

# NOTICE

## 57<sup>th</sup> ANNUAL GENERAL MEETING



**SOUTH AFRICAN GUIDE-DOGS**  
association for the blind

NOTICE IS HEREBY GIVEN THAT THE 57<sup>th</sup> ANNUAL GENERAL MEETING OF THE SOUTH AFRICAN GUIDE-DOGS ASSOCIATION FOR THE BLIND WILL BE HELD AT THE GLADYS EVANS TRAINING CENTRE ON THE 22<sup>TH</sup> September 2010 AT 14H00.

### **AGENDA**

1. Apologies.
2. Confirmation of the minutes of the 56<sup>th</sup> A.G.M held on the 29<sup>th</sup> September 2009.
3. Matters arising from the previous minutes.
4. The Report of the Chairman.
5. The Report of the Treasurer.
6. Auditors Report.
7. The Report of the Executive Director.
8. Election of Executive Officers and Committee members.
9. Appointment of Auditors.
10. General.
11. Meeting Closure.

### **HEAD OFFICE AND TRAINING CENTRE**

P.O. Box 67585, Bryanston, 2021 • 126 Wroxham Road (off Witkoppen),  
Rietfontien 2iR, Sandton  
Tel: +27 (11) 705 3513 • Fax: 086 506 3364

### **CAPE TOWN OFFICE**

P.O. Box 2674, Clareinch, 7740  
Tel: +27 (21) 674 7395 • Fax: +27 (21) 674 7397

### **DURBAN OFFICE**

P.O. Box 1267, Umkomaas, 4170  
Tel: +27 (39) 973 0387 • Fax: +27 (39) 973 1594

**CHAIRMAN'S REPORT – 2009/2010 – DAVE PARKER**

The pre-requisite for an association such as ours to function effectively is for it to be staffed by a team of motivated, dedicated, skilled and passionate individuals. This is undoubtedly the key success factor for the South African Guide-Dogs Association for the Blind and it is fitting for me to begin this report by thanking all those involved for their contribution to our success. Whether you are a puppy walker, a volunteer or a full-time employee of the Association, we, and those whom we serve, are indebted to you for what you do to promote mobility, independence and companionship among the visually and physically impaired. The Association is certainly not short of passion and this is evident in all facets of our operation.

Our many donors, without whose generous support the Association would not be able to perform its duties and realise its aims, deserve a very special vote of thanks and appreciation. The management team within the Association must also be acknowledged for the manner in which they have undertaken their duties and responsibilities.

The Executive Committee deserves a special word of thanks for the role it plays. This body is charged with ensuring good governance, providing guidance to management and, most importantly, facilitating the longer-term sustainability of the Association. I can say without hesitation that these commitments have been fully realised. This body has also rewritten the Constitution to better reflect the aims, objectives and functioning of the Association. This document is currently with the tax authorities seeking their approval.

Without exception each target set for or within the Association has been met or exceeded:

- A total of 45 guide dogs, 5 service dogs and 5 social dogs have been trained and placed. This is 10 more than the previous year, which is in itself an indication of the dedication of our training and kennel staff
- Fundraising income increased in excess of 8% over the previous year despite the continuing weakened economy. Much of this can be attributed to the fresh, innovative approach from the fundraising and public relations team and from the success of our direct marketing initiatives
- The College of Orientation and Mobility continues to make impressive strides despite the frustration and difficulties it has in dealing with and relying upon various governmental agencies
- The finance team have been hard at work designing and implementing an improved set of accounts and ensuring that our new database is fully functional and pertinent to our operation
- Management control of expenditure has again been exceptional
- Arrangements were finalised with an outside group of financial advisers for them to oversee our investments. Indications are that their input is proving to be invaluable
- Renovation of the puppy and kennel facilities was commenced and they will be operational in the near future. This is a vital project to handle the increase in output of trained dogs
- The required staff training and development continue in order to cope with the increased workload

All of these achievements have contributed to the very healthy financial position in which the Association now finds itself. As was the case in previous years, this financial stability has been hugely assisted by the receipt of further significant bequests. It would be remiss of me not to use this opportunity to thank the families of those whose loved ones have been so generous to our cause. Support such as this goes a long way in reassuring those visually and physically impaired persons who are in need of our services that the commitment of the Association is sustainable in the long-term.

