the customer profitability framework, which will help us develop our loyalty rewards programme in the fiscal year 2021/2022.

Tenant Loyalty Programme

The tenant loyalty and retention programme is a priority and key focus area in these trying economic times. Retaining the correct tenants will reduce costs and increase our revenue, whilst rewarding them will demonstrate our continued commitment to them. The programme is in the planning stage which includes developing the much needed IT infrastructure, data intelligence and the tenant lifecycle reward journey.

The purpose is to increase the value and tenure of a tenant by managing the lifecycle through segment specific communications and reward offerings. We have also implemented tactical retention campaigns to reduce churn and to reward customers for their loyalty, such as a tenant may qualify for a percentage discount in monthly rental over a limited period when they pay their rent in the correct time period.

Multiple Touch-Point Tenant Communication

As part of our journey toward customer-centricity, JHC needed to ensure that all customer-facing communication is written in plain language, is easy for the customer to understand, and is supported by our Brand Essence. The CX team hired Kr8 to rewrite all our customer communications, and the project was completed in February 2021. The following elements were recreated as part of the project:

- Leases for JHC Residents and JHC Commercial Tenants.
- Freshdesk autoresponders.
- Collection, Utilities, PAD, and CX letters.
- Create email templates and auto responses.
- Create all tenant information (instruction manuals, posters, etc.).
- Educate one JHC employee on the principles of plain language.

JHC purchased the call centre system to ensure that customers can reach JHC even if the country is forced to go into another hard lockdown. The system handles call management, reporting, disaster management, and recovery interventions.

CUSTOMER RELATIONS REPORT CONTINUED

MAM

The attention we have received from our adult tenant community, capturing an audience of nearly 1 500 participants across the projects, a phenomenon that has never been seen before is one of the major accomplishments for the year. MAM has created fertile ground for our marketing teams to creatively use these platforms to contribute to the reduction of our vacancies.

It is incredible that the organisation has managed to achieve such accomplishments under "abnormal" circumstances, these results required creative think tanks, as well as the knowledge that JHC provides homes to our tenants.

The impact of Covid-19 has continued to have an impact on our tenant communities and the rate at which the MAM programmes are being implemented. Despite an improvement over last year's figures, we are still underperforming under what would be 'normal' circumstances.

We have had to adjust and suspend some of our projects and programmes in order to comply with the Covid-19 regulations. Although having said this, we ended the year on a high note, with 527 activities, an increase of 145 activities over the same period last year.

As soon as the hard lockdown was lifted, the team got into the swing of things, and our communities, who were clearly hungry for activities, did not disappoint and met the team halfway. Our buildings became a hub of activity, and tenant participation increased. Our Asset Based Community Development (ABCD) model came to life, and the various pieces needed to build a community were neatly woven together and perfectly fit into each other. Our communities have truly matured, and the exciting result in this regard is that MAM appears to have finally discovered and met the needs of our adult communities.

Project Details

Engagement with our tenants is always a priority, yet over the last two years showing the communities we care has become a business and social imperative. Covid-19 has caused devastation, both socially and economically, in our communities and as a company dedicated to our customers, we ploughed our hearts and souls into these outreach programmes.

CUSTOMER RELATIONS REPORT CONTINUED



Playgroups and Playrooms

There were no playroom statistics as these remained closed due to lockdown, however we did arrange some outdoor activities for the children. The aim of these activities was to entertain the children, which would in turn reduce noise, and therefore allow the adult tenants to work from home more effectively.

Junior Soccer Development Programme

This period to June 2021 marked the most challenging seasons we have ever had, largely due to the outbreak of the Covid-19 pandemic. MAM had to adjust the commencement of the season which was delayed due to the hard lockdown. However, resources and plans were put together, and we had a brilliant finish to the season.

Although the Hlanganani cluster was excluded from the Taffy Cup tournament, in order to manage the number of participants, MAM organised a separate mini event for that cluster.

The clusters also had visits from reputable organisations:

- Emergency Medical Services (EMS) visited Stanhope, Landrost, Lake Success and Legae to speak about injuries and their prevention.
- SAPS visited Elangeni and Smitshof to speak about bullying.
- The Gauteng Department of Education (GDE) visited Landrost and Stanhope to speak about careers in sports.
- Love Life visited Lake Success to talk about Covid-19.
- SANCA visited the Jeppe cluster where they educated children against the use of drugs.

Life Skills Initiatives

Landrost Youth Day Event

In commemoration of Youth Day, the Landrost Cluster youth hosted an event that was full of dance, musical activities, poetry, and motivational talks from parents. It was encouraging to see the youth taking such initiative and educating each other about the value of education and fighting for a good cause.

Children, Teenagers and Parent workshops at Elangeni and Hlanganani

MAM hosted follow-up workshops at Elangeni, Phumlani and Hlanganani to address children issues that were identified in the buildings. These workshops have yielded positive results, with the HSVs and Security Guards at various buildings noticing a distinct improvement commend the children's behaviour following the intervention.

During these sessions, children were educated about peer pressure, effective communication with their parents and peers. Children however felt that their parents do not listen to them irrespective of what they are saying.

MAM further hosted parenting and teenagers workshops at the said buildings in order to ensure that the parents were on the same page to encourage positive child/parent relationships that will be based on trust. They were further empowered on dealing with the common behavioural children problems and development issues.

Boys to Men Session

At Smitshof, MAM gathered a total of 95 boys aged between 10-18-year-old from our Hillbrow buildings. The CDF's reported that MAM focuses more on girls' empowerment and, as a result, we are seeing the boys slipping into gender violence. This observation is evidenced by of the contempt and disrespect towards the girls, by the boys, in the buildings.

MAM investigated the insight from the CDF and then organised the empowerment workshops for the boys. Amaghave Men's forum and the 360 Wellness Solutions were invited to facilitate the workshops. The boys were split into two groups (10-14 and the 15-18 year olds) to ensure that the workshop content and learnings were age appropriate.



CUSTOMER RELATIONS REPORT CONTINUED



The main objectives comprised of facilitating changed behaviour and improving social interactions and the understanding of healthy interactions within the everchanging environments that they are a part of.

The younger group attended the growth and life skills programme geared at equipping participants with coping skills, addressing social issues experienced and encountered within the systems (community, school, family and friendships) they are a part of. The topics included bullying (violence), peer pressure, self- image/ motivation (behaviour & attitude), communication and career aspirations.

The session for the older boys consisted of a panel to make it more interactive and less intimidating for the boys. There were three panel members and a facilitator. The boys were made to feel comfortable that no one was there to judge them, but everyone was there to share, learn and advise where possible. The topics were selected in such a way that each would lead to another without too much shock. Peer pressure, developing a relationship and the treatment of the opposite sex or girls and sexual relationships, drugs and alcohol abuse were discussed.

In the last part of both sessions MAM partnered with Quad Care to give information on their ‘Free Circumcision Campaign’. The boys were inquisitive to find out more information and interestingly there were those participants who said they have been circumcised and shared the information with others. In addition to the information and question and answer session, participants were given info packs so that their parents can follow up, should they want their boys to be circumcised. The information included ‘why circumcise’ and the process of the procedure.

Flea Markets

The Fordsburg team hosted their flea market at Umndeni and Tribunal, with all the Covid-19 protocols being observed, although due to increased lockdown restriction, the Newtown event had to be cancelled.

Each stand was allocated a sanitiser stand so that the hawker and the customers can sanitise frequently.

Adult Vitality

The monthly pop up gyms continue to be hosted at the various buildings, at Newtown the rotating bootcamps continue to alternate in the four buildings to try and recruit more people to be part of the weekly sessions. At Ukhamba participants continue with two sessions a month and this seems to have worked as they now have a consistent number of participants. At Bongaelic, Uno and Smitshof there is consistency, and the number of attendees continue to grow. Another observation made was that the tenants that moved out of some of the buildings in Hillbrow, continue to attend the pop-up gyms.

The Pietersen cluster hosted a 5km walkathon. Despite the cold weather, tenants showed much enthusiasm during the sessions. However, in line with the Covid-19 restrictions that followed the sessions, MAM has suspended the pop-up gym.

Food Gardens

George Mbuli, the food gardens service provider, worked well with the members of the food garden, across the buildings to ensure that the food garden was in good shape for winter. The progress made and commitment from members was applauded. The food gardens are lush, and members hosted market days at the various buildings in order to generate additional income and ensure that the food gardens benefit more people in the buildings.



CUSTOMER RELATIONS REPORT CONTINUED



Tenant Induction

Due to various lockdown levels MAM had to rethink tenant induction. As some of the tenants were not accessible via WhatsApp, these received hardcopy manuals and were educated via a telephone discussion.

