

2022

ANNUAL REPORT



JHC

YOUR HOME
IN THE CITY

"Love where you live"

CONTENTS

ENRICHING THE CUSTOMER EXPERIENCE



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ABOUT THIS REPORT

INTRODUCTION

JHC takes pride in presenting its Annual Report for the period 01 July 2021 to 30 June 2022, being its Financial Year 2021/22 (FY2021/22). The report is structured to present a balanced and comprehensive overview of the Company's activities as they relate to the financial, social, and environmental impacts resulting from its value-creating activities for the period. Included in this report is the Annual Financial Statement for the year ended 30 June 2022, as approved by the Board of Directors on 13 October 2022.

This report intends to communicate the business activities to all stakeholders as well as any parties that may have an interest in the Company's conduct, effect on its micro- and macro-environments, and its ability to create value in the short, medium, and long term. The information reported herein seeks to offer assurance to all stakeholders of the Company's ability to remain sustainable and continue to contribute towards providing adequate housing to the middle- to low-income groups in the greater Johannesburg area.

JHC is a non-profit social housing company. The Company was founded with the intention of delivering affordable homes in Johannesburg and has made significant strides in support of the regeneration of Johannesburg's inner city by delivering affordable housing in the area.

BASIS OF PREPARATION

This report reflects JHC's adoption and application of integrated thinking. In determining the content for inclusion, issues that materially impact the Company's ability to create and maintain value for its stakeholders are considered. Information is drawn from the Company's records, such as the reports submitted to the Board each quarter, and includes details of the operating context, strategic performance, risks and associated mitigation measures, stakeholder engagement, and identified business opportunities. Inputs from the Executive Management team are also included in this report.

To the best of its ability, JHC provides an accurate and transparent account of the Company's performance for the reporting period.

FORWARD-LOOKING STATEMENTS

Contained in this report are various forward-looking statements. Such statements may relate to the possible future financial position, business operation and strategy, or management plans. Forward-looking statements are not, at this time, considered fact as they are based on current estimations, assumptions, and expectations for the Company and are dependent on circumstances that may or may not be realised in the future. JHC does not undertake to publicly update or revise such statements, whether to reflect new information, future events, or otherwise.

ASSURANCE

JHC's Annual Report for FY2021/22 is compiled in accordance with the ethical values of the Company and is guided by reporting best practices. The management team has reviewed the report and is satisfied that the information is, to the best of its knowledge, an accurate and true representation of the Company's position.

STATEMENT OF RESPONSIBILITY

The Board encourages and supports the concept of integrated thinking, which underpins good corporate citizenship, stakeholder inclusivity, sustainable development, and integrated reporting. The Board has a clear understanding of the Company's strategy, resources, systems of control, and stakeholders. JHC is guided by the Board in its oversight of material and potential risks and opportunities, and it ensures that the Company is sustainable and relevant.

ABOUT JHC

JHC is a Non-Profit, non-governmental Company and an accredited Social Housing Institution in terms of the Social Housing Act (No. 16 of 2008). The business began its operations in 1995 with the vision of addressing challenges experienced in the housing sector to improve the lives of middle- to low-income groups in South Africa. Only three years shy of reaching its three-decade milestone, the Company is proud of its accomplishments to date. JHC views itself not only as a business but as a member of the communities in which it operates – after all, homes are founded on trust and care. As a landlord, JHC takes seriously its responsibility to provide a quality service, based on trust, to each of its customers.



JHC'S 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.

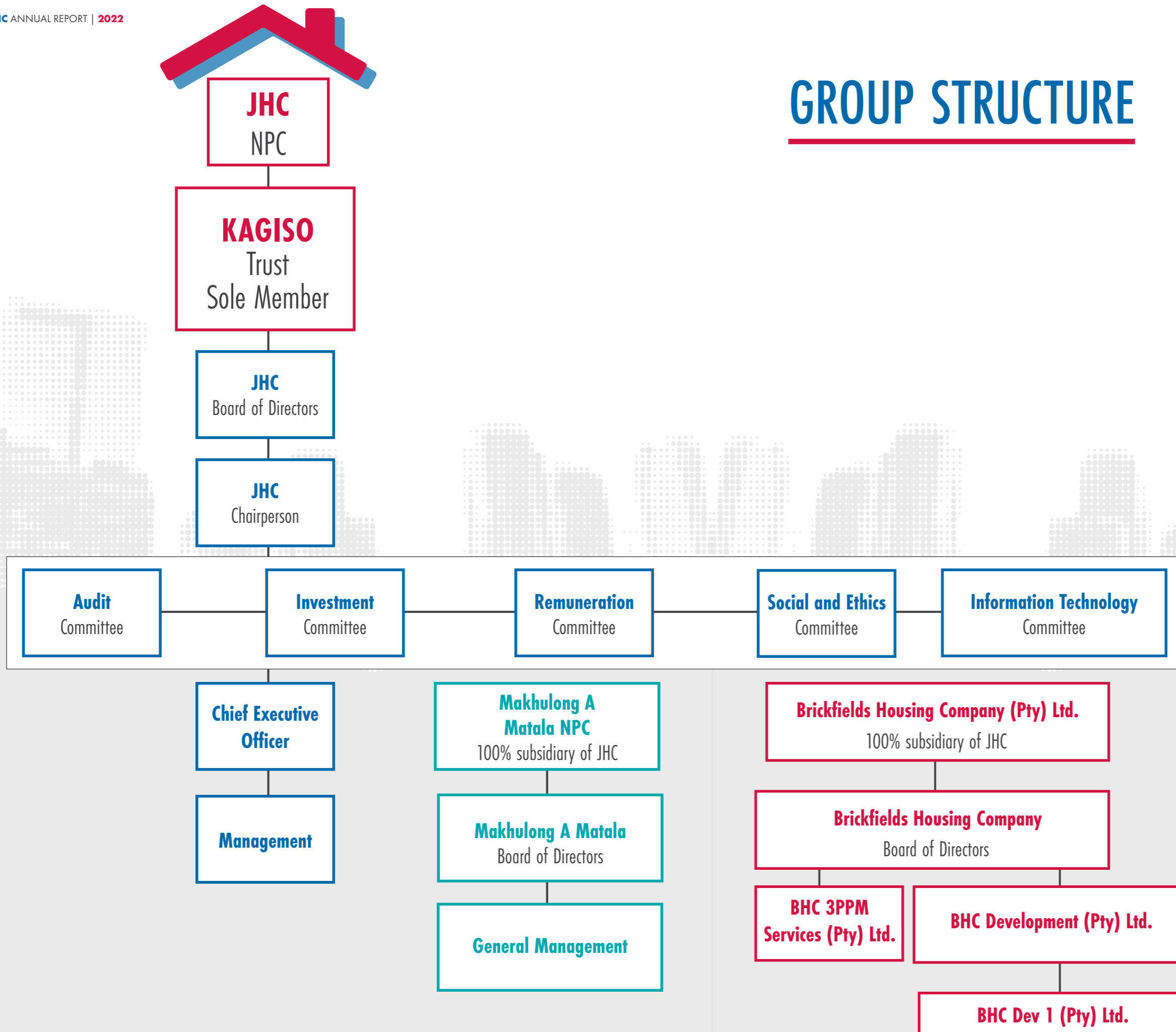


Love Where You Live with JHC

JHC'S 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.

GROUP STRUCTURE



PERFORMANCE AT A GLANCE



Number of buildings managed
36




Number of units managed
4 513




Number of customers
12 650



Rental income
R198.7 million



Units refurbished
759



B-BBEE status
Level 2 status achieved



Employee Wellness Programme Launched
October 2021



Spend on Skills Development
R208 153



Number of Employees Trained
49



Number of Staff Recruited
10

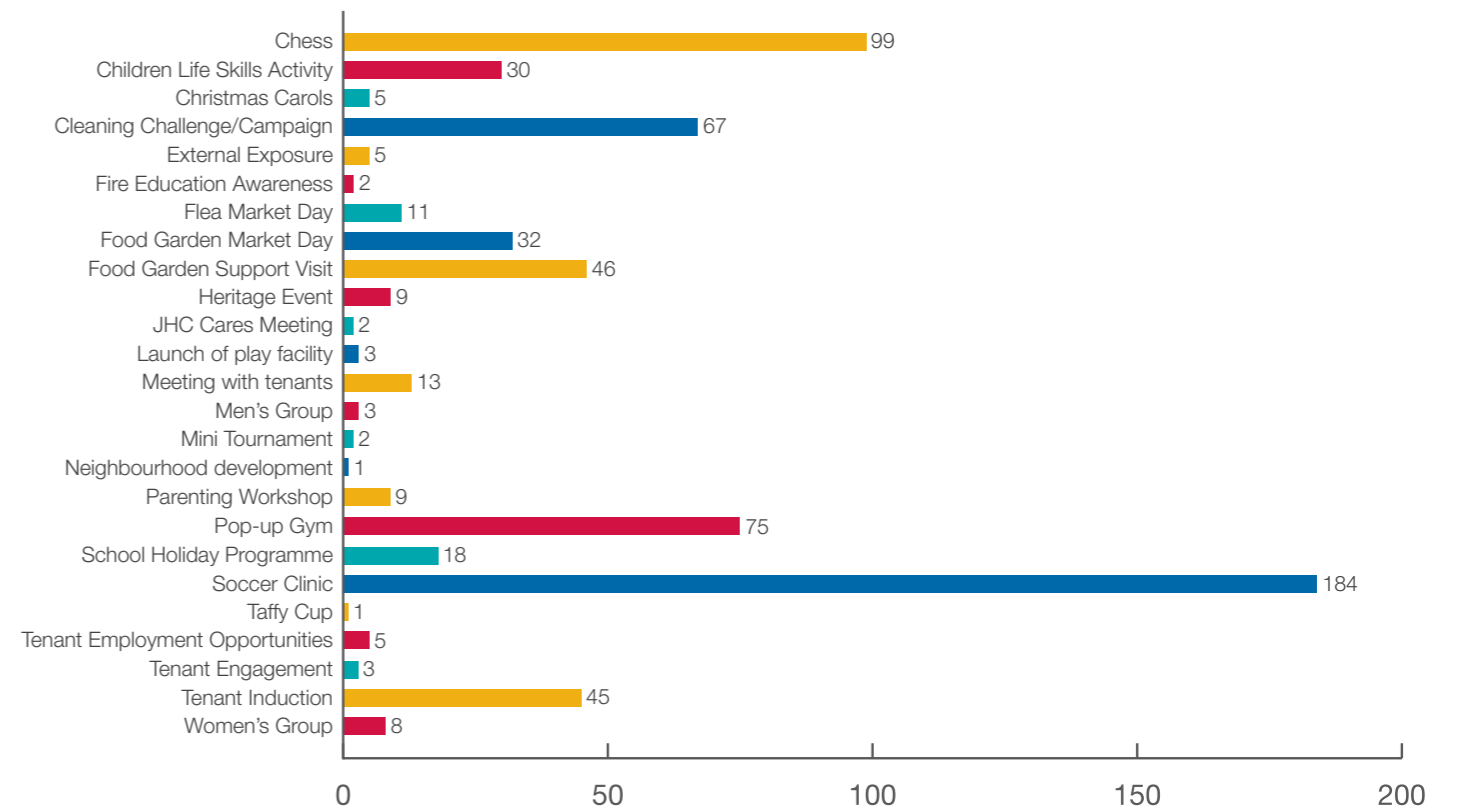
HIGHLIGHTS FOR THE YEAR

- Provision of Play Areas
- Life Skills Seminars
- Employment Opportunities
- Tenant Induction
- Rental Subsidy Awareness

VALUE OFFER TO CUSTOMERS

JHC strives to uplift the communities in which it operates and to offer increased value to its stakeholders. To achieve this, JHC ensures that its strategy is aligned with good governance and sustainable business operations. JHC continually seeks new ways in which to offer value to its customers and has implemented various initiatives to achieve this objective.

NUMBER OF MAM ACTIVITIES JUL '21 TO JUN '22



CHAIRMAN'S REPORT



Benjamin Nokaneng

The way in which JHC members focused on the Company's objectives during these trying times has been a remarkable outtake for me from the year. The challenges presented during the year required that we quickly and effectively pivot and revisit our strategic objectives. This was done, and I am proud to lead a committed team who demonstrated tenacity and remained dedicated to the wellbeing of the company and its customers.

JHC weathered a record high in vacancy and arrears rates, prompting an urgent review of the Company's strategic objectives. As a result, a rapid response strategy was formulated and quickly implemented. The strategy was named BOLT (an acronym devised from the purpose to Bring On Lots of Tenants) and required the deepest level of commitment from the team, which they duly demonstrated. The BOLT strategy identified key activities to reduce the vacancy rate and retain tenants. This is expanded upon throughout this report and is a remarkable achievement by JHC.

The economic environment in which we have operated (both locally and globally) has placed significant pressure on an already depressed industry. It is with optimism, however, that we note a seemingly strong turnaround in the property and construction markets.

“The financial year under review has seen the rallying of JHC members, at all levels, remain laser focused on the business objectives in spite of the challenges the business was confronted with.”

Many of our customers were severely impacted by the various levels of lockdown that resulted in a loss of income to the affected households. I am proud to lead and be part of a team who has embedded customer-centric culture and worked tirelessly to ensure that benefit and value was delivered to our customers.