Finally, looking to the year ahead, we continue to be faced with huge challenges and I trust the Association can rely on the continued support, loyalty and dedication of all its stakeholders.

Thank you!



**CHAIRMAN**

28/07/2010

**DATE**

**EXECUTIVE DIRECTOR'S REPORT – 2009/2010 – MALCOLM DRIVER**

Looking back over the last year, it is with a sense of great pride that I report another successful year of performance by the South African Guide-Dogs Association for the Blind. We as an Association have strived to deliver mobility, independence and companionship to visually impaired people and to those who are physically disabled or socially challenged within the Republic of South Africa. To this end the Association trained and placed 55 dog teams in different communities throughout the Republic. The demand for our services continues to grow and we are driven for the future to meet the needs of the clients who we serve.

Our College of Orientation and Mobility has successfully qualified 14 O&M Practitioners, who are now in a position to deliver the skills of independent travel to visually impaired people. This two-year diploma course has not been without its challenges, both for the staff at the College and the students who have spent long hours studying theory and practically implementing the skills they have learnt. It is my pleasure to congratulate all concerned for achieving these results and reaching the objectives set two years ago.

Financially, despite the downturn in economy here in South Africa and worldwide, the South African Guide-Dogs Association for the Blind has continued to maintain financial support from our wonderful individual donors, bequestors, and business and corporate partners. It is mainly due to their support and confidence in our mission that we are able to meet the demands of those we serve.

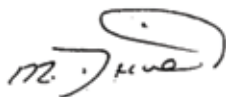
The increase in the number of teams trained has led to an increase in the number of puppies that have been bred and born at the training centre for now and in the future. To meet this increase I am pleased to say the renovation and expansion of our Breeding Centre has been completed. We are now the proud owners of three new whelping areas, bringing our facilities to seven, with a new preparation area and food storage room. In addition to this improvement we have renovated one of the existing kennel blocks in the main kennels. This has resulted in an additional modern facility which is able to house, hygienically and in comfort, 16 additional dogs in training.

I would like to thank our Breeding Stock Holders and puppy rearing families for their loyal contribution to the rearing of quality dogs for advanced training. Your support and dedication to the Association is greatly appreciated.

To achieve the success that we have had over the last financial year, it is necessary to acknowledge the contribution made by staff members in Johannesburg, Cape Town and Durban. Your efforts, whether it be training of clients, kennel management, puppy supervision, administration or fundraising, are greatly appreciated. Thank you for your hard work and commitment to the Association. A special word of thanks to our loyal band of volunteers who give their personal time to assist in the important role of ensuring our basic administrative functions are carried out effectively and efficiently.

As I am sure you are aware, we receive no government funding and are heavily reliant on the financial support of individuals, companies and corporates. We would not be able to do the meaningful work that we do on a daily basis without you. A very big Thank You to you all.

Finally, my appreciation to the Executive Committee who, behind the scenes, give their time, expertise and guidance to ensure the good governance of the Association.



**EXECUTIVE DIRECTOR**

28/07/2010

**REPORT FROM THE HONORARY TREASURER TO THE MEMBERS OF THE ASSOCIATION**

I would like to commence by thanking the Accounting department, headed by Jayne Nicolle, and the volunteers for their dedicated efforts in bringing these annual financial statements to fruition.

Positive brand awareness of the Association conducted by the fundraising teams across the Republic and supported by the many volunteers, enabled the Association to receive more bequests during the year than usual (2010 – R24 030 751 : 2009 – R2 463 521); and considering the current recession that the Republic is experiencing, the electronic donations continued to grow from year to year by 12% (2010 – R6 398 505 : 2009 – R5 697 787).

The fundraising income collected together with income generated from investments and gains made on the disposal of investments, allowed the Association to cover all its expenses, which were well managed. Both income and expenditure increased by 10% when compared to the prior year. The puppy block expansion capital expenditure is about half-way, which will allow the Association to rear more puppies for the ever -expanding needs of our blind community.

In conclusion, the Association has established, through dynamic financial policy making and quality management, a sound financial base to enable it to reach more blind individuals through the College of Mobility and Orientation and the training of more guide dogs.