Previous engagements with HSVs yielded positive results in terms of improvements in the preparedness of units for new tenants, this has thus resulted in fewer maintenance and unit related queries. The queries received from the tenants were shared with the relevant JHC teams.

MAM has further engaged other departments to map the process of reporting queries post move-in and sending feedback to tenants. The process mapping should be completed in July 2021 and will allow MAM to keep track of reported incidences and ensure that they are resolved.

Tenant Employment Opportunities Programme

Carpentry Training

The participants are still busy with their business plans. Preparations to place trainees with a firm in Doornfontein to enable them to get practical experience was halted as a result of the implementation of Level 4 lockdown again.

Food Preparation

LOF encouraged the participants of the programme to prepare and submit their business plans. There would be funding provided for the best business plan to start their own business. The JHC participants have submitted their portfolio of evidence at the end of last month and they are still awaiting the results and marks from the Chef.

Cosmetology Training

A total of 20 tenants resumed training on 7 June 2021. These skills will assist the participants with knowledge in the field of hair, make up and nails. The group seem to be committed as all the registered tenants have been attending consistently. Participants reported that they have learnt to make different wigs, a normal and a crochet wig.



CUSTOMER RELATIONS REPORT CONTINUED

In addition to this they learnt how to do an everyday look, bridal and evening make-up. As part of the life skills sessions, they also attended computer classes and financial literacy to equip them with skills to save money. A new item that they were excited about was to learn plaiting on noodles e.g. plaiting a wig after doing straight up or freehand. Classes had to be put on hold due to the Level 4 restrictions. The next sessions will focus on nails and pedicure.

Domestic Work and Child and Toddler Care Courses

Makhulong facilitated the registration process for participants who attended the domestic work and toddler care training. The participants were taken to Orange Grove to register on the 'Nannies and Training' database. The next step will be for MAM to monitor whether they will be called for interviews.

CUSTOMER RELATIONS TEAM

 <p>Mosa Bodibe Receptionist</p>	 <p>Phumzile Sibiya Customer Relations Administrator</p>	 <p>Patricia Msebele Community Development Manager</p>	 <p>Donald Makape Community Development Coordinator</p>	 <p>Ipeleng Mokgosinyane Community Development Coordinator</p>
 <p>Lungisani Ntuli Community Development Manager</p>	 <p>Vinolia Hlahla Community Development Coordinator</p>	 <p>Grenda Ngwarai Community Development Coordinator</p>		
 <p>Carlene Petersen Customer Experience Manager</p>	 <p>Penrose Moyana Customer Experience Team Leader</p>	 <p>Thabo Koma Customer Relationship Consultant</p>	 <p>Pride Oguzie Customer Relationship Consultant</p>	 <p>Kgomotso Kgorutla Customer Relationship Consultant</p>
 <p>Arnold Peters Customer Experience Team Leader</p>	 <p>Drucelian Munsamy Customer Relationship Consultant</p>	 <p>Lebo Mathata Customer Relationship Consultant</p>	 <p>Duduzile Mnguni Customer Relationship Consultant</p>	

COMPLIANCE & RISK MANAGEMENT REPORT



Celokuhle Ngubane
Compliance Specialist



Prudence Ngwenya
Document and Knowledge
Management Administrator



JUANITA PRINSLOO
STRATEGY MANAGER

LUKHANYISO KONA
COMPLIANCE MANAGER

JHC's 2021 milestones:

BBBEE 2
Level 2 achieved

JHC
JHC receives Fidelity Certificate
enabling BHC 3PPM

COMPLIANCE & RISK MANAGEMENT REPORT

CONTINUED

POPIA

Measures put in place to ensure JHC compliance

In the past, our IT department has been part of the Compliance and Risk team, but during the year we made the decision to create a dedicated team to manage this. One of the reasons is to ensure that we focus purely on compliance and risk and allow the IT to be handled independently. Ms Juanita Prinsloo was promoted to Strategy Manager in the new financial year. The Strategy Manager will design, develop and implement critical business intelligence projects that contribute to strategic decision-making. In line with our strategy, we have again put the tenant first, making sure that all departments are compliant with relevant legislature and codes of good practice.

Protection of Personal Information Act (POPIA) Compliance

The anticipation of the enactment of POPIA on the 1 July 2021, required the Compliance team to review all efforts and measures that had been put in place to ensure POPIA Compliance. Various initiatives had been put in place including staff training, a robust destruction and storage programme and ensuring the right levels of security where in place in terms of all personal information collected and processed. The initiatives put in place involved all areas of the business and prioritisation of the lawful processing of personal information at JHC.

Additional training was necessary to entrench the understanding that imminent behavioural change was required. The Information Regulator has in this period issued directives for the appointment of a designated Information Officer to perform the functions as set out in section 55 of POPIA. The Compliance Department has appointed POPIA Champions throughout the organisation, who influenced POPIA compliance in the various departments on a peer level. Online assessments continue to assist in conducting training in a new revised working environment.

Subsidy Drive

The JHC subsidy drive has proven to be successful in its intention to retain existing tenants who meet the qualifying criteria as provided for by SHRA. Tenants welcomed the reduction in their rental and the project also monitors new subsidy tenants that have been on-boarded. Fully subsidised buildings with low number of subsidy tenants are being prioritised in order to meet the targets set out for each project.

B-BBEE Compliance

The JHC group verification for the 2019/2020 financial year, was conducted based on the Specialised Property Sector Code where JHC received a Level 2 on the revised certificate. The verification process improved despite the revision of the skills development element, which provided an improved scorecard. Training and development were suspended in some areas due to the Covid-19 restrictions which impacted the skills development element however, JHC continues to procure services in line with the Procurement Policy from Level 1 – 3 suppliers which has had a positive impact on the scorecard. Simanye issued the B-BBEE Plan for the 2021/2022 Financial year to either maintain the B-BBEE rating or improve the scorecard.

Third-Party Property Management

The Compliance Department during this period focused on additional legislation on the regulatory universe relating to Estate Agents. The focus was on ensuring that the relevant staff members were registered with the Estate Affairs Agency Affairs Board and that each landlord had a separate trust account as required by the Estate Agency Affairs Act. The EAAB conducted an initial audit of the BHC 3PPM to test compliance with the regulatory requirements of the EAAB. There were no areas of non-compliance that were identified by the EAAB and the appointed Principal Agent has extensive experience in dealing with such audit and was able to provide guidance and assistance where necessary.

COMPLIANCE & RISK MANAGEMENT REPORT

CONTINUED

SHRA Rent Relief

Internal Audit Function

The Internal Audit team from Inqaba Kadiya Consulting (Pty) Ltd as part of the 2021/2022 Internal Audit Plan consulted with the JHC and BHC external auditors and JHC management to discuss the scope of the internal audit function. The plan identified areas of prioritisation where the internal audit will provide assurance while testing the efficacy of operations, the reliability of financial reporting, deterring, and investigating fraud, and reporting to the Audit Committee on the key strategic initiatives for the first year of the Internal Audit Plan.

Rent Relief Programme

The SHRA, together with the Department of Human Settlements, has provided policy and criteria for current JHC tenant and previous tenants. Resident Rent Relief Fund aims to help tenants in social housing who were financially affected because of the Covid-19 pandemic during the lockdown period.

The Compliance Department together Makhulong and Property Accounts embarked on a project to identify and communicate to tenants who meet the qualifying criteria. A total number of 110 applications have been submitted to the SHRA. There has been a slow intake in the applications from previous tenants and existing tenants who met the qualifying criteria were keen on applying for the fund. There are obstacles with obtaining the required historical documentation, such as ID documents, proof of income et al required by SHRA, however SHRA may look at revising the criteria due to the difficulties encountered by majority of SHI during this process.

Policy and Procedures Reviews

Through the last year, we have set to review 13 of the existing policies and procedures within the group, we are pleased to communicate that six policy reviews have been approved, and the balance of seven are in the final review stage. All policies and procedures are aimed at improving the lives of our tenants and ensuring the longevity of JHC through transparent and ethical business and social practices.

The year ahead

The year ahead will focus on the ensuring strict measures and controls are put in place to achieve best practice in POPIA compliance at JHC. Focus has been placed in the development of tenant education material, together with Digital Marketing, to provide tenants with information of their rights and obligations in terms of POPIA. Compliance will also focus on initiatives in respect of B-BBEE compliance for the 2021/2022 financial year in order to improve the scorecard. A continued focus will be placed on achieving the target of the number of qualifying tenants in all JHC subsidised buildings.