INTRODUCING STRATEGIC PROJECT OFFICE

Within each company resides a cluster of human, intellectual, financial, and social capital that together create core competencies. When these competencies are valuable, rare, and difficult to imitate, they create a competitive advantage. The new strategic project office (SPO) was developed for just such a purpose. JHC is a large organisation, and managing projects across various departments was identified as a key requirement for achieving strategic objectives. The SPO houses our key functions: information analysis and interpretation, oversight of the JHC's strategic activities and projects, project delivery, and the provision of a strategy knowledge bank. I believe that through introducing the SPO, that we will continue to see growth and delivery of outstanding service to our customers so that they may be positively impacted.

ECONOMIC ENVIRONMENT

The ongoing conflict between Russia and Ukraine has had a profound impact on the global economy, resulting in a rapid increase to the inflation rate of many major economies. South Africa has not escaped the effects and, having only recently begun emerging from the effects of the pandemic and associated measures to curb the spread of COVID-19, has noted that its citizens are financially burdened. Exacerbating the economic downturn was the extreme weather conditions that swept areas within KwaZulu-Natal (KZN) – leaving many homeless – compounded by the civil protests experienced across parts of Gauteng and KZN.

South Africa's resilience was demonstrated yet again, as despite the hard-hitting economic turmoil experienced during the period, national property indicators show that a positive uptick in the market is beginning to take shape, and it appears that this trend will continue. The South African Reserve Bank (SARB), in an attempt to keep inflation in check, has since embarked on a rate hike cycle. In March 2022, SARB hiked interest rates by 25 basis points with expectations of a further 50 basis points rate hike in July 2022. JHC has made provision for these interest rate increases in its budget for the upcoming financial year. Continued rate hikes would, however, impact on JHC's proposed balance sheet growth in the medium to long term. Strategies are being put in place to deal with the impact.

CONCLUSION

Having experienced the commitment of the JHC team, I am confident that through prudent management, and by remaining flexible in our strategic reaction, that JHC will soon return to a stable financial position and that it will achieve its goals in terms of vacancy and rate of arrears. I am indeed proud to be part of a team who genuinely cares for its customers and the communities that it serves. It is this care that sets us apart from our competitors and I am indeed excited to be part of JHC's growth.

Thank you to my fellow board members and to the Executive team for your support and leadership. To each staff member of JHC, your contribution has been intangibly meaningful, and I am humbled by your empathy and commitment to effect change. The results presented in this report would not have been possible without your input.

For this, I thank you.

Benjamin Nokaneng
Chairperson

CEO'S REPORT



Elize Stroebel

Despite our best efforts, we have succumbed to various economic – both macro and micro – influences and have reported a loss for the period.

One of the greatest challenges that we faced was the unit vacancy rate. Through targeted efforts, we have been able to significantly reduce the vacancy rate and look forward with optimism that the trend will continue in the 2022/23 financial year. The efforts were led by a special project, which we aptly named BOLT – Bring On Lots of Tenants.

BOLT

In September 2021, the JHC group recorded a vacancy rate of 29.22%. At that point, JHC was no longer able to achieve the single-digit vacancy percentages that the organisation was renowned for since its inception. The COVID-19 pandemic and its aftermath further contributed to a concerning trajectory characterised by JHC's vacancies increasing by around two percent each month. JHC launched its first-ever Rapid Results Project, named BOL, with an audacious and single-minded goal of reducing the JHC group vacancy rate by 50% in 90 days. This goal was to be achieved by focussing on two areas i.e. (a) attracting new tenants and (b) retaining existing

“The year under review has not been without challenge, but the JHC team has shown tenacity and has worked tirelessly to achieve our objectives.”

tenants. The entire Company was galvanised by this common goal and every staff member, regardless of their role, function, or position in JHC adopted and pursued this goal relentlessly. Everyone participated in some meaningful way.

The BOLT initiatives implemented included a review of the vetting criteria, a staff and tenant referral incentive programme, the introduction of a dedicated sales team, and a reward offer to tenants who pay their rent on time.

An arrears assist programme was also introduced for historically well-paying tenants who had fallen on hard times during the pandemic. The main initiative was a R1 Rent for the first-month promotion, which gripped the attention of potential tenants and even made JHC's competitors take note. During the project, JHC also launched a special Black Friday promotion, resulting in 185 approved applications.

In less than three months, by 8 December 2021, JHC recorded a vacancy rate of 21.53% and when the results were released for December 2021, JHC was a mere four percent shy of the initial BOLT goal. This prompted JHC to extend the BOLT project until 31 March 2022 to capitalise

on the momentum already gained. Ramping up JHC's digital presence during BOLT recorded an unprecedented statistic of 2 122 650 people who saw our promotions on one of several JHC digital platforms (website, e-mail banners and social media). The sales team engaged with 3 969 potential tenants and successfully converted 25% to become valued JHC customers.

When the final figures were released for March 2022, JHC celebrated a single-digit vacancy figure of 9.66%.

A company-wide survey was issued and focus group sessions were conducted to gain opinions from staff in terms of what worked and did not work during the BOLT project. The BOLT core team and Exco reviewed these inputs and various statistics to assess the BOLT initiatives and identify which could, and should, be operationalised. The outputs of this review provided input to the five-year strategic planning process conducted earlier in 2022.

The BOLT project continues to stand out for JHC as one of its great successes in 2021/2022. Not only did we achieve an excellent vacancy rate and turn a dismal trajectory around, but the project, most importantly, strengthened JHC's team cohesion which was impacted by social distancing and remote work during the peak of the COVID-19 pandemic.

ECONOMIC ENVIRONMENT

The long overdue end to the state of disaster in South Africa in early April 2022 was a welcome announcement. Unfortunately, the general optimism elicited by the announcement was overshadowed by the war in Ukraine, which resulted in an increased inflation rate in several major economies. As the South African economy struggled to recover from the devastation wrought by the COVID-19 pandemic, it was dealt several further blows. The country experienced a period of unrest, seeing riots across KwaZulu-Natal and parts of Gauteng that resulted in damage to infrastructure, business, and ultimately the livelihoods of many citizens. In addition, the increasing cost of fuel and rising interest rates further burdened the economy. In April 2022, adverse weather conditions resulting in floods occurred in KwaZulu-Natal. The devastation caused by the floods was of such a magnitude that the United Nations and UNICEF were called to.

However, it has not been all doom and gloom. Encouragingly, key national property indicators reveal the property sector has weathered the worst of the economic storm and (based on the current trajectory) should soon show signs of recovery. Low inflation and the need to stimulate a fragile local economy during the pandemic resulted in historically low prime interest rates i.e., between 7% and 7.25% in 2020 and 2021.

The South African economy grew by 1.2% in real terms during the latter part of 2021, taking the annual growth for 2021 to 4.9%. This growth was primarily driven by consumer spending, personal services, trade, manufacturing, and agriculture. Of concern is the fact that economic growth did not translate to job creation.

According to Stats SA, unemployment, the biggest challenge facing South Africa, was at a record high of 35.3% at the end of 2021. Full-time employment decreased by 0.1% between December 2020 and December 2021, a loss of 12 000 jobs. In this same period, however, part-time employment grew by 16.5%, resulting in 16 600 part-time jobs. The rental market may well experience an increase in risk as the number of customers with secure income diminishes and more customers come to rely on a part-time income.

JHC will actively address the matter of affordability faced by customers. This will be managed through two outcomes as set out in the strategy for 2023–2027. These outcomes seek to:

- Improve utility efficiency and secure supply across JHC's portfolio over time; and
- Build customer-appropriate products, payment options and flexibility into our systems.

JHC will also be building alternative (non-rental) revenue through our commercial stock and service offerings.

STRATEGY UPDATE

The Board approved JHC's 2021–2022 one-year strategic plan (Planning for the Future) in March 2021. Overall, JHC has performed well in achieving its strategic objectives. Some objectives were removed from the strategy to make way for the implementation of plans to reduce the unit vacancy rate. The objectives under the strategy that were achieved fill me with pride and gratitude for the commitment shown by all members of JHC's team. These include, among others, systems upgrades (such as the implementation of biometric access systems), support of customer employment opportunities, improved customer communications, and ease of interaction between our business and our customers.

CONCLUSION

I extend my thanks to every member of staff. You have all truly embedded the culture of JHC, and your commitment to cost-saving measures and achievement of strategic objectives has shown that you have lived the values of JHC. This dedication sets JHC apart in that we care for our customers and continue to seek new ways to improve their lives, as well as the lives of other community members. To the Executive Committee (EXCO) team, thank you for your

leadership of your teams during a very difficult period in JHC's history.

To the Board, I thank you for your guidance and direction. Your input has been sound and well considered. Your support has empowered the executive team to dream without restriction and to achieve our strategic performance indicators.

I look forward to the year ahead with optimism and have every confidence that we, as a company, will continue to leave a lasting and positive impact on the lives of our customers and the communities that they live in.

Elize Stroebel
Chief Executive Officer

CEO OFFICE



Joan Stow
Executive Assistant



Colleen Ormond
Strategic Project Manager



Tarryn Naidoo
Digital Marketing Specialist



Juanita Prinsloo
Strategy Manager

GOVERNANCE STRUCTURE

JHC'S BOARD OF DIRECTORS



Benjamin Nokaneng (Chair)



Elize Stroebel



Prosper Mpfu



Len Kline



Robert Giuricich



Sam Mkorosi



Jill Strelitz



Nonkqubela Maliza



Bishnen Kumalo



Mzomhle Nyenjana



Silindokuhle Chamane

JHC's board comprises 11 directors, of whom nine are independent non-executive directors and two are executive directors. The Board ensures that it meets at least once per quarter and is Chaired by an independent non-executive member, Mr Benjamin Nokaneng.

The Board is appointed to ensure that good governance practices are upheld by JHC and directs the Company's affairs to support the achievement of the group's objectives. The Board provides valuable input to and is the custodian of the strategic direction, including risk identification and mitigation and governance policies.

JHC BOARD MEMBERS

Mr Benjamin Nokaneng (Chairman)
Chief Investment Manager
Gyro Group

Ms Bishnen Kumalo
Head of Modernisation
BankServAfrica

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

Ms Silindokuhle Chamane
Finance Head
Kagiso Trust

Ms Nonkqubela Maliza
Executive Director Corporate and
Government Affairs
VWSA

Mr Mzomhle Nyenjana
Chief Financial Officer
Kagiso Trust

Mr Robert Giuricich
Retired

Mr Sam Mkorosi
Head of New Listings and Internal
Corporate Finance
JSE

Ms Jill Strelitz
Executive Director
NewHco

Mr Len Kline
Managing Director
Len Kline & Associates

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

*Executive Directors

Board responsibility

JHC's Board is responsible primarily 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 Subcommittees

The Board delegates certain functions to appointed subcommittees which hold, and are responsible for, specific areas of expertise. Each subcommittee is chaired by a non-executive director and operates within the mandate and delegated authority received from the Board.

Audit Committee

The members of the Audit Committee are independent non-executive directors of JHC's board. JHC's Chief Executive Officer, Chief Financial Officer, Management Accountant, and Compliance Manager 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 uninhibited access to all required information and may 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.

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 Stroebel (CEO)

Mr Prosper Mpofo (CFO)

Ms Lindiwe Ndziba (Management Accountant)

appointed in June 2021

Ms Lukhanyiso Kona (Compliance Manager)

Audit Committee Responsibilities

The Audit Committee is responsible for ensuring that:

- Adequate accounting records are maintained.
- An effective system of internal and risk management control exists and is implemented.
- A risk governance strategy and policy are in place and 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.

In addition to its primary responsibilities above, the 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, as well as its internal financial management.
- Approving the annual financial statements and recommending their adoption to the Board.
- Reviewing risk management progress, process, and effectiveness; monitoring key risks and ensuring appropriate remedial action when necessary.

Remuneration Committee

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

Remuneration Committee Members

Mr Robert Giuricich (Chair)

Ms Nonkqubela Maliza

Ms Jill Strelitz

The Remuneration Committee Responsibilities

The Remuneration Committee is responsible for:

- Reviewing and making recommendations to the Board on remuneration and service contract matters.
- 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.

Investment Committee

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.

Investment Committee Members

Mr Sam Mkorosi (Chair)

Mr Robert Giuricich

Mr Len Kline

Mr Benjamin Nokaneng

Ms Elize Stroebel (Executive Director)

Ms Silindokuhle Chamane

By Invitation

Mr Prosper Mpofo (CFO)

Mr Matt Jackson (New Developments Manager)

Investment Committee Responsibilities

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 of the Social and Ethics Committee are independent non-executive directors of JHC's board. JHC's Chief Executive Officer, Chief Financial Officer, and Customer Relations Executive attend meetings as invitees and not as committee members. The Committee meets at least once a year and operates under the direction and scope of the Companies Act.

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 (Customer Relations Executive)

Social and Ethics Committee Responsibilities

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.
- Developing 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 (ITC)

Members of the Information Technology Committee 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 Risk and Compliance Officer. Additional invitees 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 JHCs Memorandum of Incorporation regulating the meetings and proceedings of directors and Committees.

