



**GUIDE-DOGS
ASSOCIATION**
South Africa

NOTICE

64th ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE 64th ANNUAL GENERAL MEETING OF THE SOUTH AFRICAN GUIDE-DOGS ASSOCIATION FOR THE BLIND WILL BE HELD AT THE GLADYS EVANS TRAINING CENTRE ON 27 SEPTEMBER 2017 AT 14h30.

AGENDA

1. Apologies
2. Confirmation of the minutes of the 63rd AGM held on 29 September 2016
3. Matters arising from the previous minutes
4. The Report of the Chairman
5. The Report of the Executive Director
6. The Report of the Treasurer
7. Auditor's Report
8. Acceptance of the Annual Financial Statements
9. Election of Executive Officers and Board Members
10. Appointment of Auditors
11. General
12. Meeting closure

GAUTENG OFFICE & TRAINING CENTRE

THE GLADYS EVANS TRAINING CENTRE

126 Wroxham Road, Rietfontein 21R, 2191

P O Box 67585, Bryanston, 2021

Tel: 011 705 3512 / 0860 100 922

Fax: 086 506 3364

Email: info@guidedog.org.za

Website: www.guidedog.org.za

WESTERN CAPE OFFICE

DE VILLIERS HOUSE

89 Belvedere Road, Claremont, 7708

P O Box 2674, Clareinch, 7740

Tel: 021 674 7395 Fax: 021 674 7397

KWAZULU-NATAL OFFICE

P O Box 20120, Durban North, 4016

Tel: 082 875 6244 Fax: 086 580 3785

CHAIRMAN'S REPORT – 2016/2017

During the past financial year, the Association once again achieved the majority of the objectives that were established. Most importantly, and in line with our vision, we once again reached more of those in need through the various services we offer.

Various operating structures were changed, all of which are showing positive results. Of particular note is the introduction of increased Direct Services in the College of Orientation and Mobility, which is having a major impact. Also, splitting the Marketing Department has allowed greater focus on the all-important aspect of public relations without reducing the emphasis on income generation and communication. One of the benefits we are also seeing through structural changes is greater all-round teamwork.

As you will hear from our Executive Director, there has been a drive to increase the number of puppies we are

training and this, too, has had excellent results. This augurs well for the future.

The only negative is in the financial results, where we showed an operating loss for the year. This accurately reflects the state of the South African economy, as we are finding income generation increasingly difficult. Fortunately, the operating loss was once again offset by generous bequests. The Honorary Treasurer will go into more detail on the financial results.

The results the Association has achieved are due to the huge efforts of our staff, our wonderful volunteers and the Board. It would be remiss of me not to offer a vote of thanks to you all. Our donors, too, cannot be thanked enough for their contribution to the work we do; this in particularly difficult times.

By the time you read this report, you will probably have heard that I have stepped down from the role of Chairman of

the Board and from the Board itself. This decision was made as I feel the Association needs new thinking and renewed energy from the Chair. I would, however, like to thank each and every one with whom I have been involved over the last decade for the friendship and support; I greatly appreciate it.

Finally, and in parting, I would like to wish the Association, its staff, volunteers and donors everything of the best for the future.

Sincerely,



THOMAS DAVID PARKER
CHAIRMAN

14/07/2017
DATE



**ANNUAL FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 MARCH 2017**



SOUTH AFRICAN GUIDE-DOGS ASSOCIATION FOR THE BLIND

OFFICE BEARERS	Executive Director	Mrs Gail Glover
	Honorary Chairman	Mr Thomas David Parker
	Honorary Vice Chairman	Mr Nigel William Unwin
	Honorary Treasurer	Mr Laurence David Drake
	Honorary Board Members	Mrs Morag Anne Cardoso Mr Philip Case Mr Grant Andrew Finnamore Mr Philip Louis Kuhn Mr Alastair Duncan Stalker
	Honorary Secretary	Mrs Jan Cowley

NATURE OF ASSOCIATION To enhance the mobility and independence of people who have visual, physical and developmental needs.