HERE
to stay

CORPORATE GOVERNANCE



Johannesburg Housing Company NPC

JHC was established in 1995 by its founding members, Kagiso Trust and NewHco. It is a registered non-profit company (NPC). Control of the company and the group is exercised through the board of directors, drawn from and appointed by the members. In 2018 NewHco was de-registered and subsequently, Kagiso Trust is JHC's sole member. JHC's Memorandum of Incorporation was amended by the members and approved by the Companies and Intellectual Property Commission (CIPC).

JHC Board of Directors

Mr Benjamin Nokaneng (Chairman)
Chief Investment Manager
Gyro Group

Ms Silindokuhle Chamane
Finance Head Kagiso Trust

Mr Robert Giuricich
Retired

Mr Len Kline
Managing Director, Len Kline & Associates

Ms Bishnen Kumalo
Head of Modernisation, BankServAfrica

Ms Nonkqubela Maliza
Executive Director Corporate and Government Affairs , VWSA

Mr Sam Mokorosi
Head of New Listings and Internal Corporate Finance, JSE

Mr Prosper Mpofu* (Chief Financial Officer)
Johannesburg Housing Company,
Company Secretary

Mr Mzomhle Nyenjana
Chief Financial Officer, Kagiso Trust

Ms Jill Strelitz
Executive Director , NewHco

Ms Elize Stroebel* (Chief Executive Officer)
Johannesburg Housing Company

*Executive Directors

JHC Board: Role and Responsibilities

JHC's board comprises 11 directors of whom nine are independent non-executive directors and two are executive directors. The board is presided over by an independent non-executive chairman, Mr Ben Nokaneng. The board meets at least once a quarter.

The board holds primacy in governance of the JHC Group. It directs JHC's affairs in accordance with the group's goals, objectives and rules and its predominant role is to determine the group's strategic direction and policies.

The board assumes that strategy, risk, performance, management and oversight are inseparable, and all facilitate the development and maintenance of a sustainable company. From this basis the Board of Directors must always act in the best interests of the company.

CORPORATE GOVERNANCE CONTINUED

The Board is Responsible for:

- Determining the group's strategic direction and overseeing its implementation.
- Ensuring effective risk management.
- Establishing a sound foundation and providing clear leadership for ethical and effective management and oversight.
- Encouraging optimum performance.
- The safeguarding of corporate governance within the group.

The board is further responsible for establishing a comprehensive and appropriate framework for the delegation of authority that empowers its subcommittees, the CEO and management of JHC to act on its behalf.

Board meetings 2020 / 2021: Register of attendance

	Audit	Board	Social & Ethics	Board	AGM	Social & Ethics	Board	Audit	Audit	Board
	22/09/20	30/09/20	21/10/20	25/11/20	25/11/20	17/03/21	28/04/21	18/05/21	2/06/21	30/06/21
Chamane, S	Yes	Yes	n/a	Yes	Yes	n/a	Yes	Yes	Yes	Yes
Guirich, R	n/a	Yes	n/a	Yes	Yes	n/a	Yes	n/a	n/a	Yes
Kline, L	Yes	Yes	n/a	Yes	Yes	n/a	Yes	Yes	Yes	Yes
Kumalo, B	n/a	Yes	n/a	Yes	Yes	n/a	Yes	n/a	n/a	Yes
Maliza, N	n/a	Yes	Yes	Apology	Apology	Yes	Apology	n/a	n/a	Yes
Mkorosi, S	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mpofu, P	Yes	Yes	Yes	Yes	Yes	Apology	Yes	Yes	Yes	Yes
Nokaneng, B	n/a	Yes	n/a	Yes	Yes	n/a	Yes	n/a	n/a	Apology
Nyenjana, M	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Strelitz, J	n/a	Yes	n/a	Yes	Apology	n/a	Yes	n/a	n/a	Yes
Stroebe, E	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Board Subcommittees

The board delegates certain functions to appointed subcommittees with specific expertise. Each subcommittee is responsible for JHC and its subsidiaries. Each is chaired by a non-executive director and operates within the mandate and delegated authority received from the board.

Audit Committee

Members:

Mr Len Kline (Chair)

Mr Sam Mkorosi

Mr Mzomhle Nyenjana

Ms Silindokuhle Chamane

Representative of JP Morgan (nominated by JP Morgan) as an observer

By invitation:

Ms Elize Stroebe (CEO)

Mr Prosper Mpofu (CFO)

Ms Fawzia Ballim (Accountant and Public Officer)

Ms Juanita Prinsloo (Compliance Officer)

Mr Nguquko Nyathi (Management Accountant) – resigned January 2021

Ms Lindiwe Ndziba – appointed in June 2021

CORPORATE GOVERNANCE CONTINUED

The members of the Audit committee are independent non-executive directors of JHC's board. JHC's Chief Executive Officer, Chief Financial Officer, Accountant, Management Accountant and Compliance Officer attend meetings as invitees and not as members of the committee. The appointed auditors also attend the meetings as invitees and not as members. The Audit committee has the right of access to all required information and to consult with the internal and external auditors directly. The committee meets at least twice a year and operates within the limits set down in the Memorandum of Incorporation and the Companies Act.

The Audit Committee is Responsible for ensuring that:

- Adequate accounting records are maintained.
- An effective system of internal and risk management controls exists and is implemented.
- A risk governance strategy and policy is in place and the risk management process is monitored.
- The company is able to meet its present and future needs and obligations.
- Reporting by the company is comprehensive and reliable.
- The group complies with the principles of good governance.

The Audit Committee is further responsible for:

- Nominating the auditors for appointment.
- Confirming the independence of the auditor.
- Recommending, appointing and overseeing the external audit process.
- Determining and approving the provision of any non-audit services to be conducted by the auditors.
- Providing comment on the company's financial statements, accounting practices and compliance with relevant legislation and on its internal financial management.
- Approving the annual financial statements and recommending their adoption to the board.

In overseeing risk management within JHC the Audit committee takes responsibility for reviewing risk management progress and effectiveness, for monitoring key risks and ensuring appropriate remedial action when necessary.

Remuneration Committee

Members:

Mr Robert Giuricich (Chair)

Ms Nonkubela Maliza

Ms Jill Strelitz

All members of the Remuneration committee are independent non-executive directors. The committee meets at least twice a year. Its mandate is limited by the Memorandum of Incorporation. All board directors are entitled to access any of the information, documents and recorded discussions of the Remuneration committee.

The Remuneration Committee is responsible for:

- Reviewing and making recommendations to the board on remuneration and service contract issues.
- Ensuring the development and ratification of policies and documentation related to remuneration and conditions of service.
- Approving and authorising executive salary packages and changes, per individual.
- Authorising the annual salary budget.
- Authorising the annual incentive bonus.
- Balancing the mandates of the board and the confidentiality of staff conditions of service.
- Developing and motivating remuneration and conditions of service proposals that demonstrate the nature of the policy and the financial implications for the company to the board for consideration and decisions.

CORPORATE GOVERNANCE CONTINUED

Investment Committee

Members:

Mr Sam Mkorosi (Chair)

Mr Robert Giuricich

Mr Len Kline

Mr Benjamin Nokaneng

Ms Elize Stroebel (Executive Director)

Ms Silindokhule Chamane – appointed in May 2021

The Investment committee has five members, including JHC's CEO and four independent non-executive directors. The committee meets ad hoc, and its mandate is limited by the Memorandum of Incorporation.

The Investment Committee is responsible for:

- Approving new projects or programmes within the defined levels of authority prescribed in the Finance policy.
- Approving capital expenditure within the defined levels of authority prescribed in the Finance policy.
- Approving investments within the parameters of the Treasury policy approved by the board.
- Examining all investment proposals and recommending decisions to the board.

Social and Ethics Committee

Members:

Ms Nonkqubela Maliza (Chair)

Mr Sam Mkorosi

Mr Mzomhle Nyenjana

By invitation:

Ms Elize Stroebel (CEO)

Mr Prosper Mpofo (CFO)

Ms Lindi Malinga (GM – MAM)

JHC's growth required the establishment of a Social and Ethics committee during the previous year. The members are independent non-executive directors of JHC's board. JHC's Chief Executive Officer, Chief Financial Officer and the General Manager, Makhulong a Matala attend meetings as invitees and not as members of the committee. The committee meets at least once a year and operates within the limits set down in the Companies Act.

The Social and Ethics Committee is responsible for:

- Ensuring compliance with the formal mandate approved by the board. The mandate is subject to an annual review by the board.
- Develop an annual work plan including but not limited to oversight and reporting on JHC ethics, corporate citizenship, sustainable development and stakeholder relationships.