Information Technology Committee Members

- Ms Bishnen Kumalo** (Chair)
- Mr Len Kline**
- Ms Silindokuhle Chamane**

By Invitation:

- Ms Elize Stroebel** (CEO)
- Mr Prosper Mpfu** (CFO)
- Mr Tumi Pambo** (IT Executive)

Information Technology Committee Responsibilities

The Information Technology Committee is responsible for:

- Developing an annual work plan to maintain JHC’s Information Technology and recommending strategies for JHC to take advantage of the changing short-, medium-, and long-term Information and Communications Technology (ICT) landscape.
- Monitoring JHC’s Information Technology activities, having regard to any legislation, legal frameworks, and prevailing codes of best practice.

Board and Subcommittee Meeting Attendance

All meetings held are recorded and minutes approved by the relevant parties. The table below provides an overview of meeting attendance by the Board and its Subcommittees.

| | Audit | Board | Social & Ethics | Board | AGM | Social & Ethics | Board | Audit | Audit | Board |
|-------------|------------|------------|-----------------|------------|------------|-----------------|-----------|------------|------------|------------|
| | 17/09/2021 | 29/09/2021 | 20/10/2021 | 24/11/2021 | 26/01/2022 | 9/03/2022 | 4/05/2022 | 17/05/2022 | 13/06/2022 | 29/06/2022 |
| 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 | Apology | Apology | n/a | Yes | n/a | n/a | Yes |
| Maliza, N | n/a | Yes | Yes | Yes | Yes | Yes | Yes | n/a | n/a | Yes |
| Mokorosi,S | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Mpfu, P | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Nokaneng, B | n/a | Yes | n/a | Apology | Yes | n/a | Yes | n/a | n/a | Yes |
| Nyenjana, M | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Strelitz,J | n/a | Yes | n/a | Yes | Yes | n/a | Yes | n/a | n/a | Yes |
| Stroebel, E | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |

BHC BOARD OF DIRECTORS

BHC Board Members



Len Kline
Chair



Elize Stroebel



Prosper Mpfu



Robert Giurich



Benjamin Nokaneng



Mzomhle Nyenjana

MAM BOARD OF DIRECTORS

MAM Board Members



Len Kline
Chair



Taffy Adler



Nompumelelo Mabece



Lindi Malinga



Sarah Maphoto-Papi



Sam Mokorosi



Shirley Moulder



Elize Stroebel

EXECUTIVE COMMITTEE

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

The roles and responsibilities of each executive function are provided in the respective work profiles and contracts.

Executive Committee Members

Elize Stroebel (Chief Executive Officer)

Prosper Mpofu (Chief Financial Officer)

Lindi Malinga (Customer Experience Executive)

Boyce Maritz (Property Executive)

Tumi Pambo (Information Technology Executive)

BRICKFIELDS HOUSING COMPANY (PTY) LTD

Brickfields Housing Company (BHC) was established 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 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 JHC Board.

BHC Board of Directors

Mr Len Kline (Chairman)

Mr Benjamin Nokaneng

Mr Robert Giuricich

Mr Mzomhle Nyenjana

Ms Elize Stroebel (Executive Director)

Mr Prosper Mpofu (Executive Director, Company Secretary)

BHC 3PPM Services (Pty) Ltd

BHC 3PPM was established within the JHC Group, under the Brickfields Housing Company umbrella, 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 Mpofu (CFO)

Mr Otto Pretorius (Chairman)

Ms Elize Stroebel (CEO)

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 was established with the intent of strengthening JHC's focus on social development and sustainability. MAM is a registered non-profit company and public benefit organisation. This status enables donors who provide funding to MAM to deduct the sum of their donations from their taxable income. MAM 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)



COMPLIANCE MONITORING



Lukhanyiso Kona
Compliance Manager



Prudence Ngwenya
Document and Knowledge Management Administrator



Mamosa Nonyane
Compliance Specialist

This section outlines the activities and progress made by the compliance function at JHC. It provides an overview of key compliance areas including POPIA, B-BEE compliance and development of policies and procedures, as well as material legal matters. The compliance department continues to monitor regulatory developments and compliance requirements of all stakeholders – including customers, funders and donors, and the Social Housing Regulatory Authority (SHRA).

PROTECTION OF PERSONAL INFORMATION ACT (POPIA) COMPLIANCE

JHC focused on monitoring the changes in the areas of data privacy legislation following the enactment and implementation of POPIA, the Cybercrimes Act, and legislation governing the processing of data. In the period under review, the focus remained on customer education and providing customers as well as external stakeholders assurance that JHC is committed to achieving and maintaining POPIA compliance.

Engagement with external service providers and third parties who process personal information on behalf of JHC was prioritised to ensure that stakeholders with limited resources are kept abreast of their responsibilities when processing personal information pertaining to JHC data subjects and, in particular, special personal information - which requires a higher level of protection.

to an overall improvement in respect of the skills development element. JHC continued to excel in the preferential procurement element and, in line with the procurement policy, spend on black-owned and qualifying small-, medium-, and micro-sized enterprise suppliers has resulted in the achievement of the maximum number of points awarded in this respect.

B-BBEE COMPLIANCE

JHC continued to use the services of BDO due to their experience and background in conducting B-BBEE verification services with JHC. The implementation and commitment to achieving B-BBEE compliance remained a key focus throughout the organisation. The areas of focus included the three elements on which JHC is rated: Employment Equity, Skills Development, and Enterprise and Supplier Development.

The B-BBEE scorecard has improved over the past three financial years and the focus remains on maintaining a favourable B-BBEE scoring in all the respective elements. JHC achieved a Level 2 rating for the previous financial year and remains committed to identifying additional strategies across the Specialised Property Sector Code to improve its B-BBEE rating and positively contribute to transformation in this sector.

A summary of the improvement in the scorecard from the previous three financial years' rating is provided in the table below:

The implementation of accredited learnership and internship programmes, which provided opportunities to black youth through skills development, has contributed



In achieving compliance with data privacy legislation, gaps in existing controls and measures were identified and planning was facilitated to close these gaps. The acquisition of cybersecurity insurance is one of the risk mitigation measures currently being put in place to close the gaps identified. The COVID-19 pandemic has necessitated a comprehensive gap analysis of the document and information management system. This is

due to remote and hybrid working. Necessary updates to the IT Policy were affected in order to enhance the controls and measures in place. With a global increase in data breaches, cybersecurity remains a key risk when processing personal and proprietary information in all areas of the business.

| ELEMENT | WEIGHTING | SCORE 2018/2019 Level 3 | SCORE 2019/2020 Level 2 | SCORE 2020/2021 Level 2 |
|--|-----------|-------------------------|-------------------------|-------------------------|
| Employment Equity | 13.00 | 11.89 | 11.41 | 10.34 |
| Skills Development | 19.00 | 10.32 | 11.98 | 12.60 |
| Enterprise and Supplier Development | 24.00 | 22.28 | 24.51 | 23.87 |
| Total | 56.00 | 44.49 | 47.90 | 46.81 |
| Total Adjusted for Property Sector (Incl. Bonus) | 132.00 | 91.77 | 98.79 | 96.54 |

PROTECTED DISCLOSURES AND WHISTLEBLOWING

The monitoring of fraud and corruption within the organisation, through the Fraud Hotline and driving an active culture of compliance and ethical conduct, remains a priority within the JHC. There were no reports received during the period in question related to fraud, corruption, or unethical behaviour, and the JHC Protected Disclosures and Whistleblowing Policy remains a key resource in this regard. The hotline remains key to combating corruption and fraud. The independent operation and management of the hotline is a key communication driver, and stakeholders are informed of the hotline's availability. Usage of the hotline is monitored to ensure ethical compliance in the organisation, and to measure the efficacy of the hotline service.

COVID-19 RENT RELIEF PROGRAMME

JHC continued to assist customers who met the qualifying criteria for the COVID-19 Rent Relief Programme. The programme targeted social housing beneficiaries (defined in the SHRA and Regulations) who were in financial distress due to COVID-19. JHC customers who underwent a negative financial impact due to COVID-19 were assisted in applying for the grant. Decision making was based on proper means testing, including proof of reduced income because of COVID-19. JHC customers who the SHRA approved had payments made against customer accounts. The grants were approved on a sliding scale of up to 80% of what the customer owed – depending on their individual circumstances. A total of R395 200,00 was awarded by SHRA to qualifying JHC customers.

RENTAL SUBSIDY REVISION OF INCOME BANDS FOR QUALIFYING TENANTS

On 1 April 2022, a decision to was made by the Department of Human Settlements to revise the subsidy income bands for qualifying households. The bands for households within the target market have been changed to households earning from R1 850 to R22 000 gross monthly income – as opposed to the previous qualification criteria for household income from R1 500 to R15 000.

The expansion of the target market to households earning up to R22 000 gross monthly income again allowed for the JHC to revise potential customers eligible for subsidised rentals in a tough economic climate. Customers who fell under these income bands were assisted with the application for subsidy rentals and, once approved by the Department of Human Settlements, received a reduction in their monthly rentals. JHC continues to run an active subsidy campaign, providing awareness to all customers of the availability of rental subsidies to all those who meet the qualifying criteria at the respective JHC subsidised buildings.

INTERNAL AUDIT FUNCTION

The internal audit focused on the following areas of the business as part of the audit plan for the 2021/2022 FY.

- Operations Procedures Review
- Inventory Control and Management
- Utilities Management
- Compliance Management.

Internal audit reported that JHC had overall good control frameworks in place and internal controls that are adequate to mitigate significant risks.

Lukhanyiso Kona
Compliance Manager



SHRA RRRF Video January 2022



JHC SHRA Residential Rent Relief Recipient

RISK MANAGEMENT

JHC closely monitors its identified risks and implements mitigation strategies to attend to these. Below are the top five risks identified for the period.

| Risk Identified | Risk Area | Description |
|--|---------------|--|
| Worsening macro-environment's impact on arrears and revenue. | Strategic | This risk has been intensified by the COVID-19 pandemic and affects all areas of JHC's operation (particularly vacancies and arrears with a resultant negative impact on our operations). Major drivers: Interest Rates; Utilities inflation; Social Unrest; Unemployment; Supply chain pressures. |
| Liquidity risk | Finance | This risk has been intensified by the COVID-19 pandemic. It can manifest itself insofar as lack of returns on projects and the inability to meet loan covenants. |
| Downward valuation of properties affecting the value of the balance sheet. | Finance | The adverse economic conditions could result in the cap rates in the inner-city increasing. Lower Net Income due to higher vacancies and arrears rates could result in lower valuations. |
| IT security risks i.e. data breaches, malware etc. (External). | IT/Compliance | External Need to protect data with careful focus on: <ul style="list-style-type: none"> • External cybersecurity attack. • Internal staff activity creating risk exposure. |
| IT security risks i.e. data breaches, malware etc. (Internal). | IT/Compliance | Internal Need to protect data with careful focus on: <ul style="list-style-type: none"> • External cybersecurity attack. • Internal staff activity. • Lack of training of staff. |

OPERATIONS



Boyce Maritz

PROPERTY MANAGEMENT

During the reporting period, various development initiatives were undertaken in accordance with the planned activities for the period. The details of the various projects are provided hereafter.

JHC, despite operating disruptions resulting from COVID-19 regulations that halted certain activities, was able to make good progress on various projects that included the rollout of Wi-Fi at buildings, upgrades to access control systems, and various maintenance interventions as described below. Several incidents were recorded and appropriately responded to.

Wi-Fi Rollout

The Company successfully rolled out its value-added offering to its customers through Wi-Fi provision in the buildings. Nine buildings now have access to Wi-Fi with various subscription options available to customers. The adoption of the services has, however, been despondently low. As such, JHC has revised its strategy to include the promotion of service adoption by its clients. The turnaround strategy success will be measured in the upcoming reporting period.

Portfolio and project managers assessed the sites and approved the installation after confirming that these were neatly and safely completed.

Access control upgrades

To ensure the ongoing safety of customers, biometric access control systems have been installed or upgraded where necessary. The majority of the works were concluded during the reporting period, with the following sites still requiring finalisation:

- Brickfields
- Dorchester
- Landrost
- Jeppe Oval.

The sites that are yet to be finalised have experienced technical difficulties that are being attended to. The project is expected to be completed within the first half of the upcoming financial year.

Solar Installation at Hlanganani

In a bid to minimise the impact of load shedding on business operations at Hlanganani, a solar power solution has been implemented at the site. The system has the capacity to provide uninterrupted power to the Housing Supervisor's office and the guardhouse, including the biometric access system and gate motors. The system provides eight hours of backup power during the evenings and can accommodate longer durations in daylight periods.

Fire incident at Brickfields

On 13 May 2022, a fire broke out in a unit at the Brickfields property site. The fire was allegedly started when occupants of the unit had quarrelled and in a malicious act, one of the occupants set the unit alight. The Housing Supervisor and Security were quickly on the scene and extinguished the flames before spread to adjacent units. Extensive damage was caused to the unit and the customer's belongings. The emergency fire response units arrived on the scene and confirmed that the fire had been safely extinguished. No injuries resulted from the fire and a case of arson was opened, charging an occupant of the unit.

Quotations to repair the damage to the unit were received and submitted to the insurer. JHC accommodated the leaseholder by providing an alternate unit at a discounted rental, basic furniture, and bedding items. To mitigate such an incident in future and to assist the leaseholder, MAM was engaged to provide counselling support where necessary.