AUDITORS Axiom Registered Accountants and Auditors

BANKERS Nedbank Limited

INVESTMENT FUND MANAGERS Nedbank Private Wealth

**NON-PROFIT ORGANISATION
REGISTRATION NUMBER** 000-758 NPO

REGISTERED OFFICE 126 Wroxham Road
Rietfontein 2IR
Sandton
2191

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	9	Statement of Comprehensive Income
	10	Statement of Financial Position
	11	Statement of Changes in Equity
	12	Statement of Cash Flows
	13 - 21	Notes to the financial statements

APPROVAL OF ANNUAL FINANCIAL STATEMENTS

The annual financial statements set out on pages 8 to 21 were approved by the Board and are signed on its behalf by:



VICE CHAIRMAN

03/08/2017

DATE



TREASURER

03/08/2017

DATE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SOUTH AFRICAN GUIDE-DOGS ASSOCIATION FOR THE BLIND

Qualified Opinion

We have audited the financial statements of the South African Guide-Dogs Association for the Blind set out on pages 2 to 14, which comprise the statement of financial position as at 31 March 2017, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effect of the matter described in the Basis for Qualified Opinion section of our report, the financial statements present fairly, in all material respects, the financial position of the South African Guide-Dogs Association for the Blind as at 31 March 2017, and its financial performance and cash flows for the year then ended in accordance with the basis of accounting referred to in note 1.

Basis for Qualified Opinion

The South African Guide-Dogs Association for the Blind, in common with other charitable organisations, receives certain income from public donations and functions, the recognition of which, due to its nature, is not susceptible to verification by generally accepted auditing procedures. Therefore, our examination relating to such income was limited to the amount thereof recorded in the financial records.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Association in accordance with the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Basis of Accounting

Without qualifying our opinion, we draw attention to the basis of accounting contained in the financial statements. The basis of accounting therein is not intended to, and does not, comply with all the

requirements of International Financial Reporting Standards.

Other Information

The Association's Board is responsible for the other information. The other information comprises the Chairman's Report, Executive Director's Report and Treasurers' Report as required by the South African Guide-Dogs Association for the Blind. The other information does not include the financial statements and our Auditor's Report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board for the Financial Statements

The Association's Board is responsible for the preparation and fair presentation of the financial statements in accordance with the requirements of the South African Guide-Dogs Association for the Blind, and for such internal control as the Association's Board determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Association's Board are responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Association's Board intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it

exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Association's Board.
 - Conclude on the appropriateness of the Association's Board's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the Association to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We communicate with the Association's Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.*

Denise Noelle Carr
 AXIOM REGISTERED ACCOUNTANTS & AUDITORS

REGISTERED AUDITOR – DENISE NOELLE CARR (644110)

SHOP 7 MAGIC GARDEN CENTRE, ARCONPARK, VEREENIGING, 1939

03/08/2017

DATE

REPORT OF THE BOARD OF THE SOUTH AFRICAN GUIDE-DOGS ASSOCIATION FOR THE BLIND FOR THE YEAR ENDED 31 MARCH 2017

The Board presents its report and the financial statements for the year then ended.

NATURE OF BUSINESS

To enhance the mobility and independence of people who have visual, physical and developmental needs.

FINANCIAL RESULTS

The results of operations as well as the financial position for the year are detailed in the attached financial statements.

CAPITAL

The Association does not have share capital. In the event of the winding up of the Association, the balance of funds available would be transferred to another organisation with similar objectives.

PROPERTY, PLANT AND EQUIPMENT

There was no change in the nature of the PPE of the Association or in the policy regarding their use.

EVENTS SUBSEQUENT TO THE YEAR END

No material fact or circumstance has occurred since the accounting date and the date of this report.