Information Technology Committee

Members:

Ms Bishnen Kumalo (Chair)

Mr Len Kline

Ms Silindokuhle Chamane

By invitation:

Ms Elize Stroebel

Mr Prosper Mpofo

Ms Juanita Prinsloo

CORPORATE GOVERNANCE CONTINUED

In line with its customer focus, more efficient systems and keeping abreast of the fourth industrial revolution, JHC's growth necessitated the establishment of an Information and Technology committee during the year under review. The members are independent non-executive directors of JHC's board. Permanent invitees are also required to attend ICT Committee meetings. These include the CEO, CFO and the Risk and Compliance Officer. Additional invitees will receive invitations to report on matters and contribute to discussions as and when required.

The committee meets at least once a year and is governed by JHC's Memorandum of Incorporation (Mol) regulating the meetings and proceedings of directors and committees.

The Information Technology Committee is responsible for:

- Developing an annual work plan to maintain JHC's Information Technology and recommends strategies for JHC to take advantage of the changing short, medium and long-term Information and Communications Technology (ICT) landscape.
- It shall also monitor JHC's Information Technology activities, having regard to any legislation, other legal requirements or prevailing codes of best practice.

Executive Committee

JHC management is responsible for the implementation of the group's approved strategy in the daily operations of the business.

The Executive Committee:

Ms Elize Stroebel, Chief Executive Officer

Ms Lindi Malinga, General Manager, Makhulong a Matala

Mr Boyce Maritz, Property Manager

Mr Prosper Mpofo, Chief Financial Officer

Mr Karabelo Poee, Property Development and Investment Executive – resigned November 2020

Mr Tumi Pambo, IT Executive – joined in September 2020

Their roles and responsibilities are defined in their role profiles.

Brickfields Housing Company (Pty) Ltd

Brickfields Housing Company (BHC) was set up within the JHC Group in 2002 as a special purpose vehicle to develop the Brickfields housing complex in Newtown – comprising Brickfields, Legae and Phumulani. Heritage View is now also part of the Brickfields portfolio. BHC is a wholly-owned subsidiary of JHC. It operates under its own Board of Directors who are appointed by the board of JHC.

BHC Board of Directors

Mr Len Kline (Chairman)

Mr Benjamin Nokaneng

Mr Robert Giuricich

Mr Mzomhle Nyenjana

Ms Elize Stroebel (Executive Director)

Mr Prosper Mpofo (Executive Director, Company Secretary)

BHC 3PPM Services (Pty) Ltd

BHC 3PPM was set up within the JHC Group, under the Brickfields Housing Company umbrella, during 2020 in order to diversify JHC's portfolio. BHC 3PPM Services enables JHC to take on the management of non-owned buildings providing property management services to landlords.

BHC 3PPM Services Board of Directors

Mr Prosper Mpofo (CFO)

Mr Otto Pretorius

Ms Elize Stroebel (CEO)

CORPORATE GOVERNANCE CONTINUED

BHC Dev 1 (Pty) Ltd

BHC Development was created to facilitate future development projects.

BHC Development Directors

Mr Prosper Mpofu (CFO)

Ms Elize Stroebel (CEO)

Makhulong A Matala Community Development Services NPC

Makhulong A Matala (MAM) is a wholly-owned subsidiary of JHC. It evolved out of JHC's community development department and was established in 2003 to strengthen JHC's focus on social development and sustainability. Makhulong A Matala is a registered non-profit company and public benefit organisation. This status enables donors who provide funding to Makhulong to deduct the sum of their donations from their taxable income.

Makhulong operates under its own Board of Directors who are appointed by the board of JHC.

MAM Board of Directors:

Mr Len Kline (Chairman)

Mr Taffy Adler

Ms Shirley Moulder

Ms Lindi Malinga (Executive Director)

Ms Sarah Maphoto-Papi

Mr Sam Mokorosi

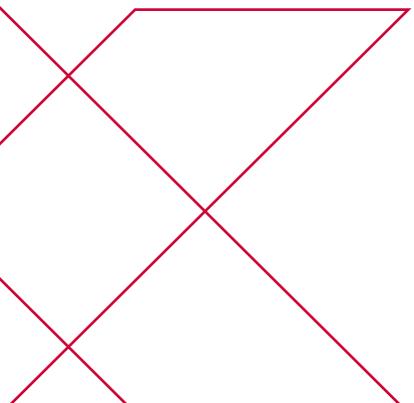
Ms Nompumelelo Mabece

Ms Elize Stroebel (Executive Director)

Mr Prosper Mpofu (Company Secretary)



HUMAN RESOURCES REPORT



15
Internal promotions



ITUMELENG MOKONYAMA
HR BUSINESS PARTNER

JHC's 2021 milestones:

55
JHC staff members participated in skills training

R345 435
Spent on skills training

HUMAN RESOURCES REPORT CONTINUED



In memoriam

It is with a heavy heart that we had to say farewell to our beloved Shahida Nabi. In June 2021, she was admitted to hospital due to Covid-19 and succumbed to the virus in mid-July 2021. Shahida joined JHC in 2003 as a Debtors Controller and worked her way up to Collections Manager. Her kindness and loving heart will be sorely missed.

We extend our deepest sympathies to her husband Ebrahim, her two children Shenaaz and Amina, as well as her grandchildren Leah, Lamia, Aria and Izaan.

Introduction

This report details the focus and activities of Human Resources over the 2020/2021 financial year. The year under review has been busy with high and low points. We have had significant challenges as a result of the Covid-19 pandemic. The HR team has provided a range of different engagements to support staff and JHC during year. The activities undertaken are detailed below.

Organisational Restructure

The organisational restructure that commenced in the previous financial year continued into this year. A streamlining of the portfolio structure from three portfolios created the opportunity for promotion of staff from within JHC's property management team. Five Senior Housing Supervisors and Two Assistant Property Portfolio Managers were appointed. The creation of these roles further develops the career path structure for staff in the Property environment. There is now a clear development path for a Housing Supervisor that makes it possible for the right person to progress into the senior middle management role of Property Portfolio Manager.

Other changes to the structure came from the need to implement efficiencies and better controls. This resulted in the creation of a Supply Chain Manager and Stock Controller positions. The Supply Chain Manager role was filled from within JHC.

The IT structure within JHC has also been resourced during this financial year. The new IT Executive started with JHC and, in line with his appointment, three positions were scoped. These were for a Technical Business Analysis, Business Analyst and Systems Analyst.

The changed environment in terms of arrears management and collections also required a change in the approach adopted by JHC. A team of collections administrators were appointed during the first part of the Covid-19 pandemic. This team quickly made an impact, and it was decided to appoint the team on a full-time basis to support the overall collections efforts.

The establishment of the Strategy Office also occurred during the 2020/2021 financial year. This office will be resourced by a Strategy Manager (an existing JHC staff member) and a Strategic Projects Manager. This structure has been developed and recruitment has taken place. The office will be implemented in the new financial year.

Recruitment

Recruitment over the last year has largely been in response to the organisational changes. There have been a large number of internal promotions (15 in total). Staff were promoted into Senior Housing Supervisor, Team Leader, Assistant Manager and Manager positions. We also created 10 new positions to fill and support our changing organisational structure.

Staff Turnover

JHC has lost 11 staff over the last year. Only one of these staff members was dismissed as a result of disciplinary action. There were five resignations and one retirement. The balance of the staff that left were contracts that came to an end. This represents a staff turnover rate of 6.5%.

Employee Relations

The 2020/2021 financial year was much more settled from a disciplinary perspective. There was only one dismissal. This matter was referred to the CCMA. No set down has been received to date.

HUMAN RESOURCES REPORT CONTINUED

JHC
Online induction programme developed

14
Bursaries awarded to staff members

Induction

A key initiative over the last financial year was developing an online induction programme. The purpose of this programme is to get new staff integrated into JHC as quickly as possible. The remote working environment required that JHC look at an online solution to support induction. A programme was developed. All line departments provided input into the programme. The induction programme also focused on introducing JHC’s values and brand behaviours. This programme was piloted with new staff towards the end of the financial year, and it received very positive feedback. Some of the comments received are as follows:

“It was very informative and flowing. It gives a full overview of JHC and all its functions and departments.”

“I enjoyed the system it's user friendly. I am happy now I'm able to understand business as whole the structures and policies. It's very helpful we can be able to access it anytime.”

“This was very informative and educational in terms of JHC functions of the different departments! And finally seeing our CEO and what each department does.”

The HR team will continue to review and improve the induction in line with suggestions received.

Training

A total of 1.73% of the salary bill was invested into training, bursaries and learnerships for staff over the 2020/2021 financial year. Training ranged from utilities training and facilities management training through to degree related programmes. A total of R693 190 was spent on bursaries and skills training. 14 bursaries were awarded and 2 staff completed their bursary related studies. 55 JHC’s staff participated in this investment.