Off-site Monitoring via CCTV

The long-standing objective of enhancing security and reducing costs by implementing off-site monitoring via CCTV cameras at the buildings will soon be realised. An extensive pilot project was undertaken and JHC is confident in the ability of its selected solution. The service ensures around-the-clock monitoring and is linked to an armed response company. The contract includes maintenance and detailed monthly incident reports. JHC has observed a marked cost saving on security services across eight of the nine buildings.

Due to the implementation of the upgraded security offering, a would-be intruder at the Brickfields site was apprehended. The alarm was raised when the would-be intruder scaled the property fence, and both the security company and police were alerted through the off-site monitoring.

THIRD-PARTY PROPERTY MANAGEMENT

Kempton Village

The management of Kempton village has performed well over the period, with no material issues being reported.

Significant maintenance programmes are needed at the site. Complaints were noted from residents with regard to cracked and lifting tiles. Safety concerns have been raised in this regard. JHC is closely monitoring progress on the resolution of the matter and has concerns regarding the delay in closing out the issue.

Cameras at the site have been affected by loadshedding. Thirty cameras have been impacted and the service provider has been alerted to the issue. This is set to be resolved within the first quarter of the new financial year, as technicians are expected to find a viable solution to the ongoing matter.

Blocks C, D, and E have reported difficulties with regard to warm water services. JHC remains aware of this and has attended to the water heating issue at block B, which is now enjoying a reliable supply of hot water. Progress will be monitored to ensure that the matter is resolved to a high standard.

During the period, several evictions were made. Evictions were executed under the guidance of the Sherriff and the court. Many residents have made payment plans with JHC and others have settled outstanding debts as a result of the process being implemented. The landlord has requested JHC to begin the process of lease contract renewals and to issue final warning notices where necessary.

Two residents approached the Rental Housing Tribunal claiming to have been illegally evicted by JHC. The Tribunal ruled in favour of JHC, finding the residents guilty of not fulfilling their obligations under the lease agreements. JHC was, however, instructed to immediately restore power to units that were disconnected. This was accordingly actioned.

All annual maintenance has been undertaken at properties under JHC's management and the Company is confident that all applicable regulations have been adhered to.

33 Macintyre

Building operation has continued with no material incidents being reported. Annual maintenance has been undertaken in accordance with the various legislative requirements, and findings noted for a few geysers have been reported with the corrective plan approved.

The recent fumigation of the common area has proven successful in managing pest infestation, and the situation is being monitored. The waste area (bin area) was relocated to the back of the building, providing improved living conditions for the units adjacent to the original waste area. Residents have complied with the request to dispose of their waste at the new location.

An access-controlled turnstile using biometrics is scheduled for installation at the site.

Masana House

The requisite maintenance has been undertaken at the site and no major findings or material matters have been reported.

The utility tariff increase planned from 01 July 2022, has been communicated to the residents.

PROPERTY MAINTENANCE

In February 2022, a work order module was included as part of the call centre infrastructure and tools upgrade. The module, the FM5000, allows for effective recording and tracking of work orders logged. The Maintenance Call Centre has logged approximately 2 500 work orders per month. Looking ahead, JHC intends to allocate an increased number of work orders internally in a bid to further reduce costs.

Boyce Maritz
Property Executive



HOUSING SUPERVISORS



Bongani Makhoba
Property Portfolio Manager



Sifiso Ginindza
Property Portfolio Manager



Cyril Midaka
Assistant Property Portfolio Manager



Sabelo Makhaye
Assistant Property Portfolio Manager



Jas Matela
Housing Supervisor



Johannes Makananise
Housing Supervisor



Joseph Ntabi
Housing Supervisor



Kabelo Maleka
Housing Supervisor



Edward Mokwinda
Senior Housing Supervisor



Eliot Mabunda
Senior Housing Supervisor



Simon Mbulawa
Senior Housing Supervisor



Tshepo Noko
Senior Housing Supervisor



Larry Mabasa
Housing Supervisor



Marks Bila
Housing Supervisor



Molatelo Seshibe
Housing Supervisor



Monica Nthangeni
Housing Supervisor



Nokulunga Ndlovu
Senior Housing Supervisor



Obrey Makamu
Senior Housing Supervisor



Emmanuel Kubeka
Housing Supervisor



Jacob Bezula
Housing Supervisor



Mzwandile Bhengu
Housing Supervisor



Promise Gwabaza
Housing Supervisor



Samuel Madzivani
Housing Supervisor



Thulani Luthuli
Housing Supervisor



Annah Matima
Housing Supervisor



Benson Mabasa
Housing Supervisor



Vincent Mbatha
Housing Supervisor

PROPERTY ADMINISTRATION



Nothando Mthembu
Property Administration Manager



Kholi Mogosi
Hub Back Office Administrator



Jerrilee Schroeder
Hub Back Office Administrator



Faith Shabalala
Senior Maintenance Administrator



Njabulo Zulu
Maintenance Administrator



Nomagugu Mbhense
Maintenance Administrator

PROPERTY MAINTENANCE



Simone Maphanda
Quality Control Officer



Fredy Munawa
Plumber



Miyanda Siamsipa
Carpenter



Decide Makondo
Maintenance Technician



Jabulani Libimbi
Maintenance Technician



Thema Moche
Maintenance Technician

PROPERTY AND INVESTMENT



Matthew Jackson
Development Manager



Koketso Legodi
Project Manager



Rhulani Chauke
Project Coordinator



Siyanda Zide
Project Coordinator



Lydia Nekhunguni
Letting and Marketing Manager



Thando Mqaju
Letting and Marketing Administrator



Lebo Seekane
Letting Consultant



STAKEHOLDER RELATIONS



Lindi Malinga

JHC strives to personalise the experience for its customers and to make a tangible difference in the lives of those impacted by its operations. As such, JHC's Customer Relations team identified various objectives that have guided their intent for the reporting period.

The Company has made positive strides in embedding, at its core, the value of its customer and the customer experience. Research was conducted during the period, with the objective of informing the upcoming five-year strategy. The research supported JHC's view that its customers' lives were improved through the various programmes.

Many planned activities were re-prioritised so that MAM could assist in addressing the high vacancy rate experienced. The execution of planned initiatives was impacted by measures to curb the spread of COVID-19 and as a result of the BOLT initiatives. As such, some activities were deferred to the upcoming financial year. This section of the report provides an overview of the activities conducted and the results of activities undertaken in the financial year under review.

MAM carefully reviewed its strategy for the period, prioritising the customer experience. JHC introduced tenant employment opportunities, as identified by MAM as a strategic goal that provided a two-fold opportunity—uplifting the lives of its customers and contributing towards customer retention.

Playrooms

All playrooms were reopened in January 2022. The JHC team has, however, noted instances of children engaging in altercations that result in parents becoming embroiled in the situation. JHC has monitored such instances and has put in place interventions, which have yielded positive results. The interventions have mitigated instances where tenants potentially could have opted to find alternate residence. Steps to mitigate this risk have included education for both users and non-users of the playrooms about peaceful cohabitation, sharing, mutual respect, and coexistence.

A puppet show delivered at playrooms that addressed topics such as bullying, vandalism, and respect.

Additionally, MAM renovated a storage area at Clarence Court, providing a playroom at the site. The utilisation of the playroom has proven to be a positive experience for our customers.

Junior Soccer and Chess

The Junior Soccer Development and Chess Programmes performed well during the review period. Three tournaments were hosted – two mini tournaments and a Taffy Cup tournament.



Adult Vitality

To encourage physical activity amongst customers, in support of a holistic and healthy lifestyle, pop-up gyms were provided at many of the sites. These proved exceedingly popular and were well supported, despite the often cold and rainy weather. The gym provided jump rope activities, agility hurdles, running events and tyre exercises.



Anti-Litter Campaign

An anti-litter campaign, introduced in the previous reporting period, continues to yield positive results. The campaign sees the education of customers about littering and caring for their environment. Also included is a deep cleaning of buildings and community facilities, which occurs monthly.

Life Skills Seminars

Life Skills Seminars were held at various buildings. The seminars addressed child-related social issues, provided financial management training, facilitated candid discussions about sexuality and mental health awareness, as well as education about gender-based violence.

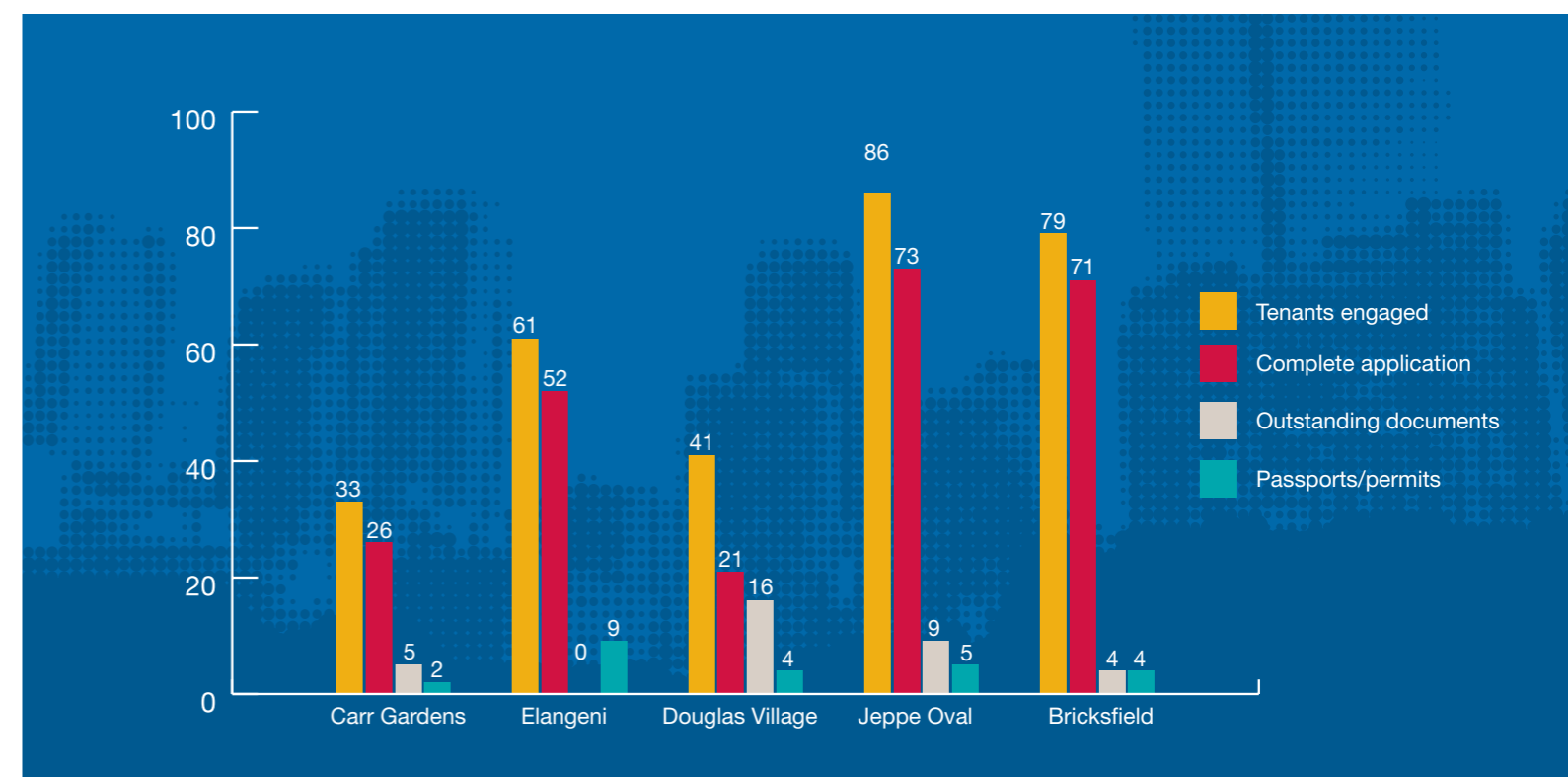
These seminars were well attended and well received. Various skills development training sessions were facilitated through partner companies, and customers have spread the word resulting in increased attendance at training and seminars.

Rental Subsidy Awareness

A housing subsidy is a government-sponsored assistance scheme, which is aimed at assisting low-income individuals who are looking to buy a house for the first time and who earn between R1 500 and R15 000 per month. To apply for a government housing subsidy, applicants must be registered on the municipal housing demand database or national housing needs register.

To promote awareness of subsidies, JHC released an educational video that introduced 'Khaya' the mascot. The video educates customers about rental subsidies and how to apply for them. The video was shared via SMS, social media, and television screens at sites where available. The uptake of subsidy applications is shown below.