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2017

	Notes	2017 R 000	2016 R 000
SUBSCRIPTIONS	8	128	121
	5	22 696	20 665
OTHER INCOME			
Fundraising from donations		12 089	11 358
Fundraising from events		3 065	2 276
College of Orientation and Mobility Training income		407	642
Donation National Lottery		-	-
Sale of dogs		30	37
Trading activities		94	135
Dividends received	6	3 769	4 350
Interest received	6	2 963	1 629
Rental income		261	238
Sundry income		18	-
		26 552	23 841
EXPENDITURE			
Depreciation of PPE		507	460
Marketing		4 528	3 363
Administration		6 135	6 152
Fleet		659	587
Kennels		3 800	3 425
Training Centre Johannesburg		5 047	4 345
Training Centre Cape Town		1 168	1 155
House & Grounds Johannesburg		1 130	1 045
House & Grounds Cape Town		392	520
College of Orientation and Mobility (Johannesburg)		3 174	3 157
(Profit) / Loss on disposal of PPE		12	(368)
OPERATING (LOSS) / PROFIT FOR THE YEAR		(3 728)	(3 055)
Finance costs		-	-
(LOSS) / PROFIT FOR THE YEAR		(3 728)	(3 055)
OTHER COMPREHENSIVE INCOME	5	6 590	9 870
Legacies received		6 399	9 762
Contribution from The John and Esther Ellerman Memorial Trust	16	191	108
NET SURPLUS FOR THE YEAR		2 862	6 815



STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2017

	Notes	Accumulated surplus R 000	Revaluation reserve R 000	Total R 000
Balance at 31 March 2014		76 792	22 534	99 326
Net deficit for the year		(2 307)	-	(2 307)
Revaluation reserve		-	8 256	8 256
Legacies received for the year	5	8 203	-	8 203
Net profit on disposal of financial assets	5 / 6	6 320	-	6 320
Balance at 31 March 2015		89 008	30 790	119 798
Net deficit for the year		(3 055)	-	(3 055)
Revaluation reserve		-	(9 033)	(9 033)
Legacies received for the year	5	9 870	-	9 870
Net profit on disposal of financial assets	5 / 6	7 759	-	7 759
Balance at 31 March 2016		103 582	21 757	125 339
Net deficit for the year		(3 728)	-	(3 728)
Revaluation reserve		-	(1 592)	(1 592)
Legacies received for the year	5	6 590	-	6 590
Net profit on disposal of financial assets	5 / 6	2 974	-	2 974
Balance at 31 March 2017		109 418	20 165	129 583

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016**1. ACCOUNTING POLICIES**

The annual financial statements as set out on pages 8 - 21 are prepared on the historical cost basis with the exception of financial assets as detailed in note 1.3 hereunder and incorporate the following principal accounting policies which are consistent with those applied in the previous year.

The financial statements are prepared on the going concern basis.

1.1 Financial instruments*Initial recognition*

The Association classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement. Financial assets and liabilities are recognised on the Association's Statement of Financial Position when the Association becomes party to the contractual provisions of the instrument.

Financial assets are recognised on transaction date when the Association becomes a party to the contracts and thus obtains rights to receive economic benefits and are derecognised when these rights no longer exist.

Unrealised gains and losses arising from revaluation of financial assets are transferred directly to the revaluation reserve. On disposal or impairment of financial assets, cumulative unrealised gains and losses previously recognised are included respectively in determining the profit or loss on disposal of, or impairment charge relating to, that financial asset, which is then recognised in the statement of changes in equity.

Financial assets are principally acquired for earning of income and are classified as non-current assets.

Financial liabilities

Debt, which constitutes a financial liability, includes short-term and long-term debt. Debt is initially recognised at fair value, net of transaction costs incurred and is subsequently stated at amortised cost.

Debt is classified as short-term unless the entity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Debt is derecognised when the obligation in the contract is discharged, cancelled or has expired. Premiums or discounts arising from the difference between the fair value of debt raised and the amount repayable at maturity date are charged to the income statement as finance expenses based on the effective interest rate method.

1.2 Property, plant and equipment

Equipment is stated at cost less accumulated depreciation and any impairment in value.

Depreciation is calculated on a straight line basis over the estimated useful life of the asset as follows:

10%	Vehicles
20%	Furniture & fittings
12,5%	Software
12,5%	Computer equipment
16,67%	Equipment
10%	College of Orientation library

Properties are not depreciated nor subject to impairment and are stated at cost or at the value of the legacy.

The carrying values of assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount. An item of equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the statement of comprehensive income in the year the item is derecognised.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017 - CONTINUED

1.3 Financial assets

All financial assets are initially recognised at cost. Listed shares are recognised as financial assets, which are measured at fair value, with unrealised gains and losses recognised as a separate component of equity, until the financial assets are sold. Fair value of financial assets are determined by reference to JSE quoted market bid prices.