The pace of training was significantly impacted on by the lockdown. Limited skills-based training has been delivered since March 2020. The lockdown process has also had a significant impact on the learning programme for staff who have received bursaries.

HR Indicators

Description	2020/2021
Disciplinary Action	7
Grievance Hearing	0
Resignation	5
Deaths	0
Retirement	1
Retrenchment	0
Terminations	1
Contract Ended	4

HUMAN RESOURCES REPORT CONTINUED

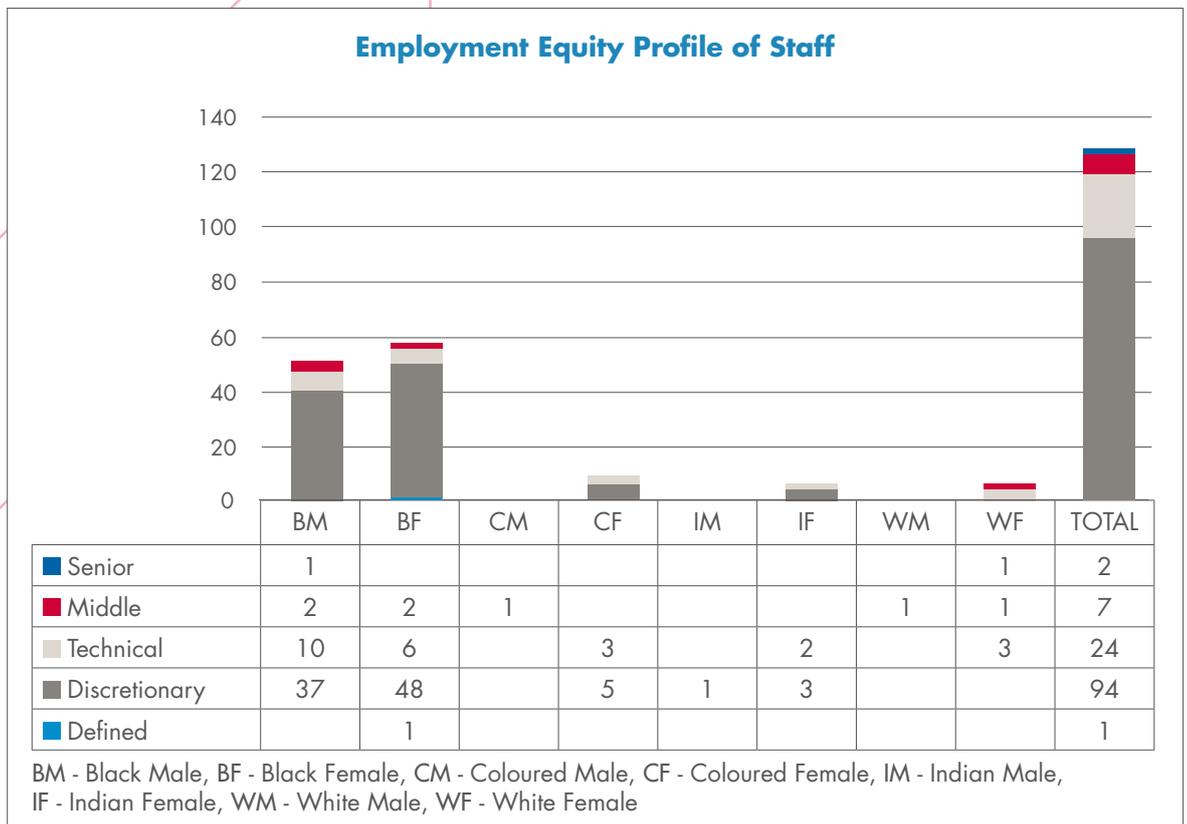


Figure 1

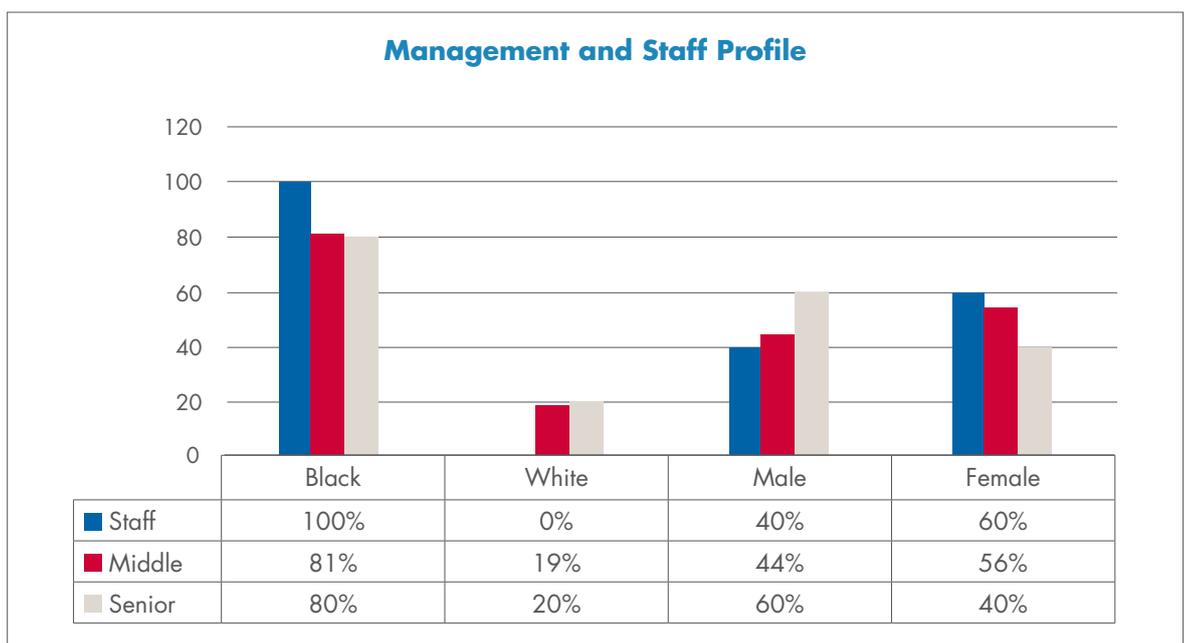


Figure 2

HUMAN RESOURCES REPORT CONTINUED

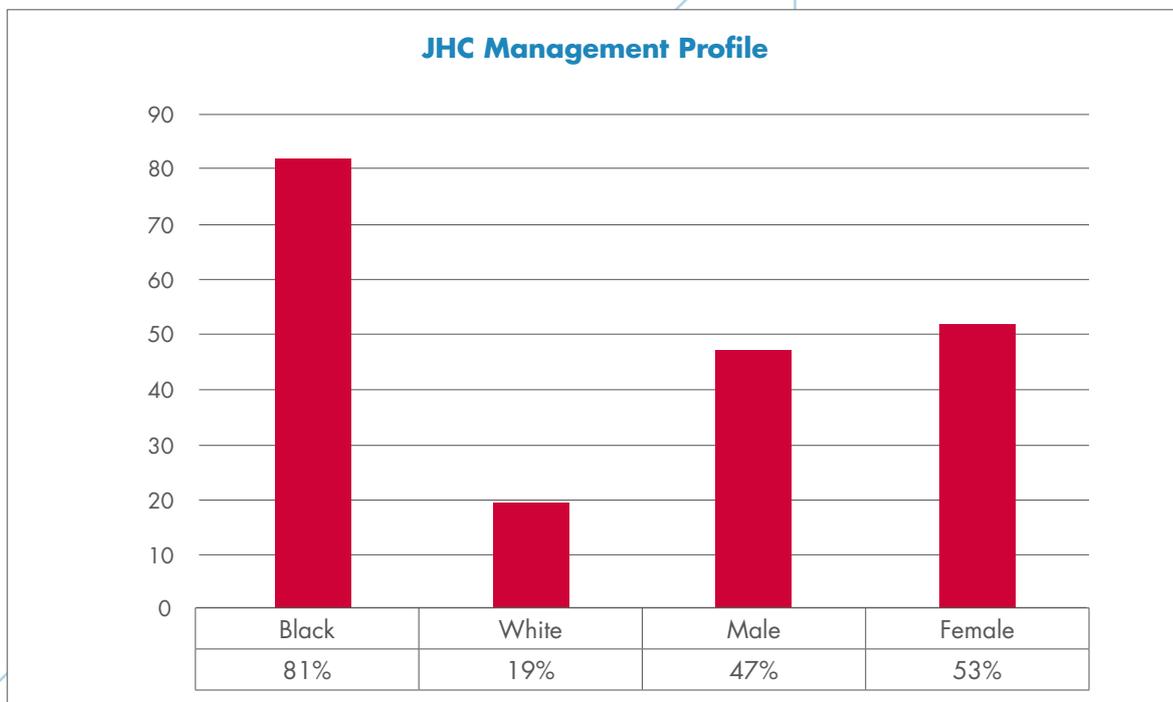


Figure 3

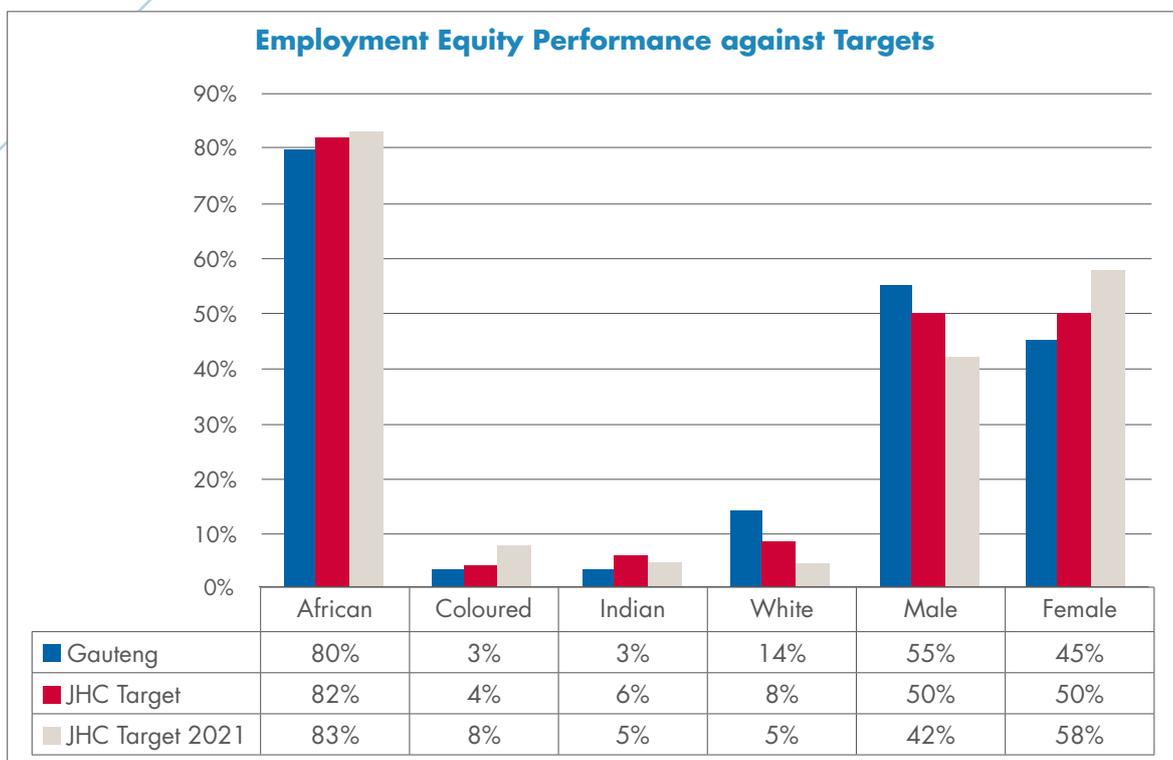
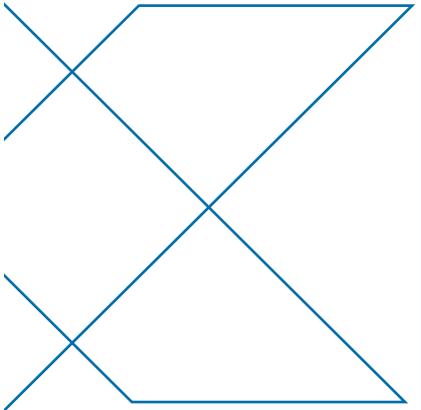


Figure 4

As can be seen from this analysis, JHC is largely aligned with its targets. It has slight variances on Coloureds, Indians and Whites. The balance between men and women is also slightly outside the targets with JHC having fewer men than women.

CFO's REPORT



PROSPER MPOFU
CHIEF FINANCIAL OFFICER

JHC's 2021 milestones:

Maintained
a healthy cash position

Serviced
all debt without any payment
arrangements or loan restructures

CFO's REPORT CONTINUED

We remain stable through Covid 19

Through the varying levels of Covid-19 lockdowns, economic shifts, and increased unemployment, we have managed to remain stable, focus on our tenants' well-being, as well as improve our overall company performance. Although the business is not yet at pre-Covid levels, there are signs of improvement across various financial measures. Our vacancies, which have a direct impact on our financial performance are still high in the current financial year, however, there are currently various initiatives in place to improve the financial performance of the group across the board.

Our Results

Towards the latter part of the 2020/2021 financial year, we experienced a deterioration in the financial performance of JHC. This is a direct impact of Covid-19 which saw a number of lockdowns as gazetted by the government during the financial year. These lockdowns resulted in economic hardships for our current and prospective tenants and resulted in many of them losing income due to a number of factors such as job losses and their inability to run their businesses. The increase of our total expenditure (2021: R232.6 million; 2020: R214.2 million) indicates our continued investment in our properties and our commitment to improving the lives of our tenants. We have not allowed a decrease in profits to hinder us from delivering on our objectives of ensuring that the homes of our tenants are well maintained, clean and safe.