SUBSIDY CAMPAIGN STATUS

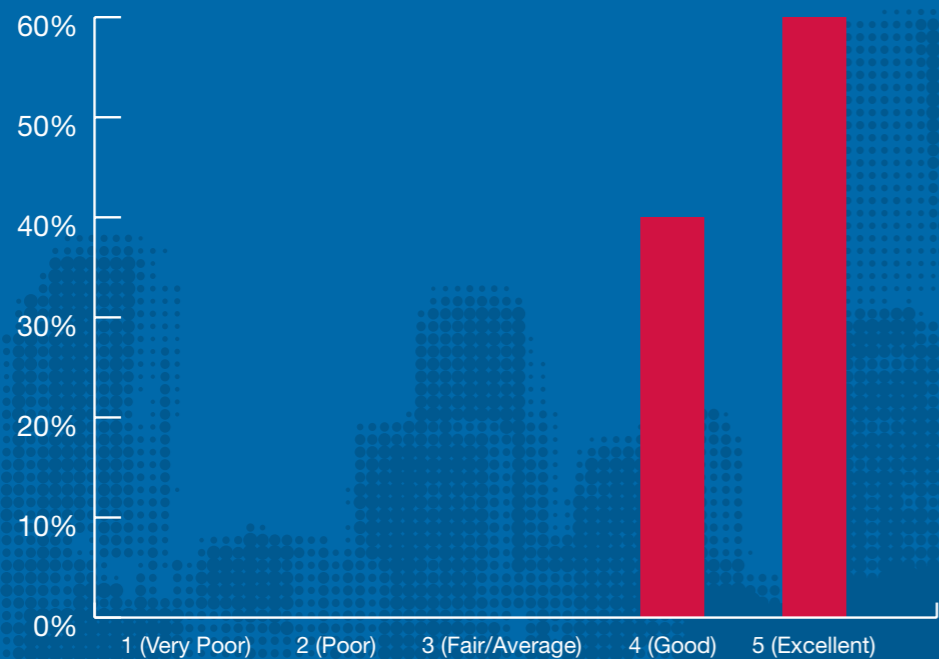


Tenant Induction

A customer induction programme has been introduced at all sites in its ongoing endeavour to enhance the experience for JHC customers. Calls placed to tenants and induction interviews undertaken were positively received. Tenants reported that these provided opportunities for them to raise questions and seek clarity on various matters. Tenants who had been onboarded received tenant orientation guides via WhatsApp and, where necessary, physical copies were sent to the unit. MAM successfully inducted 1 117 customers, introducing them to JHC's processes and procedures.

When asked to review the induction and provide feedback, 40% of respondents indicated that they found the induction to be satisfactory, while 60% of respondents indicated that it exceeded expectation.

TENANT'S VIEW ON THEIR UNDERSTANDING OF THE TENANT INDUCTION



Employment Opportunities

JHC aims to leave a lasting impression and to positively impact the lives of its customers in a sustainable manner. MAM provided skills development through the various skills training initiatives such as pottery training, urban farming, pottery, food preservation, décor design, sewing, computer skills, beautician, welding and solar geyser installation.

Entrepreneur Education and Information

Various sessions to provide information to budding entrepreneurs were hosted. These placed focus on business support, funding, and incubation opportunities. Agencies such as SEDA, SEFA, Gauteng Enterprise Propeller, NYDA, and NEF were invited to attend and share at these sessions.

Marketplace Readiness

JHC's partner, the LOF, connected participants of an urban farming course to the Victoria yards market. Participants are treated as business partners while learning how to prepare for marketplaces, and the intention is that they ultimately operate their free booths (included in the LOF package).

This experience also teaches customers how to sell their goods and make their booth attractive. Those who have completed training in food preparation and food preservation have also been invited to participate.

The LOF has added the trainees to the Victoria yards WhatsApp group, where they will receive information on upcoming events and other pertinent details.

Flea-market Days

Flea-market days have been reintroduced due to demand for the number of stalls and the addition of new vendors from JHC-managed buildings. Some businesses have seen growth, and one of the businesses welcomed the growth opportunity to install a Point of Sale (PoS) machine to facilitate seamless and convenient payment options.

The flea-market days were maintained at various buildings to assist women with small businesses and those who lost their jobs as a result of the economic downturn during and following the pandemic.



- JHC reached over 1 000 tenants through its various life skills programmes.
- Facilitated the employment of two tenants as cleaners under the MES_GROW programme.
- A Level Up competition assisted 12 entrepreneurs with marketing and advertising packages.



MARKETING AND COMMUNICATION

JHC's Website

JHC's website was upgraded during the period. The upgrade was carefully planned to deliver an improved customer experience. The upgraded website now provides easy access to information and applications for potential customers. The website also provides an easy and convenient means to contact JHC.

The approach to continue creating unique content with a call to action for lead generation was executed throughout the year, with an increased emphasis on the R1 promotion during the active campaign months. This resulted in 19 974 Facebook users and 2 438 Twitter users being reached. The engagement rate was significantly above the threshold of 1%, with both Facebook and Twitter achieving a rate of 6.40%.

Social Media

The JHC's social media following continues to grow. Notably, the growth has been largely organic and indicates that the content being published is relevant to the Company's target audience.

| YOY ORGANIC FACEBOOKCOMPARISON | | | |
|--------------------------------|--------|-----------------|----------------------|
| PERIOD | REACH | POST ENGAGEMENT | AVG. ENGAGEMENT RATE |
| FY 20.21 | 6 051 | 236 | 3,90% |
| FY 21.22 | 19 974 | 1 278 | 6,40% |

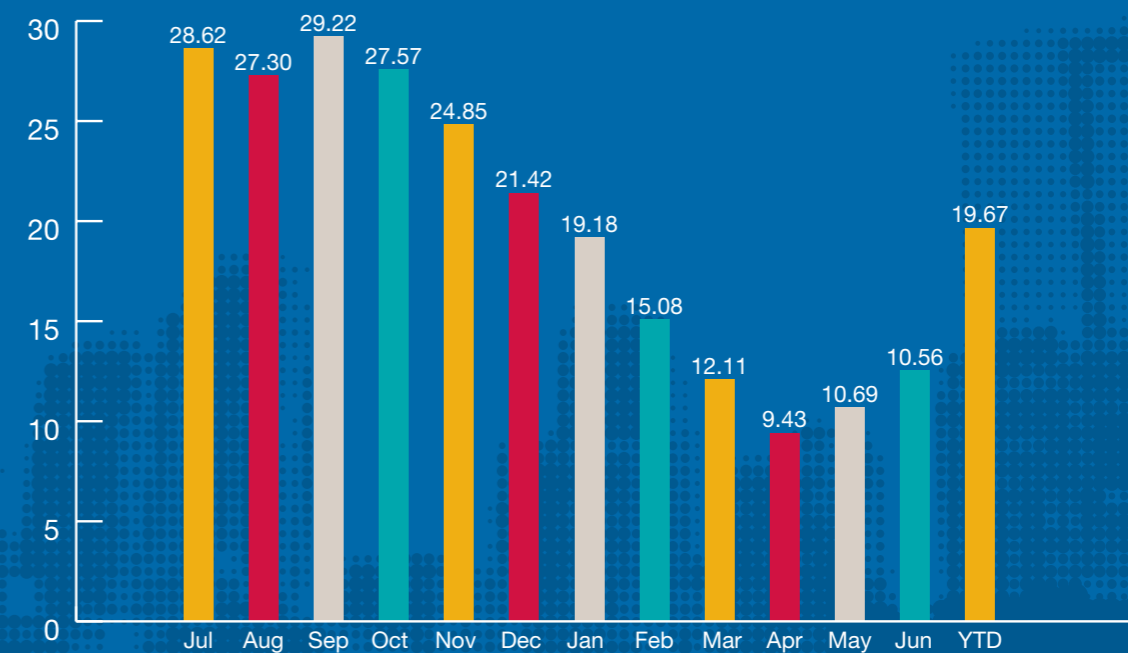
| YOY ORGANIC FACEBOOKCOMPARISON | | | |
|--------------------------------|-------|-----------------|----------------------|
| PERIOD | REACH | POST ENGAGEMENT | AVG. ENGAGEMENT RATE |
| FY 20.21 | 1 608 | 90 | 5,60% |
| FY 21.22 | 2 438 | 156 | 6,40% |

Vacancy Monitoring

The vacancy rate reached a record high of 28.62% at the close of the reporting period. Unemployment rates during the pandemic resulted in a high number of vacant units in the inner city, which has impacted the JHC group's occupancy rate. Emphasis has been placed on reducing vacancies while also restoring a stable customer base. After reaching a vacancy rate of almost 30% during the latter part of the year, JHC launched BOLT, a rapid results project with an ambitious goal. JHC is confident that it can achieve its target vacancy rate of 8% in the upcoming financial period.

The inner-city vacancy rates have remained high due to South Africa's current economic situation, which includes record-high unemployment, the continuing consequences of the pandemic, and a further setback from the unrest experienced in Gauteng. The real estate market is beginning to show signs of normalcy and improvement. The number of available units has reduced, while the number of customers seeking rental property has increased. The vacancy rate for the JHC Group reached an all-time high and recorded a rate of 10.56% at the close of the financial year.

VACANCIES RESIDENTIAL JHC GROUP FY2021/2022



Highlights for the Period

- The BOLT framework was designed as a flexible method model, making rapid changes in JHC easier to implement, ensuring an instant impact, by tapping into latent capacity and elevating performance to a higher level.
- A R1 promotion was launched in accordance with measurable marketing strategies.
- To accomplish the company-wide goal of launching the BOLT project, the core team, took a bottom-up strategy drawing on insights from JHC teams, market studies and historic campaign learnings.
- The Monitoring and Evaluation (M&E) framework included specific indicators that enabled the use of data – continually enhancing JHC’s lease and retention efforts.
- A Black Friday initiative was launched and the R1 marketing promotion was extended for the period. For a limited time, all buildings participated in the Black Friday promotion that offered units for just R1. This promotion yielded highly successful results and, in only one week, JHC signed up 185 new customers.
- 5 424 leads were generated.
- From October 2021, nine channels were added, bringing the total number of lead-generating channels to 14.
- With effect from April 2022, Private Property was no longer used, and Entegral was introduced as a replacement platform for posting rental listings to Gumtree, Property 24, Property Central, ImmoAfrica, Qwengo, and MyProperty.
- The reported 1 949 move-ins for the year translated to a 35.93% conversion rate. This was calculated by comparing leads received to the number of customers who occupied units.

INSIGHT

- According to TPN’s rental monitor data, the residential rental sector began showing signs of renewal during the latter part of the period. Key national property indicators revealed that the sector has emerged from the worst of the economic storm. TPN reported that rental property indicators were stable and that they were likely to improve in the near future.

- Customers who rent a property for less than R4 500 per month, are struggling to meet payment obligations, and those who were not able to make any contribution towards their rent were recorded as making up almost 17% of the customer base.
- As the number of customers with a steady income continues to decline, many customers have opted to take on part-time work. There is a concern that this will negatively influence the market. Customer risk assessments, based on job status, will increasingly become challenging as customers devise new and innovative ways of generating an income.

CHALLENGES

- JHC’s target market was exceptionally hard-hit by the pandemic and ensuing economic difficulties experienced.
- Effects of the July 2021 unrest experienced in parts of Gauteng, as well as the ever-increasing cost of utilities and petrol, continues to challenge JHC’s ability to retain customers. This is a result of reduced affordability by customers.
- Job growth not maintaining pace with economic development is cause for concern. According to Stats SA, unemployment reached a new high of 35.3% during the period, making it the country’s most pressing problem.
- The pandemic’s aftereffects, along with an increase in distressed landlords, resulted in an oversupply of rental property in the inner city. In the inner city, landlords are currently recycling customers. It is nevertheless clear that this is a customer market.

Lindi Malinga
Customer Relations Executive

CUSTOMER RELATIONS



Lungisani Ntuli
Community Development Manager



Patricia Msebele
Community Development Manager



Donald Makape
Community Development Coordinator



Grenda Ngwarai
Community Development Coordinator



Ipeleng Mokgosinyane
Community Development Coordinator



Vinolia Hlahla
Community Development Coordinator



Phumzile Sibiyi
Customer Relations Administrator



Mosa Bodibe
Receptionist



Carlene Petersen
Customer Experience Manager



Arnold Peters
Customer Experience Team Leader



Lebo Mathata
Customer Experience Team Leader



Drucelian Munsamy
Customer Experience Consultant



Penrose Moyana
Customer Experience Consultant



Pride Oguzie
Customer Experience Consultant



Thabo Koma
Customer Experience Consultant



Duduzile Mnguni
Customer Experience Consultant
(Temp.)



Kgomotso Kgorutla
Customer Experience Consultant
(Temp.)



USE OF INFORMATION TECHNOLOGY



Tumi Pambo

The following projects were the key focus for the Information Technology team during the reporting period.

MRI INTEGRATION

This is a project aimed at integrating the MRI PlatformX system with other JHC applications through the use of APIs. Data exchange between MRI and all other supporting systems was manual. Through this automated integration, the following applications have since been developed:

The Tenant Single View

This application retrieves customer information and displays it on the screen for use by any customer-facing JHC personnel. A JHC agent that is dealing with the customer may perform any one of the following on the application:

- Update customer contact details
- Verify a customer ID or Passport numbers, or even update them if captured incorrectly
- Be able to view customer's details such as:
 - o Their payment status, i.e., whether a customer is in arrears or not.
 - o Their spend on utilities over a certain period.
 - o Their churn probability indicator.
 - o Be able to indicate on the system if they suspect that there could be subletting.
 - o Capture notes that would appear on management reports.
- Other benefits of this application include:
 - o Being able to proactively deal with customers that have a high probability of churning.
 - o Be able to advise customers on suitable products, especially if they are not in good payment standing.

The Predictive Churn Model

This is a dashboard that was built using business intelligence tools such as PowerBI to indicate the likelihood of a customer to churn. The data required to calculate this probability was extracted from MRI using APIs. The result of the calculation is also used in the Tenant Single View application where the JHC agent is able to see it when dealing with a customer.