1.4 Accumulated funds

All income and expenditure of a revenue nature is accounted for in the Statement of Comprehensive Income.

1.5 Employee benefits

Post retirement benefits

Post retirement benefits are made up of those obligations which the Association has towards current or past employees.

Defined contribution plans

Contributions in respect of defined contribution plans are recognised as an expense in the year to which they relate.

1.6 Provisions

Provisions are recognised where the Association has a present legal or constructive obligation as a result of a past event, a reliable estimate of the obligation can be made and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

1.7 Inventory

Inventory is valued at the lower of cost, or net realisable value.

1.8 Revenue

Donations, Sponsorships, Events, Trading and Subscriptions

Revenue from donations, sponsorships and subscriptions are recognised when cash is received and is stated at net of direct costs incurred.

Course fees

Course fees are recognised when due to the Association.

Interest and dividends

Interest is recognised on the accrual basis. Dividends are recognised when these are received.

Profit and loss on disposal of financial assets

On disposal of financial assets the profit and/or loss made is transferred directly to equity under the Statement of Changes in Equity.

1.9 Legacies

Legacies received are credited to accumulated funds.

2. TAXATION

The Association is an approved public benefit organisation and is exempt from normal tax in terms of S30 of the Income Tax Act.

3. KEY ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Association makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- Depreciation is influenced by useful life and residual value estimations. Any change in management's estimates of residual values and useful lives would impact the depreciation charge in the year any re-assessment occurs

4. DEFINITIONS**4.1 Cash and cash equivalents**

The cash and cash equivalents amounts disclosed in the cash flow statement comprises cash on hand, deposits held on call with banks and highly liquid investments that are readily convertible to known amounts of cash and are subject to insignificant changes in value.

4.2 Financial instruments**4.2.1 Financial asset**

A right to receive cash, an equity instrument or a right to exchange a financial instrument.

4.2.2 Financial liability

A contractual obligation to pay cash or transfer other benefits or an obligation to exchange a financial instrument. This includes debt.

5. REVENUE

Total revenue comprises:

- Donations and sponsorships
- Fundraising and other
- Financial asset income

- Subscriptions
- Legacies received for the year
- Net profit on disposal of financial assets

	2017	2016
	R 000	R 000
	12 089	11 358
	3 876	3 328
	6 733	5 979
	<u>22 698</u>	<u>20 665</u>
	128	121
	6 589	9 870
	2 976	7 759
	<u>32 391</u>	<u>38 415</u>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH 2017 – CONTINUED**

6. INCOME FROM FINANCIAL ASSETS

Dividends - listed shares
Interest

Loss on sale of investments
Profit on sale of investments

	2017 R 000	2016 R 000
	3 769	4 350
	2 963	1 629
	6 732	5 979
	(85)	(1 329)
	3 059	9 088
	2 974	7 759
	<u>9 706</u>	<u>13 738</u>

7. OPERATING COSTS

Operating costs include:

Audit fees

- Current year
- Accounting fees
- Other expenses

Depreciation of property, plant and equipment

- Furniture and fittings
- Motor vehicles
- Equipment
- Computers
- Software
- College of Orientation and Mobility library

Staff costs

- Key management salaries and wages
- Other employees salaries and wages
- Contributions to retirement funds and other insurance
- Medical aid contributions

Total staff costs

	55	51
	43	41
	5	4
	7	6
	507	460
	72	56
	238	211
	108	116
	77	65
	7	7
	5	5
	3 404	3 070
	11 775	9 951
	15 179	13 021
	1 989	1 809
	815	957
	<u>17 983</u>	<u>15 787</u>

Staff numbers

- Average number of key management employed during the year
- Average number of other employees employed during the year
- Total average number of employees during the year