The substantial increase in vacancies (2021: 23%; 2020: 8.68%) is a direct result of tenants having had to downsize, move in with family, or make alternative accommodation arrangements. On the other end of the spectrum, our arrears as measured against the total billing for the full financial year, have dropped significantly (2021: 3.9%; 2020: 8.983%). This is mainly due to the fact that the last quarter of the last financial year was hard hit by the first hard lockdown in response to the first wave of the Covid-19 pandemic.

The group breached some of its loan covenants with the banks before the end of the reporting period. As a result the group had no unconditional right to defer settlement of the loans for at least 12 months at the end of the reporting period. The total balance of the loans at year end were R156 392 184. Subsequent to year end, and before the annual financial statements were authorised for issue, the breaches were remedied by the group obtaining waivers from the banks from complying with the covenants. The non-current portion of the loans has been classified as current since the waivers were obtained subsequent to year end.

The Cost to Income ratio worsened significantly in the current year (2021: 66%; 2020: 52%). This is largely attributable to lower revenues due to the higher vacancies mentioned above and higher than normal bad debts write off in the financial year (2021: R15.2 million; 2020: R6.1 million). JHC has continued to invest and spend on the buildings in the current financial year to ensure that our buildings are safe and clean.

Personnel Changes

Through the year under review, we have had a few changes, yet the most outstanding is the creation of ten new positions. Bringing in a dedicated IT resource, for example, has already shown great promise in improving the digital transformation across the business. This includes seven additional collection resources in the finance team.

The year ahead

Despite the challenges presented by the impacts of Covid-19, we are reservedly optimistic about the financial outlook for the year ahead. Management has instituted programmes across the board to focus on tenant attraction and retention of the ideal tenant, create a safe environment based on trust and transparency, and we have refocused our efforts on improving the quality of life for our tenants. Management will continue to consider ways to grow and diversify our income streams and drive cost containment in order to remain sustainable.