FM5000 MODULES

This is a facilities management system. The system is live. However, only a few modules are used by the Property and Supply Management team. This is the chosen approach that is meant to allow the various teams to adapt the system to their specific business requirements. The system modules that have been adopted and are used include:

Stock Management

This module is used for managing stock that is used by maintenance technicians. This will assist with cost reductions as we better manage our inventory.

Maintenance Requests

This module is used by various stakeholders within the JHC to log maintenance requests through work orders. The work orders are assigned to the maintenance technicians, and this is how they know what work needs to be carried out at the buildings.

Maintenance Recoveries

The work assigned to maintenance technicians is associated with costs. Sometimes the costs need to be recovered from the customers. The system, therefore, generates a recoveries file which is then uploaded to MRI for allocation against customers' accounts.

FIREWALL UPGRADE

The JHC is running on a software-based firewall called Untangle. There have been some challenges as the JHC user base grows, with the security requirements growing directly proportional.

There have been some challenges with the Untangle firewall, such as not being able to apply web filtering when connected to a Fortigate firewall through an IPSEC tunnel. We have also not been able to apply more filtering as the JHC user base grows. The JHC has now purchased a hardware-based Fortinet's Fortigate firewall, the 100F, which will be able to cater for the complex network and security requirements that the organisation has grown to need.

We are currently migrating all the applications to the new firewall. We are hoping to have all the migration completed by the end of the second quarter of the 22/23 FY. At the end of this migration, the company's security posture will have significantly improved.

BANDWIDTH UPGRADE AND APN SIM CARD ROLLOUT

One of the ways in which our users connect to the internet is through their JHC-provisioned APN sim cards from Vodacom. This is a tool that the company has made available to staff to connect to the JHC applications and to the internet to enable them to do their work remotely.

The JHC bandwidth for connecting to the internet through Vodacom APN sim cards was initially set to 2Mbps. This led to a lot of frustration with our staff, especially those that would be connecting from home through Vodacom APN sim cards.

The line has since been upgraded a hundred-fold, to 200Mbps. This has seen our staff being able to utilise the company-provisioned connectivity tool as an alternative if not their primary connectivity mode when connecting remotely.

IT



Geoffrey Jiti
Business Analyst



Moipone Miya
Jnr Business Analyst



Pasana Mbonane
IT Systems Analyst



Thapelo Moutlane
IT Administrator

Esona Masiza
Technical Business Analyst
(absent)

WEBSITE REBUILD

The JHC website was rebuilt and now uses the latest technology to manage content and is hosted in a manner that allows for it to be scaled with the infrastructure outsourced.

LOWLIGHTS

We could not complete some of the earmarked projects for FY21/22. Some of the reasons include the resource constraint that the IT team faces.

There was also the necessary focus on the BOLT project whereby key stakeholders required on IT projects were pulled into BOLT.

LOOKING AHEAD

We are looking at a continuation of the MRI integration project. We will also focus on improving our systems security profile with MFA implemented on all critical systems. We will also be performing penetration testing on our IT network and implementing cyber-security training in partnership with the compliance department. Budget permitting, we will also be focusing on the query management from a system perspective.

Tumi Pambo
Information Technology Executive

HUMAN RESOURCE MANAGEMENT



Itumeleng Mokonyama

IN REMEMBRANCE

With a heavy heart, we bid farewell to Mmasello Makitla, who passed away on 14 February 2022 after a very short illness.

Mmasello joined JHC in February 2020 as a temporary employee in her role of Senior Debt Collector. In December 2020, she was appointed permanently as a Collections Administrator and promoted in September 2021 as a Collections Team Leader. Mmasello was loved and adored by those who she worked with. She will be missed dearly by her family, friends, and colleagues.



Mmasello Makitla

Our deepest condolences to her mother Sambe, younger brother Tebogo, and her four children: Thapelo, Itumeleng, Bohlale, and Bokamoso.

HUMAN RESOURCE

This report details the focus and activities of Human Resources over the 2021/2022 financial year. The year under review has been busy with high and low points. As we navigated through the COVID-19 pandemic, we are grateful that all our staff survived the pandemic and that JHC did not lose any more employees to COVID-19. With almost 80% of staff still working from home, JHC continues to provide a range of different engagements to support staff and the JHC during the year. The activities undertaken are detailed below.

EMPLOYEE WELLNESS

JHC launched the employee assistance program in October 2021. The program was well received by all staff and there has been positive feedback from staff members who have utilised the services. The employee assistance

program is available to all staff members, both permanent and temporary, and the services are available on various platforms i.e., web app, mobile app, toll-free number and USSD.

The HR department receives monthly reports from the service provider, indicating the services most utilised by staff and mental health trends summary, which helps us understand how staff are feeling and if there are concerns to be addressed.

STAFF INDUCTION

JHC developed an online induction programme which was piloted with new staff in the 2020/2021 financial year, and positive feedback was received. The induction programme was a read through and, as a result of the feedback received from staff, HR updated the programme to include voiceovers, making it more authentic and engaging. The updated programme with voiceovers was piloted with the



new staff towards the end of the financial year and the beginning of the new financial year. Positive feedback was received. Some of the comments received are as follows:

Lesego Leshaba (Property Accounts Intern) said: *"I have just completed the induction and I must say that you did an amazing job with the visuals and the voice over, I fell in love with the mascot. The induction was informative, and I have gained much more knowledge on JHC. It was "JHC made easy" and you have nothing to worry about when it comes to the voice overs, they were very helpful, and you simplified the whole learning process. After the induction, I am more excited to be part of the JHC family because of the work the company does and the contribution it has on the community, in general, is so beautiful. I cannot wait to interact, learn more and be part of the amazing JHC. Thank you again"*

Simamisa Buthelezi (Junior Management Accountant) said: *"Well done guys, this is well executed and informative induction at the comfort of your own space and time. Addresses all aspects of business and gives the full picture of what JHC is all about. Not too long and easy to navigate and understand. Perfect tool you have, great job."*

The HR team will continue to review and improve the induction as and when changes take place.

RECRUITMENT

Recruitment over the last year has been in response to the organisational changes that took place in the previous year. There have been several external appointments and internal promotions. The recruitment landscape for the last financial year is as follows:

- Seven staff members were promoted. Staff were promoted into Team Leader and Senior Manager positions.
- Ten new staff members were appointed. This includes the permanent appointment of staff who were on contract.
- Two interns were absorbed into permanent positions – in the IT and Property Accounts departments.

STAFF TURNOVER

The JHC has lost ten staff members during the reporting period. Two of these members were dismissed as a result of disciplinary action. There were three resignations, one retirement, and two deceased employees. The remaining members were a result of contracts reaching end-of-life.



This represents a staff turnover rate of **7.8%** which is below the good practice norm of approximately **10%**.

EMPLOYEE RELATIONS

The 2021/2022 financial year was stable from a disciplinary perspective. There were two dismissals, and neither matter was referred to the CCMA.

TRAINING

JHC continues to invest in training for both short-term skills programmes and longer-term bursary studies for staff. A total of 1.88% of the salary bill was invested into training, bursaries, and learnerships for staff over the 2021/2022 financial year.

Twenty bursaries were awarded during the period. Two middle managers and one junior staff member completed their studies:

1. Lungisani Ntuli completed a Master's Degree in Public and Development Management
2. Joan Stow completed a Bachelor of Arts in Communication Science
3. Faith Shabalala completed a Diploma in Human Resource Management

A total of R208 153 was spent on skills training and 49 of the JHC staff participated in this investment. Training ranged from basic firefighting and facilities management training to degree-related programmes.

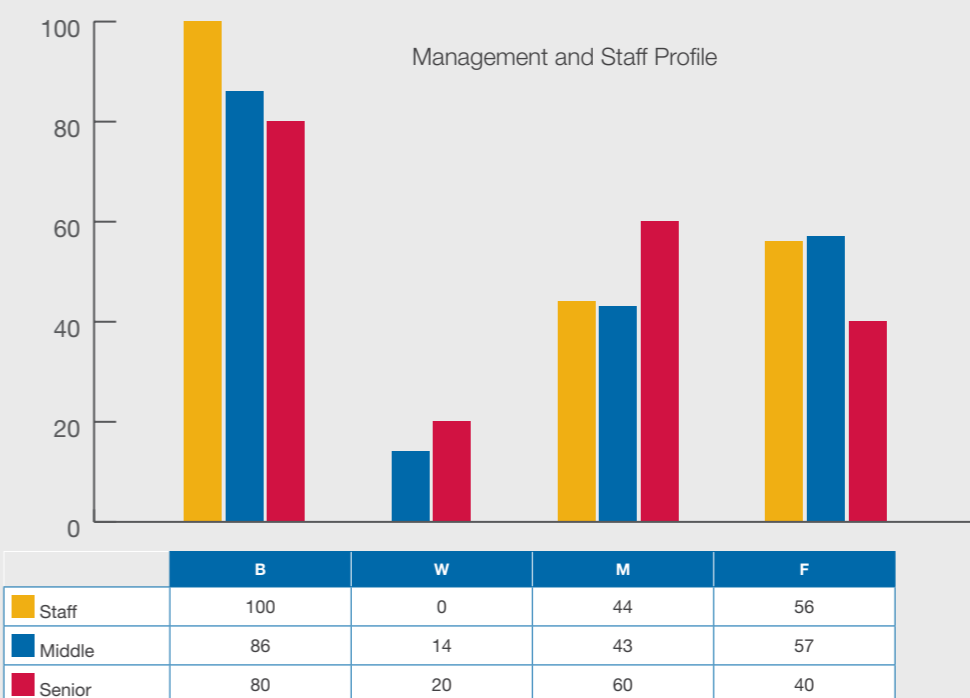
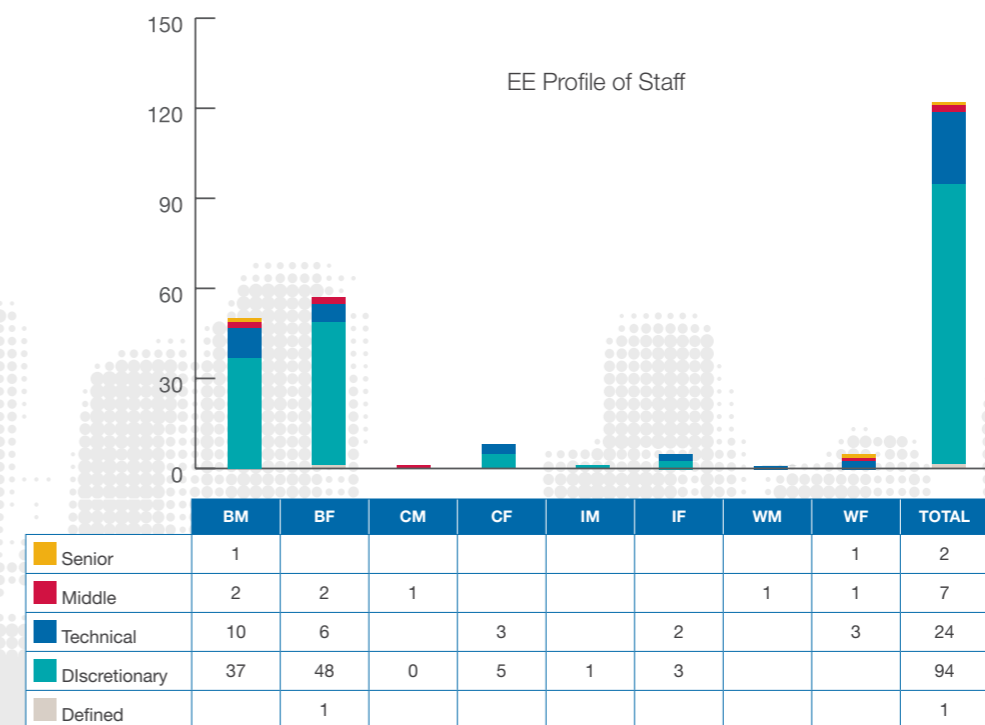
JHC has offered a learnership to a non-employee who is studying towards a trade qualification in Carpentry. This forms part of the JHC drive of its internships and learnership programmes. In September 2021, JHC appointed a trainee accountant on a three-year contract. This is in line with the JHC being approved as a learning centre for SAICA.