	2017 #	2016 #
	7	6
	60	55
	<u>67</u>	<u>61</u>

8. MEMBERSHIP

Annual
Life

	2017 #	2016 #
	534	293
	398	188
	136	105

9. PROPERTY, PLANT AND EQUIPMENT

	2017			2016		
	Cost	Accumulated Depreciation	Carrying Value	Cost	Accumulated Depreciation	Carrying Value
Property	12 754	-	12 754	12 469	-	12 469
Furniture and fixtures	1 037	(839)	198	998	(768)	230
Motor vehicles	5 486	(1 501)	3 985	4 618	(1 263)	3 355
Office equipment	879	(485)	394	818	(444)	374
IT equipment	802	(376)	426	676	(359)	317
Computer software	60	(55)	5	60	(47)	13
College of Orientation & Mobility library	50	(30)	20	50	(25)	25
	21 068	(3 286)	17 782	19 689	(2 906)	16 783

**Reconciliation of property,
plant and equipment**

	2017				
	Opening Balance	Additions	Disposals	Depreciation	Total
Property	12 469	286	-	-	12 754
Furniture and fixtures	230	41	(2)	(72)	198
Motor vehicles	3 355	867	-	(238)	3 985
Office equipment	374	133	(5)	(108)	394
IT equipment	317	207	(20)	(77)	426
Computer software	13	-	-	(7)	5
College of Orientation & Mobility library	25	-	-	(5)	20
	16 783	1 534	(27)	(507)	17 782

**Reconciliation of property,
plant and equipment**

	2016				
	Opening Balance	Additions	Disposals	Depreciation	Total
Property	12 809	-	(340)	-	12 469
Furniture and fixtures	160	126	-	(56)	230
Motor vehicles	2 712	854	-	(211)	3 355
Office equipment	450	40	-	(116)	374
IT equipment	333	59	(10)	(65)	317
Computer software	20	-	-	(7)	13
College of Orientation & Mobility library	30	-	-	(5)	25
	16 514	1 079	(350)	(460)	16 783

DETAILS OF PROPERTY

1. Portion 126 of Rietfontein 2IR, Sandton 54408/83
2. 89 Belvedere Road, Claremont T93012/2005
3. 85 Belvedere Road, Claremont T00094572/2007

The aggregate value of the properties has been assessed by the respective municipalities at R 11 750 000 (2016-R11 750 000)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017 – CONTINUED

10. FINANCIAL ASSETS

	2017	2016
	R 000	R 000
Nedbank Private Wealth Securities Managed Portfolio	88 676	75 248
Funds on Call	23 182	34 289
	<u>111 858</u>	<u>109 537</u>
Opening balance	109 537	104 226
Interest received	2 948	1 615
Dividends received	3 769	4 350
Management fees	(730)	(793)
Capital (redeemed)/introduced	(5 049)	1 413
Shares sold	(21 629)	(14 962)
Proceeds on sale of shares	24 604	22 721
Adjust to fair value - prior year reversal	(21 757)	(30 790)
Adjust to fair value - current year	20 165	21 757
	<u>111 858</u>	<u>109 537</u>

11. INVENTORY

Office inventory	5	15
Trading stock	112	189
	<u>117</u>	<u>204</u>

12. TRADE AND OTHER RECEIVABLES

SARS - VAT	165	109
Prepayments	550	236
Sundry debtors	119	41
Deposits	262	5
	<u>1 096</u>	<u>391</u>
<i>Maturity profile</i>		
Within one year		
More than one year	1 072	386
	<u>24</u>	<u>5</u>
	<u>1 096</u>	<u>391</u>

Fair value of trade and other receivables

The carrying value approximates the fair value because of the short period to maturity of these instruments.

Collateral

The Association holds no collateral over trade and other receivables.

13. TRADE AND OTHER PAYABLES

	2017	2016
	R 000	R 000
Trade payables	1 399	1 364
Other payables	696	997
	<u>2 095</u>	<u>2 361</u>
Maturity profile		
Within one year	2 095	2 361
One to two years	-	-
	<u>2 095</u>	<u>2 361</u>

Fair value of trade & other payables

The carrying value approximates the fair value because of the short period to settlement of these obligations.

Leave pay provision

The leave pay provision which is included in other payables was based on 18% (2016: 18%) of the total obligation of R548 645 (2016: R498 757) for the year.