Prosper Mpofu
CFO

CFO's REPORT CONTINUED

FINANCE - ACCOUNTS



FINANCE - PROPERTY ACCOUNTS



FINANCE - COLLECTIONS



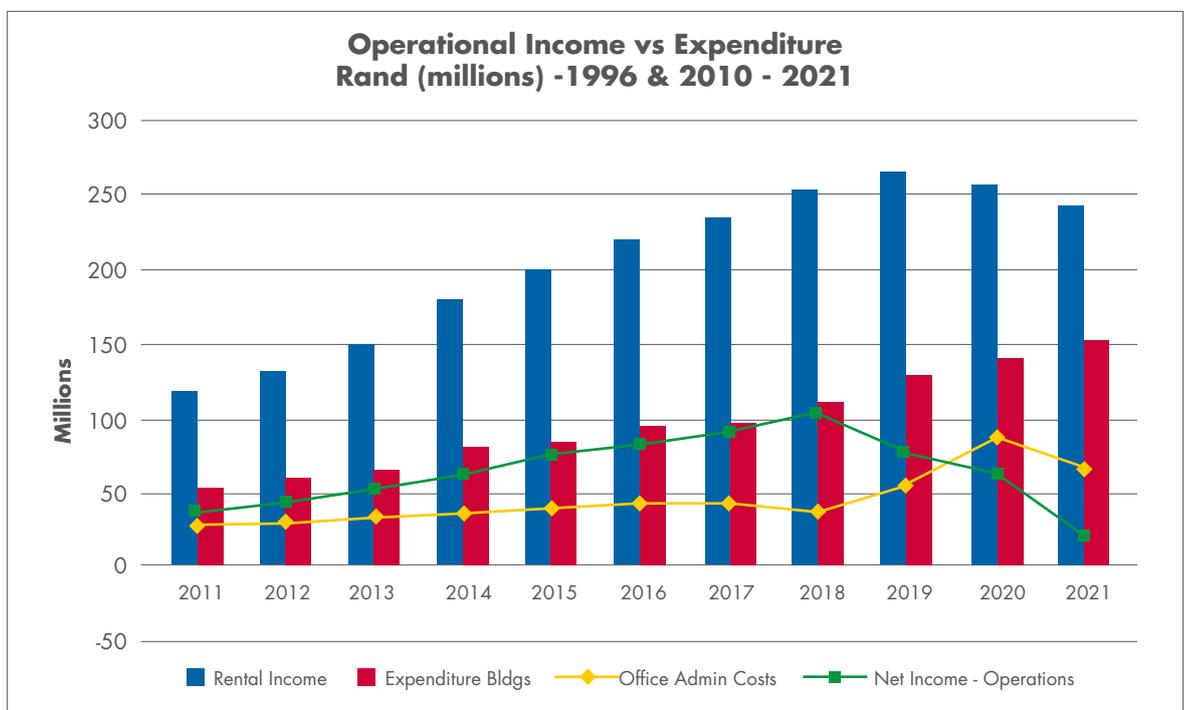
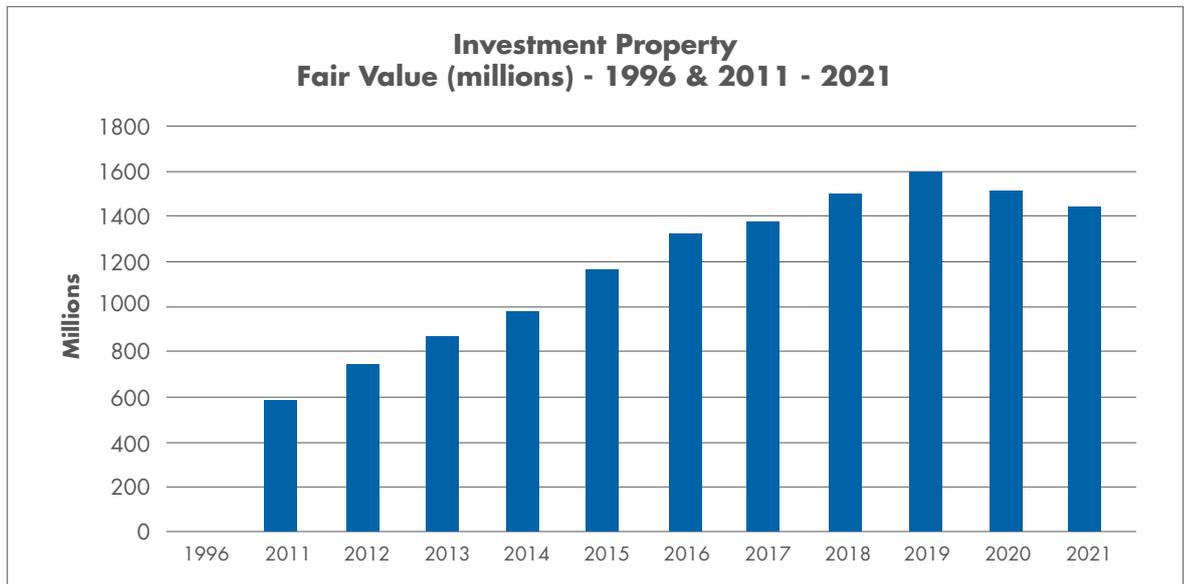
FINANCE - UTILITIES



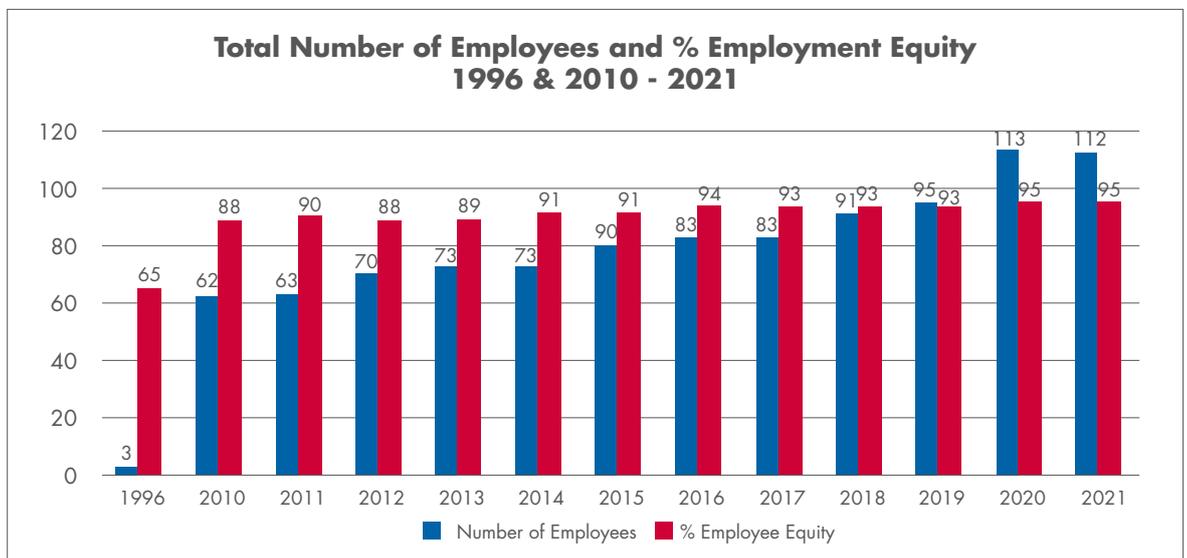
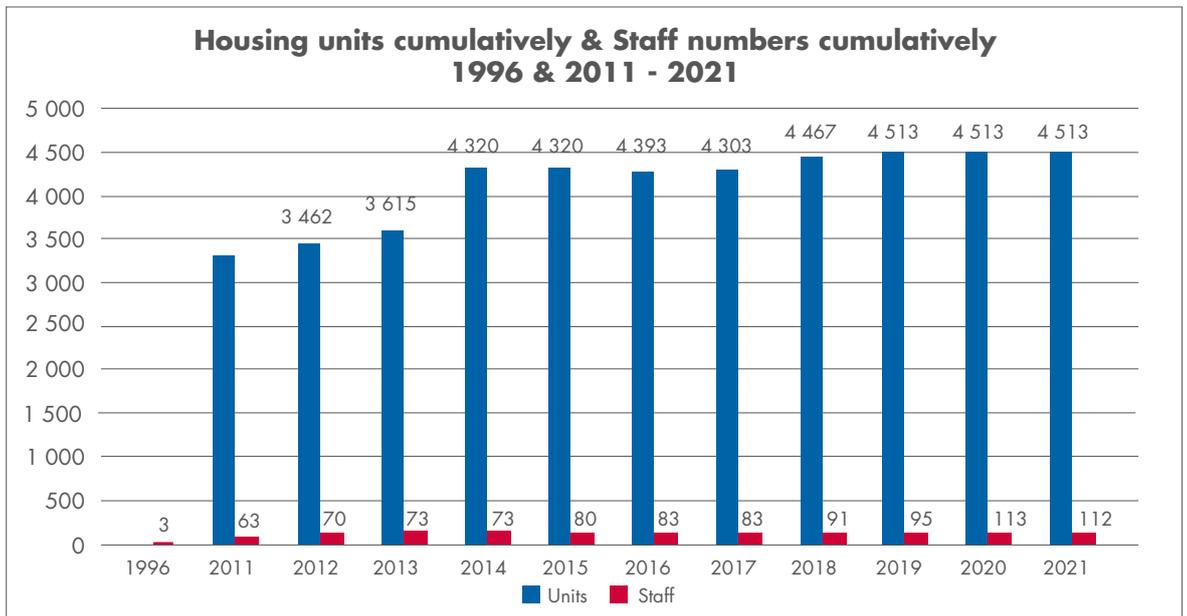
FINANCE - STOCK CHAIN MANAGEMENT



CFO's REPORT CONTINUED



CFO's REPORT CONTINUED



*112 staff excluding the part-time staff

RESULTS FOR THE YEAR

Johannesburg Housing Company NPC

Company registration number: 1995/013843/08
NPO registration number: 026-005-NPO

Audit Opinion

Johannesburg Housing Company NPC and its subsidiaries' annual financial statements have been audited by the independent auditors, BDO South Africa Incorporated. Their unqualified audit report is available for inspection at the company's registered office.