HR INDICATORS

| DESCRIPTION | FY2021/22 |
|---------------------|-----------|
| Disciplinary Action | 6 |
| Grievance Hearing | 0 |
| Resignation | 3 |
| Deaths | 2 |
| Retirement | 1 |
| Retrenchment | 0 |
| Terminations | 2 |
| Contract Ended | 2 |

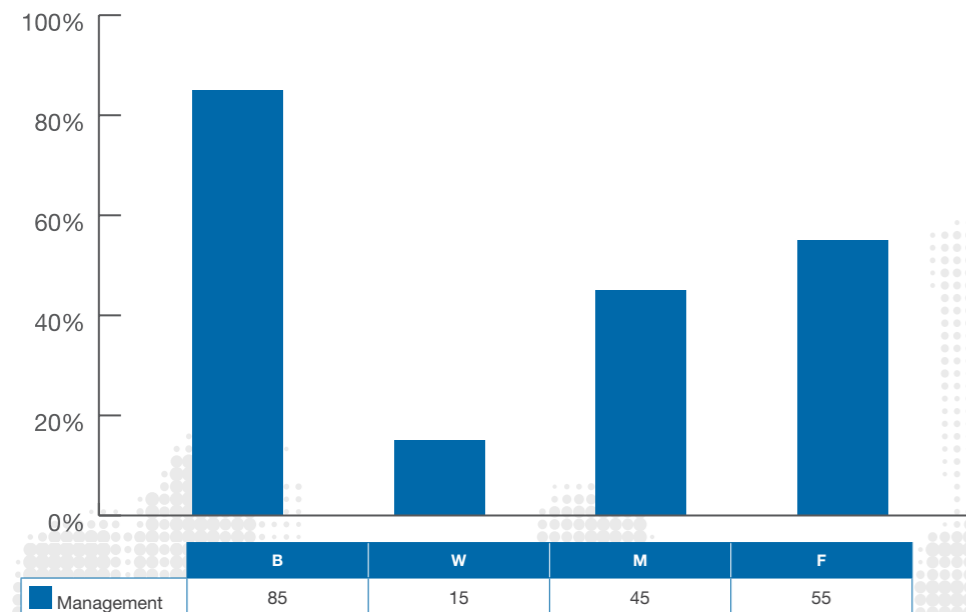
STAFF PROFILE

The staff profile in terms of Employment Equity as at the end of June 2021 is presented below.



MESSAGE FROM THE CFO

The profile of the JHC management team is as follows:



“The year to 30 June 2022, represented the first full financial year post the varying levels of COVID-19 lockdowns.”

Prosper Mpofo

POST-COVID-19 ENVIRONMENT

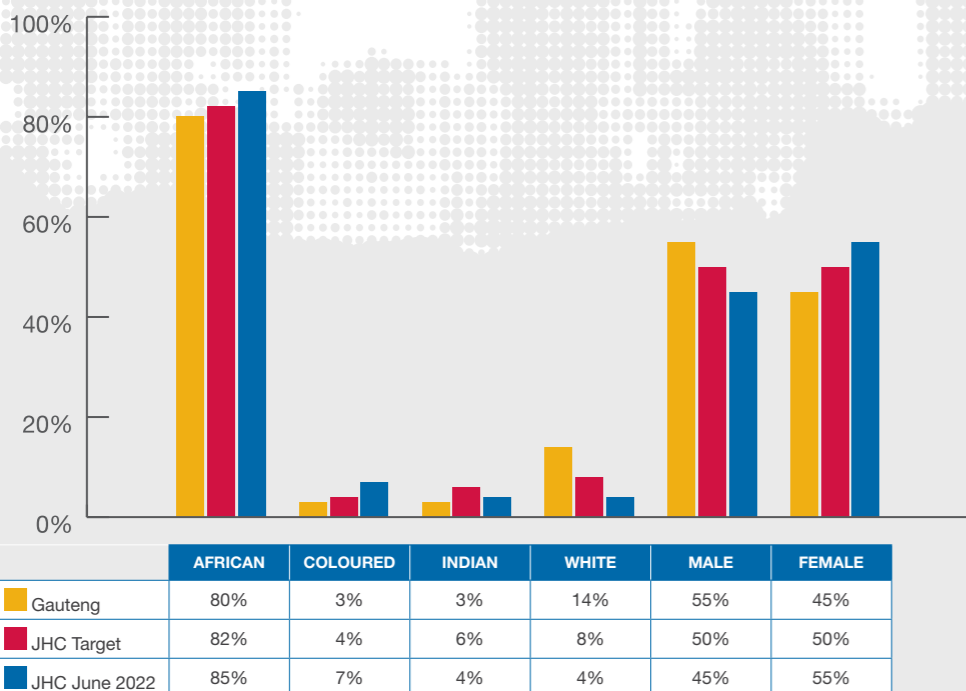
The first six months of the financial year were characterised by high vacancies and arrears, with the vacancies averaging in the mid-twenties and arrear rates averaging in the mid-teens. The vacancies and arrears improved significantly in the latter part of the financial year.

The current year’s fair values of the portfolio reduced by R69,6 million as a result of reduced Net Operating Income; this was due to the higher-than-normal projected long-term vacancy rates and lower collections rates owing to the impact of COVID-19 on the economy. Cap rates improved slightly from the previous year because of the enhancement to national and provincial vacancy and arrear rates. This is indicative of a sector that is on the mend. Management remains confident that the valuations will improve over the upcoming 12 months, as vacancies and collections have stabilised over the last six months at an average of 11% for the Group. The increase of the interest expense to R18 million (2021: R11 million) is a result of the additional balance sheet funding received from FNB to the amount of R65 million.

OUR RESULTS

Total revenue remained stagnant in the current financial year at R246m (2021: R245m). This was largely due to the high rate of vacancies recorded in the first half of the financial year. To ease the ever-increasing burden on its customers, JHC opted not to apply rental increases for the reporting year and this further stifled revenue growth. The costs, excluding fair value adjustments, increased significantly for the period. This is attributed to the catch up on preventative maintenance expenses post COVID-19 lockdown restrictions across our portfolio. The lockdown restrictions prevented access to various buildings across JHC’s portfolio for long-term preventative maintenance work to be performed. Unanticipated utility adjustments for refuse and sewerage services (imposed by the City of Johannesburg) negatively impacted our portfolio and amounted to costs exceeding R13 million. The adjustments made have been accrued in the current financial year. JHC is part of the Johannesburg Property Owners and Managers Association (JPOMA) court action challenging the retrospective application of these charges by the City.

Cash increased from R125 million to R177 million. This was largely due to the Standard bank loan of R70 million received in June 2022. Excluding the R70 million, the cash balance would, as such, be R107 million. The reduction is related to the high vacancy and arrear rates at the commencement of the financial year, which resulted in financial losses for the Group. Whilst the Group remains solvent, it breached some covenants that relate to the Debt Service Cover Ratios.



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

Itumeleng Mokonyama
Human Resource Business Partner

This required that the Group disclose the long-term loans as short-term loans for audit purposes. The Group received waivers from the funders for reporting and subsequent periods. Pleasingly, the Group continues to meet its monthly interest and capital repayments on these loans.

THE YEAR AHEAD

The recent TPN and MSCI reports show that the property industry, including the residential sector, is showing signs of resilience and improvement. We anticipate this to translate to improved vacancies and collections. In the next financial year to 30 June 2023, the Group is expected to reach a state of profitability with a Net Profit After Interest of R7,6 million before fair valued adjustments. Fair value adjustment is expected to record a positive R47 million, resulting in an overall profit of R39,1 million after tax. The SHRA grant funding of R350 000 per unit – for both new and old builds – could potentially bolster the cash contribution to the business. We remain hopeful that

the adoption of an alternative energy by Eskom and the City of Johannesburg will result in lower energy costs and will result in the implementation of a sustainable energy supply.

With the continued commitment across all levels of the organisation, I am optimistic about the future of JHC. I thank my colleagues on the Executive Committee, the Finance team, and all JHC staff for their continued support as we have weathered the storm of the past two years. To the Board, your input, guidance, and oversight has been supportive and positive, and I am grateful to work with such a committed team.

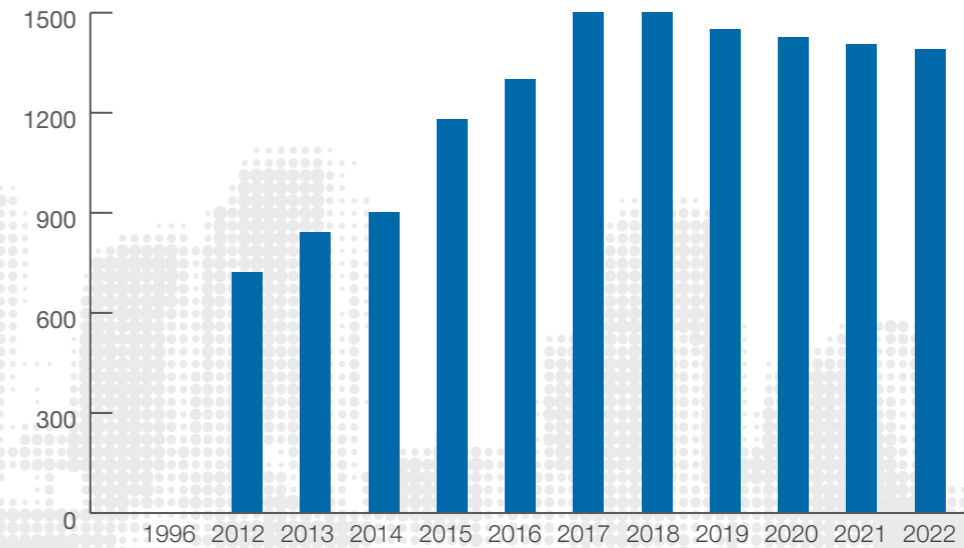
Prosper Mpfu
Chief Financial Officer

FINANCIAL REPORT

The following graphs provide an overview of financial trends as they relate to JHC's performance in the various areas, as indicated. The trends shown in the upcoming graphs support the data as described throughout this report.