14. NOTES TO THE STATEMENT OF CASH FLOWS**14.1 Reconciliation of net profit before taxation to cash generated by operations:**

Net (loss)/profit for the year	(3 729)	(3 055)
Adjustments for :	-	-
Net profit on disposal of financial assets taken to equity	2 976	7 759
Amortisation	-	-
Depreciation	507	460
Finance costs	-	-
Loss on disposal of property, plant and equipment	12	(368)
Income from investments	(9 708)	(13 738)
	<u>(9 942)</u>	<u>(8 942)</u>
Operating profit before working capital changes		
Changes in working capital		
(Increase)/Decrease in inventory	87	(94)
(Increase)/Decrease in accounts receivable	(705)	301
Increase/(Decrease) in accounts payable	(266)	(281)
	<u>(10 826)</u>	<u>(9 016)</u>
Cash generated by operations		

15. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

Introduction

The Association is exposed to liquidity and credit risk arising from its financial instruments. The Board has the overall responsibility for the establishment and oversight of the Association’s risk management framework. The Board has established comprehensive risk management processes which would provide assurance that significant business risks are systematically identified, assessed and reduced to acceptable levels. The Finance sub-committee appointed by the Board meets regularly with the Fund Managers to review the financial assets as per note 10 and, if appropriate, approve the implementation of optimal strategies for the effective management of financial risks.

Risk profile

Risk management and measurement relating to each of these risks are discussed under the headings below.

15.1 Liquidity risk

Liquidity risk is the risk that an entity will be unable to meet its obligations as they become due. The Association manages liquidity risk by effectively managing its working capital, capital expenditure and cash flows. The Association finances its operations through adequate banking facilities and reserve capital deposits held with reputable banking institutions. There are no severe restrictions on these banking facilities and capital deposits. The Association has sufficient undrawn deposits which could be utilised to settle obligations.

	Note	<u>Total Cash Flows</u>	<u>Within one year</u>	<u>One to two years</u>	<u>More than two years</u>
		R 000	R 000	R 000	R 000
2017					
Assets					
Loans and receivables		1 921	1 897	-	24
SARS - VAT	11	165	165	-	-
Prepayments	11	550	550	-	-
Other debtors	11	119	119	-	-
Deposits	11	262	238	-	24
Cash at bank		825	825	-	-
Financial assets	10	111 858	111 858	-	-
Total		113 779	113 755	-	24

Liabilities

Financial liabilities

		2 095	2 095	-	-
Trade payables	12	1 399	1 399	-	-
Other payables	12	696	696	-	-
Total		2 095	2 095	-	-

	Note	<u>Total Cash Flows</u>	<u>Within one year</u>	<u>One to two years</u>	<u>More than two years</u>
		R 000	R 000	R 000	R 000
2016					
Assets					
Loans and receivables		1 177	1 172	-	5
SARS - VAT	11	109	109	-	-
Prepayments	11	236	236	-	-
Other debtors	11	41	41	-	-
Deposits	11	5	-	-	5
Cash at bank		786	786	-	-
Financial assets	10	109 537	109 537	-	-
Total		110 714	110 709	-	5
Liabilities					
Financial Liabilities					
Trade payables	12	1 364	1 364	-	-
Other payables	12	997	997	-	-
Total		2 361	2 361	-	-

15.2 Credit Risk

Credit risk, or the risk of financial loss due to counterparties not meeting their contractual obligations, is managed by monitoring procedures. Trade and other receivables consist mainly of prepayments and VAT refundable to the Association.

Credit risk exposure in respect of trade receivables is further analysed in note 11.

15.3 Investment Return Risk

Exposure to risk on financial assets and liabilities is monitored on a continuous and proactive basis.

At the reporting date :

	2017	2016
	R 000	R 000
The interest rate profile of the Association's interest bearing financial instruments were:		
Fixed rate instruments (average)	8,6%	7,5%
Exposure to interest rate influences on cash deposits of	23 182	34 289
Exposure to market influences on listed equities valued at	88 676	75 248

16. THE JOHN AND ESTHER ELLERMAN TRUST

The Association was pleased to accept a grant from the John and Esther Ellerman Trust. The grant was used to subsidise the salary of an Orientation and Mobility(O & M) Practitioner. This Practitioner provided direct services to people who are visually impaired in the community and to children who are visually impaired at Sibonile School for the Blind and the Johannesburg School for the Blind (Children of Fire).

