

The Pharmaceutical Society of South Africa Southern Gauteng Branch

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Report of the Chairperson of the Branch Business Committee AGM: 05 February 2019

Mandate of the Business Committee

The Mandate of the Business Committee is to oversee the general financial affairs of the Branch.

Appointment & Composition of Business Committee

Positions on the Business Committee are filled by appointment by the Branch Committee for periods of three years with two of the appointed members vacating their positions each year by rotation. In this way continuity is achieved while at the same time making it possible for new members to join the committee.

In addition, the Chairperson and the Treasurer of the Branch serve on the Business Committee in *ex officio* capacities.

The Business Committee for the period 2017/2018 was as follows:

Honorary Officers (ex officio)

Lynette Terblanche (Branch Chairperson)
James Meakings (Branch Treasurer)

Appointed Members

Val Beaumont (Chairperson)
David Boyce
Ray Pogir
Tshifhiwa Rabali
Charles Cawood
Dr. Sybil Seoka

Resignation of Member

The committee accepted the resignation of David Boyce as member of the Business Committee and director of PSSA companies. David has been perhaps the greatest contributor to the Branch in terms of overseeing and guiding a sound financial strategy. The impact of this will hopefully be felt for generations of pharmacists to come. We thank David sincerely for the most significant contributions he has made and salute him for his business vision for our branch.

The Business Committee will appoint a successor to David following a process to identify talent and interest amongst our members.

Branch Assets and Structure

Funding of the Branch Activities

The Branch is self-funding, receiving no fees from members as these all are paid to the National Body. Further, the Branch contributes to the funding of the National Body of the PSSA and covers the costs of the involvement and contributions by our members at a National level.

The Branch assets are structured in such a way as to provide for long term investments as well as for the running of the branch.

Structure of Assets

The assets of the Branch are held in three active proprietary limited companies, these being Pharmacy Mutual (Pty) Ltd., Pharmaceutical Management Services (Pty) Ltd. and 54 Glenhove (Pty) Ltd. Pharmacy Alliance (Pty) Ltd has been closed as the need for it no longer exists.

The Directors and office bearers of these companies are elected each year by and from amongst the members of Business Committee.

Pharmacy Alliance

Pharmacy Alliance has been a dormant company since its inception in September 1993. A number of other Branches are shareholders in the company and the original concept was to have a registered company “on ice” in the event that a suitable business opportunity ever presented itself. However, after all this time, it has been decided by the shareholders to deregister the company and this process is currently underway.

Pharmaceutical Management Services (Pty) Ltd.

Pharmaceutical Management Services (“PMS”) is wholly owned by the Branch and has three divisions, namely,

i) Glenhove Events Hub intended to contribute funding to maintain Branch activities from the conferencing facilities owned by the Branch.

ii) A financial investment portfolio that includes local and foreign financial instruments and administered by Investec.

2019 has again been a year with low levels of income from our conferencing business and although significant efforts have been made to contain costs, there has been significant draw down on investments which will again negatively impacted the long-term sustainability of the Branch in its current form.

iii) A property portfolio including 52 Glenhove Road and a substantial shareholding in 54 Glenhove (Pty) Ltd which promises to be a good income stream in the long term.

It is hoped that cost containment measures implemented during the course of the year as well as a challenging forecast for income generation from conferencing will see improved financial outcomes for this financial year.

Pharmacy Mutual (Pty) Ltd.

Pharmacy Mutual is the investment company of the Branch, its portfolio is administered by Investec asset managers.

There are three minority shareholders in PM, namely, the Free State and Vaal Triangle Branches of the PSSA and the SAACP Southern Gauteng Branch.

54 Glenhove Pty Ltd.

About four years ago it was felt that the time was right to develop the properties that we owned at 54 and 56 Glenhove Road. We found a suitable partner in Alchemy Properties and the partnership resulted in the creation of 54 Glenhove (Pty) Ltd. in which we hold 40% of the shares, Alchemy holds 50% and the major tenant, Mazars holds a 10% share.

The tenants took occupation in 2016 as anticipated and all the available space has been let on long term leases making the anticipated breakeven period in about 5 years' time a reality.

Management of the Branch Affairs

I will report briefly on the management of the Branch Affairs. The Branch Chair will address Branch Committee achievements in terms of professional activities.

The management and the related expenses of the Branch are split into different reporting structures:

The professional affairs of the Branch and the property assets (reflected in the Financial Statements of the PMS) are currently managed by five members of staff including the Executive Director, a Financial Administrator, the Branch Secretary and a Driver/Groundsman. Over this period, we saw the retirement of the General Manager (Doug Gordon) and the Administration Manager (Alan Carter) – two very long-standing staff members whose legacy will be forever be imprinted on the Branch with our lovely, efficiently run building and the high governance standards and leadership of our Branch Committee. Judy Coates joined us in May 2018 to head up leadership of the Branch. The Admin Manager will not be replaced at this stage.

Neville Lyne kindly continued to serve on the Editorial Board of The Golden Mortar and support our CPD efforts in an independent consultant capacity.

Ray Pogir is still the “rock” upholding the museum and we are ever grateful for what he does, the extent of his commitment and for what he teaches one and all about the profession.

The balance of the staff and their costs are reflected separately in the conferencing expense section of the financials and include two conference “leads”, a conference supervisor and two Conference Assistants. It is this team under the guidance of the Executive Director that is charged with growing the conferencing business. Sadly, Charlene Steyn who managed conferencing for so many years, is still temporarily boarded due to ill health. We wish her well as her strength gradually returns.

Main Activities of the Business Committee of the year under review

The mandate of the Business Committee is to assume responsibility for the business assets and financial activities of the Branch, and it has worked with the Personnel Committee of the Branch in executing its responsibilities.

Over the last few years the assets held by the Branch have diminished significantly due to the high costs of managing the Branch, the economic climate and lower return on investments. Further, the conferencing activities are contributing progressively less to the Branch, year on year, through both actual and perceived limitations to the conferencing business. This has been of substantial concern to the Business Committee and our focus is still on turning this situation around.

Judy will present in February, a new business plan for conferencing which we hope will turn the business around.

Activities pursued during the year include:

- The rebranding of conferencing to Glenhove Events Hub
- The rezoning of the property to reflect the expanded use of the property. This should add value in the event that the property is ever sold.
- Considerable efforts on the part of the staff has resulted in the rationalization/correction of our municipal accounts together with substantial refunds. Severe flooding in a recent storm has resulted in damage to the building. Repairs will be the subject of an insurance claim.
- Review and formalisation of staff contracts with a focus on performance outcomes.
- Tightening up further on financial governance remains a top of mind challenge in running any association.

Thanks

I wish to thank all the members of the Business Committee, as well as those who serve as Company Directors, for their dedication and continued interest in preserving, protecting and growing our Branch assets. We understand the challenge of doing this work when you also have demanding day jobs.

We would not be able to manage our business and professional affairs without the dedicated support of our Executive Director, Judy Coates and her administrative and conference management teams.

Special thanks are due to Doug Gordon for his willing and generous support of Judy on the handover of the Branch affairs to her, on his retirement in June 2018. This was hugely appreciated by both Judy and the Business Committee.

Thank you, to you all.

Val Beaumont
Business Committee Chairperson 2018