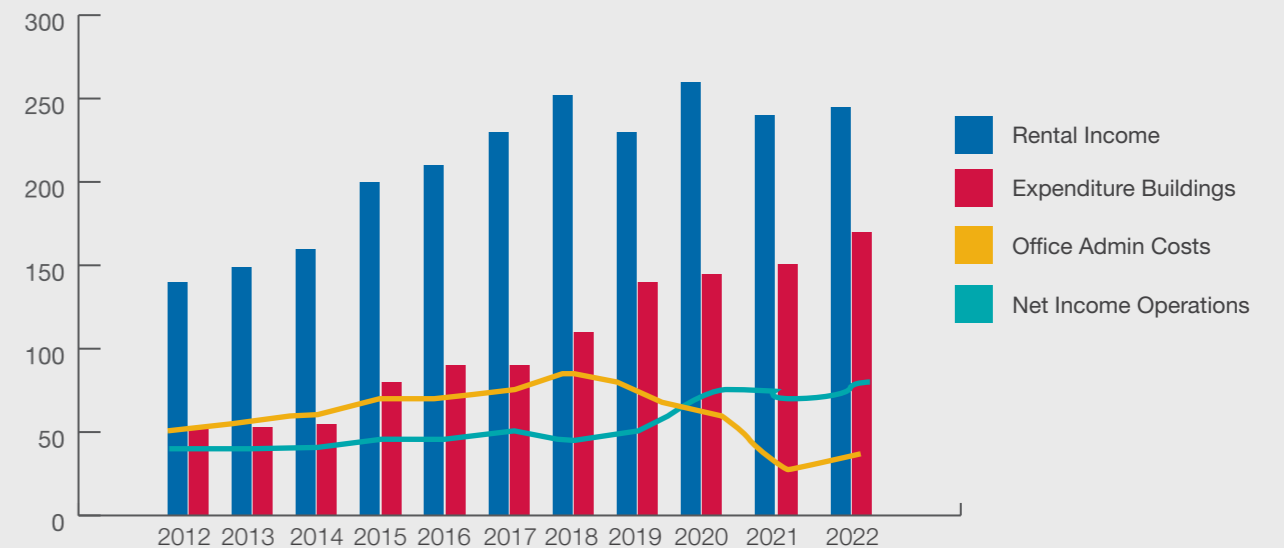
Investment Property

Rand value (millions) 1996 and 2012–2022



Operational Income versus Expenditure

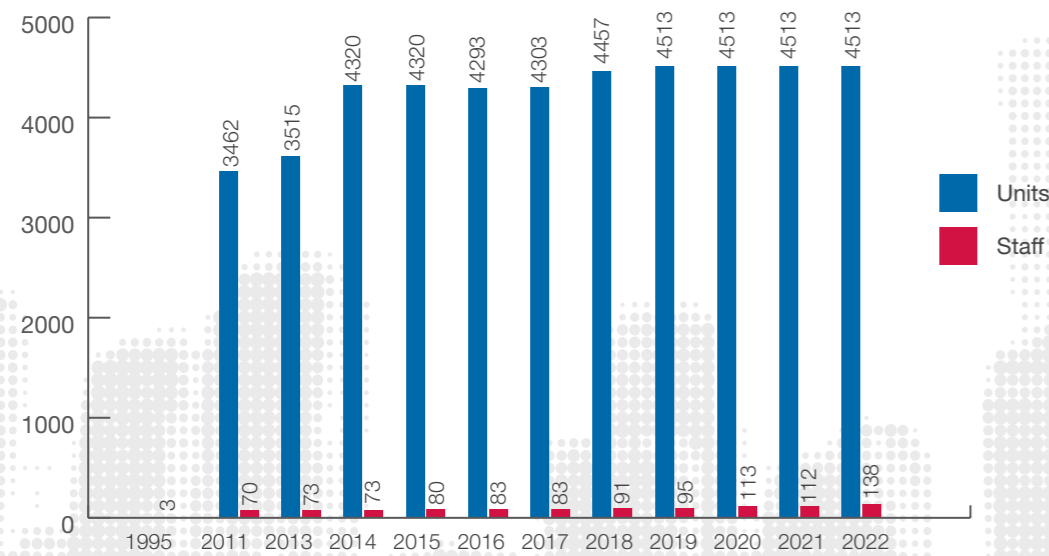
Rand (millions) 1996 and 2012–2022



RESULTS FOR THE YEAR

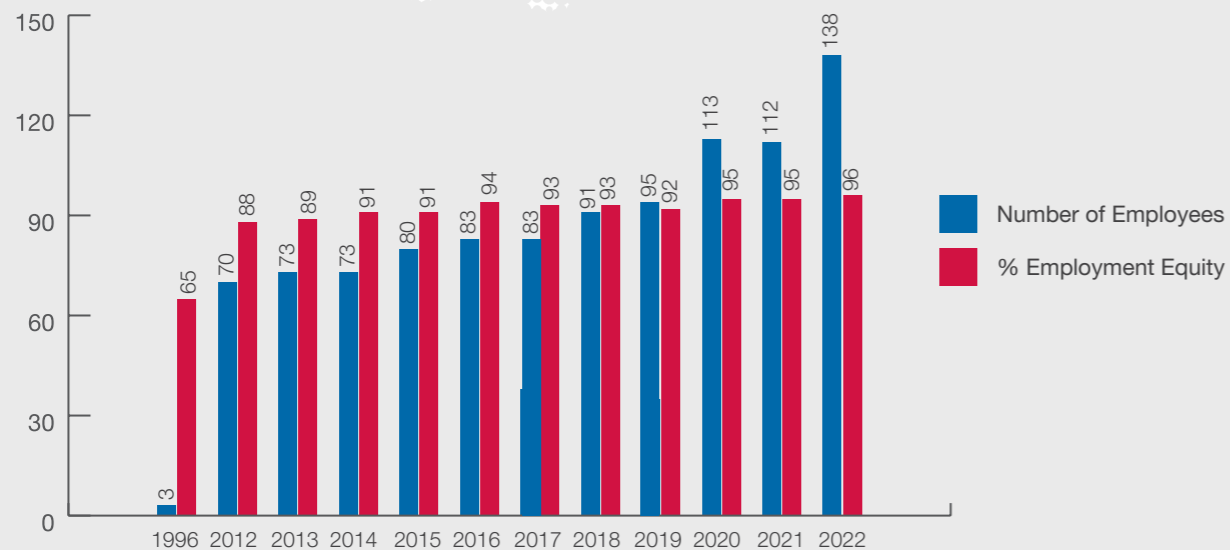
Housing Units and Staff Numbers: Cumulative

1996 and 2012–2022



Total Number of Employees and Percentage Employment Equity

1996 and 2012–2022



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

For the year ended 30 June 2022

| Figures in R | Notes | Group 2022 R | Group 2021 R | Company 2022 R | Company 2021 R |
|---------------------------------|-------|----------------------|----------------------|----------------------|----------------------|
| ASSETS | | | | | |
| Non-current assets | | | | | |
| Property, plant and equipment | 3 | 6,519,206 | 9,510,384 | 5,285,094 | 7,528,137 |
| Investment property | 4 | 1,413,600,001 | 1,441,300,000 | 1,013,000,000 | 1,059,500,000 |
| Intangible assets | 5 | 3,683,484 | 5,352,929 | 3,683,484 | 5,352,929 |
| Investments in subsidiaries | 6 | - | - | 18,065,885 | 18,065,885 |
| Capital work in progress | 7 | 5,164,960 | 4,980,221 | - | - |
| Loan to group companies | 11 | 1,011,238 | - | 94,132,106 | 94,132,106 |
| Total non-current assets | | 1,429,978,889 | 1,461,143,534 | 1,134,166,569 | 1,184,579,057 |
| CURRENT ASSETS | | | | | |
| Inventories | 8 | 682,105 | 692,146 | 682,105 | 692,146 |
| Trade and other receivables | 9 | 12,026,567 | 10,731,398 | 7,105,215 | 7,148,911 |
| Current tax assets | | 1,244,297 | 2,892,013 | 145,322 | 145,322 |
| Loan to group companies | 11 | 16,492 | - | 242,428 | 74,099 |
| Prepayments | | 1,826,732 | 1,595,471 | 1,826,732 | 1,595,471 |
| Cash and cash equivalents | 13 | 176,211,639 | 125,082,539 | 63,593,476 | 71,299,743 |
| Total current assets | | 192,007,832 | 140,993,567 | 73,595,278 | 80,955,692 |
| Total assets | | 1,621,986,721 | 1,602,137,101 | 1,207,761,847 | 1,265,534,749 |
| EQUITY AND LIABILITIES | | | | | |
| Equity | | | | | |
| Member's funds | | 74,419,635 | 74,419,637 | 74,419,636 | 74,419,636 |
| Retained income | | 990,006,900 | 1,088,868,467 | 698,371,575 | 787,363,428 |
| Total equity | | 1,064,426,535 | 1,163,288,104 | 772,791,211 | 861,783,064 |

STATEMENTS OF FINANCIAL POSITION

For the year ended 30 June 2022

| Figures in R | Notes | Group 2022 R | Group 2021 R | Company 2022 R | Company 2021 R |
|--------------------------------------|-------|----------------------|----------------------|----------------------|----------------------|
| LIABILITIES | | | | | |
| Non-current liabilities | | | | | |
| Deferred tax liabilities | 10 | 196,580,242 | 209,565,713 | 145,236,661 | 158,134,034 |
| Other financial liabilities | 15 | 8,572,194 | - | 8,572,194 | - |
| Lease liabilities | 18 | 1,660,640 | 1,904,577 | 1,660,640 | 1,904,577 |
| Loan from group company | 11 | - | - | - | 29,000,000 |
| Total non-current liabilities | | 206,813,076 | 211,470,290 | 155,469,495 | 189,038,611 |
| Current liabilities | | | | | |
| Trade and other payables | 14 | 75,505,467 | 62,672,896 | 62,242,263 | 50,007,263 |
| Other financial liabilities | 15 | 266,648,591 | 156,392,184 | 160,494,743 | 156,392,184 |
| Lease liabilities | 18 | 474,319 | 1,242,913 | 474,319 | 1,242,913 |
| Loan from group company | 11 | 1,048,019 | - | 49,219,102 | - |
| Conditional government grant | 20 | 7,070,714 | 7,070,714 | 7,070,714 | 7,070,714 |
| Total current liabilities | | 350,747,110 | 227,378,707 | 279,501,141 | 214,713,074 |
| Total liabilities | | 557,560,186 | 438,848,997 | 434,970,636 | 403,751,685 |
| Total equity and liabilities | | 1,621,986,721 | 1,602,137,101 | 1,207,761,847 | 1,265,534,749 |

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2022

| Figures in R | Notes | Group 2022 R | Group 2021 R | Company 2022 R | Company 2021 R |
|---------------------------------------|-------|----------------------|---------------------|----------------------|----------------------|
| Revenue | 21 | 241,692,068 | 244,705,451 | 182,189,121 | 182,813,706 |
| Building expenditure | 22 | (179,426,568) | (153,294,964) | (141,823,077) | (120,674,861) |
| Gross profit | | 62,265,500 | 91,410,487 | 40,366,044 | 62,138,845 |
| Other income | 23 | (361,970) | 4,189,597 | 5,560,086 | 8,993,829 |
| Administrative expenses | | (16,892,478) | (15,977,091) | (15,796,005) | (14,938,831) |
| Other expenses | | (72,449,737) | (63,313,012) | (65,805,906) | (56,752,262) |
| Other gains and losses | 24 | (75,597,088) | (87,142,191) | (61,377,876) | (73,963,718) |
| Loss from operating activities | 25 | (103,035,773) | (70,832,210) | (97,053,657) | (74,522,137) |
| Finance income | 26 | 10,266,895 | 6,157,042 | 9,098,792 | 10,857,706 |
| Finance costs | 27 | (18,161,690) | (10,590,902) | (13,934,361) | (13,425,018) |
| Loss before tax | | (110,930,568) | (75,266,070) | (101,889,226) | (77,089,449) |
| Income tax credit | 28 | 12,069,000 | 10,057,975 | 12,897,373 | 8,546,566 |
| Loss for the period | | (98,861,568) | (65,208,095) | (88,991,853) | (68,542,883) |

STATEMENTS OF CHANGES IN EQUITY

For the year ended 30 June 2022

| Figures in R | Member's funds | Retained income | Total |
|---|-------------------|----------------------|----------------------|
| GROUP | | | |
| Balance at 1 July 2019 (as restated) | 74,419,636 | 1,154,076,562 | 1,228,496,198 |
| Loss for the year | - | (65,208,095) | (65,208,095) |
| | 1 | - | 1 |
| Balance at 30 June 2020 | 74,419,637 | 1,088,868,467 | 1,163,288,104 |
| Balance at 1 July 2021 | 74,419,637 | 1,088,868,467 | 1,163,288,104 |
| Changes in equity | | | |
| Loss for the year | - | (98,861,567) | (98,861,567) |
| Total comprehensive income | - | (98,861,567) | (98,861,567) |
| | (2) | - | (2) |
| Balance at 30 June 2021 | 74,419,635 | 990,006,900 | 1,064,426,535 |

STATEMENTS OF CASH FLOWS

For the year ended 30 June 2022

| Figures in R | Notes | Group 2022 R | Group 2021 R | Company 2022 R | Company 2021 R |
|---|-------|---------------------|---------------------|----------------------|----------------------|
| Net cash flows (used in) / from operations | 37 | (7,825,420) | 19,736,847 | (18,956,897) | 4,516,947 |
| Interest paid | | (18,161,690) | (10,590,902) | (13,934,361) | (13,425,018) |
| Interest received | | 10,266,895 | 6,157,042 | 9,098,792 | 10,857,706 |
| Income taxes paid | 38 | (19) | (2,933,275) | - | (437,361) |
| Deferred tax impact of other comprehensive income | | - | 1 | - | - |
| Net cash flows (used in) / from operating activities | | (15,720,234) | 12,369,713 | (23,792,466) | 1,512,274 |
| Cash flows used in investing activities | | | | | |
| Proceeds from sales of property, plant and equipment | | | 1,800 | | 1,800 |
| Purchase of property, plant and equipment | | (804,810) | (1,594,944) | (743,550) | (1,490,808) |
| Additions to investment property | | (47,896,152) | (22,442,191) | (14,877,874) | (19,163,718) |
| Purchase of intangible assets | | - | (55,771) | - | (55,771) |
| Loan proceeds from/ (to) group companies | | - | - | (184,822) | 293,541 |
| Work in progress costs incurred | | (184,740) | (666,840) | - | - |
| Cash flows used in investing activities | | (48,885,702) | (24,757,947) | (15,806,246) | (20,414,956) |
| Cash flows from / (used in) financing activities | | | | | |
| Loan proceeds from/ (to) group companies | | - | - | 20,230,225 | - |
| Repayment of lease liability | 17 | (1,012,532) | (644,112) | (1,012,532) | (644,112) |
| Proceeds from other financial liabilities | 29 | 135,000,000 | | 25,000,000 | |
| Repayments of other financial liabilities | 29 | (16,850,899) | (17,466,903) | (12,325,247) | (17,466,903) |
| Cash flows from / (used in) financing activities | | 117,136,569 | (18,111,014) | 31,892,446 | (18,111,015) |
| Net increase / (decrease) in cash and cash equivalents | | 52,530,633 | (30,499,248) | (7,706,266) | (37,013,697) |
| Cash and cash equivalents at beginning of the year | | 125,082,539 | 155,581,788 | 71,299,743 | 108,313,443 |
| Cash and cash equivalents at end of the year | 13 | 177,613,172 | 125,082,540 | 63,593,477 | 71,299,746 |

ACCOUNTS



Fawzia Ballim
Financial Manager



Lindiwe Ndziba
Management Accountant



Simamisa Buthelezi
Jnr Management Accountant



Fathima Goolam Hoosen
Bookkeeper



Thembi Gamede
Bookkeeper



Nadia September
Accounts Payable Clerk



Shivana Harilal
Accounts Payable Clerk



Karabo Mamugudubi
Trainee Accountant (Temp)

PROPERTY ACCOUNTS



Jackie Toybeka
Property Accounts Team Leader



Lesego Leshaba
Property Accounts Administrator



Noxolo Malinga
Property Accounts Administrator



Mahlodi Malane
Property Accounts Administrator



Sibahle Msindo
Property Accounts Administrator

UTILITIES



Gauta Mofokeng
Utilities Manager



Simangele Nzimande
Utilities Financial Administrator



Silvia Cele
Utilities Relationship Coordinator

COLLECTIONS



Phumi Jali
Collections Team Leader



Tebogo Mhlanga
Collections Team Leader



Jelodia Rooskrantz
Collections Administrator



Matabudi Malaka
Collections Administrator



Nozipho Ngqulunga
Collections Administrator



Ntsebeng Motloung
Collections Administrator



Olivia Ngobeni
Collections Administrator



Prince Mkwazi
Collections Administrator

STOCK CHAIN MANAGEMENT TEAM



Debbie Johnson
Supply Chain Manager



Thandi Binda
Stock Clerk



Bongani Khambule
Stock Controller

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

Ground Floor, Majestic Building,
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LIST OF ACRONYMS

| | |
|--------|---|
| 3PPM | Third-Party Property Management |
| B-BBEE | Broad-Based Black Economic Empowerment |
| BHC | Brickfields Housing Company (Pty) Ltd |
| FM5000 | Facilities Management System |
| JHC | Johannesburg Housing Company |
| MAM | Makhulong A Matala Community Development Services NPC |
| POPIA | Protection of Personal Information Act |
| SHRA | Social Housing Regulatory Authority |
| SPV | Special Purpose Vehicle |





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