Accounting Policies

The annual financial statements have been prepared in accordance with International Financial Reporting Standards.

The accounting policies used in the preparation of the annual financial statements are consistent with those used in the previous financial year, with the exception of certain mandatory changes relating to standards that became effective in the current year and are relevant to the operations of the Group.

Statements of Financial Position

as at 30 June 2021

Johannesburg Housing Company NPC and its subsidiaries
(Registration Number 1995/013843/08)

Figures in R	Group		Company	
	2021	2020	2021	2020
ASSETS				
Non-current assets				
Property, plant and equipment	9 510 384	12 004 390	7 528 137	9 266 370
Investment property	1 441 300 000	1 502 000 000	1 059 500 000	1 114 300 000
Intangible assets	5 352 929	6 958 238	5 352 929	6 958 238
Investments in subsidiaries	-	-	18 065 885	18 065 885
Capital work in progress	4 980 221	4 313 381	-	-
Loan to group companies	-	-	94 132 106	94 132 106
Total non-current assets	1 461 143 534	1 525 276 009	1 184 579 057	1 242 722 599
Current assets				
Inventories	692 146	475 744	692 146	475 744
Trade and other receivables	10 731 386	19 645 459	7 148 908	15 362 410
Current tax assets	2 892 013	2 161 219	145 322	-
Loan to group companies	-	-	74 099	367 640
Prepayments	1 595 471	1 158 421	1 595 471	1 158 421
Cash and cash equivalents	125 082 539	155 581 788	71 299 743	108 313 443
Total current assets	140 993 555	179 022 631	80 955 689	125 677 658
Total assets	1 602 137 089	1 704 298 640	1 265 534 746	1 368 400 257
EQUITY AND LIABILITIES				
Equity				
Member's funds	74 419 636	74 419 636	74 419 636	74 419 636
Retained income	1 088 868 452	1 154 076 547	787 363 425	855 906 308
Total equity	1 163 288 088	1 228 496 183	861 783 061	930 325 944
Liabilities				
Non-current liabilities				
Deferred tax liabilities	209 565 713	221 826 169	158 134 034	166 680 600
Other financial liabilities	-	132 936 810	-	132 936 810
Lease liabilities	1 904 577	2 614 994	1 904 577	2 614 994
Loan from group company	-	-	29 000 000	20 000 000
Total non-current liabilities	211 470 290	357 377 973	189 038 611	322 232 404
Current liabilities				
Trade and other payables	62 672 900	69 243 793	50 007 263	57 380 271
Current tax liabilities	-	-	-	292 039
Other financial liabilities	156 392 184	40 922 277	156 392 184	40 922 277
Lease liabilities	1 242 913	1 176 608	1 242 913	1 176 608
Loan from group company	-	-	-	9 000 000
Conditional government grant	7 070 714	7 081 806	7 070 714	7 070 714
Total current liabilities	227 378 711	118 424 484	214 713 074	115 841 909
Total liabilities	438 849 001	475 802 457	403 751 685	438 074 313
Total equity and liabilities	1 602 137 089	1 704 298 640	1 265 534 746	1 368 400 257

Statements of Profit or Loss

as at 30 June 2021

Johannesburg Housing Company NPC and its subsidiaries
(Registration Number 1995/013843/08)

Figures in R	Group		Company	
	2021	2020	2021	2020
Revenue	244 705 451	273 685 279	182 813 706	202 944 717
Building expenditure	(153 294 964)	(140 844 075)	(120 674 861)	(106 361 733)
Gross profit	91 410 847	132 841 204	62 138 845	96 582 984
Other income	4 189 597	11 232 796	8 993 829	16 332 931
Administrative expenses	(15 977 091)	(12 779 567)	(14 938 831)	(11 772 727)
Other expenses	(63 313 012)	(71 855 246)	(56 752 262)	(67 072 192)
Other gains and losses	(87 142 191)	(103 766 368)	(73 963 718)	(80 214 880)
Loss from operating activities	(70 832 210)	(44 327 181)	(74 522 137)	(46 143 884)
Finance income	6 157 042	12 587 617	10 857 706	18 303 476
Finance costs	(10 590 902)	(15 973 330)	(13 425 018)	(18 872 071)
Loss before tax	(75 266 070)	(47 712 894)	(77 089 449)	(46 712 479)
Income tax credit	10 057 974	7 968 570	8 546 566	4 282 189
Loss for the period	(65 208 096)	(39 744 324)	(68 542 883)	(42 430 290)

Statements of Changes in Equity

as at 30 June 2021

Johannesburg Housing Company NPC and its subsidiaries
(Registration Number 1995/013843/08)

Figures in R	Member's funds	Retained income	Total
GROUP			
Balance at 1 July 2019 (as restated)	74 419 636	1 193 820 871	1 268 240 507
Loss for the year	-	(39 744 324)	(39 744 324)
Balance at 30 June 2020	74 419 636	1 154 076 547	1 228 496 183
Balance at 1 July 2020	74 419 636	1 154 076 547	1 228 496 183
Changes in equity			
Loss for the year	-	(65 208 095)	(65 208 095)
Total comprehensive income	-	(65 208 095)	(65 208 095)
Balance at 30 June 2021	74 419 636	1 088 868 452	1 163 288 088
COMPANY			
Balance at 1 July 2019 (as restated)	74 419 636	898 336 598	972 756 234
Changes in equity			
Loss for the year	-	(42 430 290)	(42 430 290)
Total comprehensive income	-	(42 430 290)	(42 430 290)
Balance at 30 June 2020	74 419 636	855 906 308	930 325 944
Balance at 1 July 2020	74 419 636	855 906 308	930 325 944
Changes in equity			
Loss for the year	-	(68 542 883)	(68 542 883)
Total comprehensive income	-	(68 542 883)	(68 542 883)
Balance at 30 June 2021	74 419 636	787 363 425	861 783 061

Statements of Cash Flows

as at 30 June 2021

Johannesburg Housing Company NPC and its subsidiaries
(Registration Number 1995/013843/08)

Figures in R	Group		Company	
	2021	2020	2021	2020
Net cash flows from / (used in) operations	19 736 847	27 444 286	4 516 947	827 789
Interest paid	(10 590 902)	(15 547 072)	(13 425 018)	(18 445 814)
Interest received	6 157 042	12 587 617	10 857 706	18 303 476
Income taxes paid	(2 933 275)	(7 065 013)	(437 361)	(5 970 952)
Net cash flows from/(used in) operating activities	12 369 712	17 419 818	1 512 274	(5 285 501)
Cash flows used in investing activities				
Proceeds from sales of property, plant and equipment	1 800	55 656	1 800	40 167
Purchase of property, plant and equipment	(1 594 944)	(5 638 945)	(1 490 808)	(5 495 003)
Additions to investment property	(22 442 191)	(23 337 913)	(19 163 718)	(21 464 880)
Purchase of intangible assets	(55 771)	(4 881 964)	(55 771)	(4 881 964)
Proceeds from disposal of non-current assets	-	12 000 000	-	12 000 000
Loan proceeds from/(to) group companies	-	-	293 541	216 450
Work in progress costs incurred	(666 840)	(2 858 426)	-	-
Cash flows used in investing activities	(24 757 946)	(24 661 593)	(20 414 956)	(19 585 230)
Cash flows used in financing activities				
Repayment of lease liability	(644 112)	-	(644 112)	-
Repayments of other financial liabilities	(17 466 903)	(14 733 539)	(17 466 903)	(14 354 493)
Cash flows used in financing activities	(18 111 015)	(14 733 539)	(18 111 015)	(14 354 493)
Net decrease in cash and cash equivalents	(30 499 249)	(21 975 314)	(37 013 697)	(39 225 224)
Cash and cash equivalents at beginning of the year	155 581 788	177 557 102	108 313 443	147 538 667
Cash and cash equivalents at end of the year	125 082 539	155 581 788	71 299 746	108 313 443

DIRECTORATE AND ADMINISTRATION

Johannesburg Housing Company NPC

Company registration number: 1995/013843/08
NPO registration number: 026-005-NPO

Brickfields Housing Company (Pty) Ltd

Company registration number: 2002/026972/07

Makhulong a Matala

Community Development Services NPC
Company registration number: 2003/029904/08
NPO registration number: 041-748-NPO
PBO registration number: 930011472

BUSINESS ADDRESS

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The Standard Bank of South Africa

88 Commissioner Street, Johannesburg, 2001

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