Deborah Bullivant  
13 July 2010



**HONORARY TREASURER**

28/07/2010

**DATE**



SOUTH AFRICAN GUIDE-DOGS  
association for the blind

# ANNUAL FINANCIAL STATEMENTS

## 31<sup>ST</sup> MARCH 2010

**OFFICE BEARERS**

Executive Director

Malcolm Rumney Driver  
60 McKenzie Road  
Glenferness, Midrand

Honorary Chairman

Thomas David Parker  
Bryanston Glades  
Bryanston  
Sandton

Honorary Treasurer

Deborah Bullivant  
23 Kirsch Street  
Parkrand  
Boksburg

**NATURE OF ASSOCIATION**

To promote freedom of movement and independence in visually impaired people, through mobility, by the provision of Guide-dogs and Orientation and Mobility services.

**AUDITORS**

Axiom Registered Accountants and Auditors

**BANKERS**

Nedbank  
Epsom Downs

**FUND RAISING NUMBER**

01 100110 000 8

000-758 NPO Non-profit organisation registration number

**REGISTERED OFFICE**

126 Wroxham Road  
Rietfontein  
Sandton

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**APPROVAL OF ANNUAL FINANCIAL STATEMENTS**

The annual financial statements set out on pages 7 to 22 were approved by the Executive Committee and are signed on their behalf:



**CHAIRMAN**



**HONORARY TREASURER**

28/07/2010

**DATE**

28/07/2010

**DATE**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SOUTH AFRICAN GUIDE-DOGS ASSOCIATION FOR THE BLIND****Report on the Financial Statements**

We have audited the financial statements of the South African Guide-Dogs Association for the Blind which comprise the Chairman's Report, the Balance Sheet as at 31 March 2010, the Income Statement, and Cash Flow Statement for the year then ended, a summary of significant accounting policies and other explanatory notes, as set out on pages 7 to 22.

**Executive Committee's Responsibility for the Financial Statements**

The Association's Executive Committee is responsible for the preparation and fair presentation of these financial statements in accordance with the requirements of the South African Guide-Dogs Association for the Blind. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Income**

The Association, 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.

**Opinion**

In our opinion, except for the effects of such adjustments, if any, regarding to matters referred to in the preceding paragraph, the financial statements fairly present, in all material respects, the financial position of the Association at 31 March 2010 and the results of its operations for the year then ended in accordance with the requirements of the South African Guide-Dogs Association for the Blind.

*Denice Noelle Carr*

**AXIOM REGISTERED ACCOUNTANTS & AUDITORS**  
**REGISTERED AUDITOR - DENICE NOELLE CARR (644110)**

28/07/2010  
**DATE**

**REPORT OF THE CHAIRMAN OF THE SOUTH AFRICAN GUIDE-DOGS ASSOCIATION FOR THE BLIND  
FOR THE YEAR ENDED 31 MARCH 2010**



The executive committee present their report and the financial statements for the year then ended.

**NATURE OF BUSINESS**

To promote freedom of movement and independence in visually impaired people, through mobility, by the provision of Guide-dogs and Orientation and Mobility services.

**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.

**FIXED ASSETS**

There was no change in the nature of the fixed assets 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.



**INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 2010**

	<b>2010</b>	<b>2009</b>
	<b>R</b>	<b>R</b>
<b>SUBSCRIPTIONS</b>	41 721	72 073
<b>OTHER INCOME</b>	13 102 050	12 012 435
Fundraising from Donations	6 398 505	5 697 787
Fundraising from Events	1 121 266	1 246 901
College of Orientation and Mobility Training income	2 128 587	1 725 422
Sale of Dogs	7 145	4 075
Trading Activities	173 598	196 183
Dividend Revenue	245 674	327 362
Interest Received	2 129 949	1 895 364
Net profit on Disposal of Financial Assets	749 017	803 505
Recoveries – Insurance Claims	11 929	-
Rental Income	136 380	115 836
<b>EXPENDITURE</b>	<b>13 015 728</b>	<b>11 806 017</b>
Auditors Remuneration	5 457	33 130
Depreciation and Impairments	262 239	218 244
Employee Costs	7 698 739	6 910 471
Fundraising Expenses	65 538	200 844
Administration Expenses	1 147 554	750 806
Fleet Expenses	209 107	263 934
Kennel Expenses	431 523	461 973
Training Centre Johannesburg Expenses	325 387	288 842
Training Centre Cape Town Expenses	51 279	55 409
House & Grounds Johannesburg Expenses	86 678	113 561
House & Grounds Cape Town Expenses	76 457	171 822
College & Orientation and Mobility North West	1 138 997	937 975
College & Orientation and Mobility Johannesburg	1 173 433	1 155 327
Insurance	305 428	198 532
Loss on Disposal of Assets	37 912	45 147
<b>PROFIT FOR THE YEAR</b>	<b>128 043</b>	<b>278 491</b>
<b>OTHER COMPREHENSIVE INCOME</b>	<b>24 210 751</b>	<b>2 713 521</b>
Bequests Received	24 030 751	2 463 521
Contribution from SAGA Trust	180 000	250 000
<b>NET SURPLUS FOR THE YEAR</b>	<b>24 338 794</b>	<b>2 992 012</b>

**BALANCE SHEET AT 31ST MARCH 2010**

	Notes	2010 R	2009 R
<b>ASSETS</b>			
<b>Non-current assets</b>			
Financial Assets	10	53 829 502	24 911 083
Property, Plant and Equipment	8	10 642 638	10 140 792
Intangible assets	9	192 583	215 693
<b>Current assets</b>		1 861 755	1 624 548
Inventories		300 687	214 916
Trade and other Receivables	11	820 410	354 677
Cash and Bank		740 658	1 054 955
<b>TOTAL ASSETS</b>		<u>66 526 478</u>	<u>36 892 116</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Accumulated Funds		58 122 257	33 783 465
Revaluation of Investment		7 631 029	1 985 663
<b>Current liabilities</b>			
Trade and other Payables	12	773 192	1 122 988
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>66 526 478</u>	<u>36 892 116</u>

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2010**

	<b>Accumulated surplus R</b>	<b>Revaluation of investment R</b>	<b>Total R</b>
Balance at 31 March 2008	<b>30 790 471</b>	<b>5 475 344</b>	<b>36 265 815</b>
Net Surplus for the year	529 471	-	529 471
Revaluation of Investment	-	(3 489 681)	(3 489 681)
Legacies / Contributions for the year	2 463 521	-	2 463 521
Property Donations for the year	-	-	-
<b>Balance at 31 March 2009</b>	<b>33 783 463</b>	<b>1 985 663</b>	<b>35 769 126</b>
Net Surplus for the year	128 043	-	128 043
Revaluation of Investment	-	5 645 366	5 645 366
Bequests / Contributions for the year	24 210 751	-	24 210 751
Property Donations for the year	-	-	-
<b>Balance at 31 March 2010</b>	<b>58 122 257</b>	<b>7 631 029</b>	<b>65 753 286</b>



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**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2010**

	Notes	2010 R	2009 R
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		(473 106)	950 857
Cash generated by Operations	13.1	(2 848 729)	(1 271 869)
Income from Investments		2 375 623	2 222 726
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		(24 051 940)	(3 725 873)
Additions to Fixed Assets		(899 387)	(1 731 309)
Additions to Intangible Assets		-	(156 100)
Decrease / (Increase) in Financial Assets		(23 273 053)	(1 918 464)
Proceeds on Disposal of Plant and Equipment		120 500	80 000
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		24 210 751	2 463 521
Bequests / Contributions received during the year		24 210 751	2 463 521
Property Donations received for the year		-	-
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		(314 295)	(311 495)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>		1 054 953	1 366 448
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>		740 658	1 054 953

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010



SOUTH AFRICAN GUIDE-DOGS  
association for the blind

## 1. ACCOUNTING POLICIES

The annual financial statements as set out on pages 7 - 22 are prepared on the historical cost basis with the exception of investments as detailed in note 1.4, 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 financial liabilities are recognised on the Association's balance sheet when the Association becomes party to the contractual provisions of the instrument.

#### *Financial assets*

The Association classifies its financial assets into the following categories:

- held-to-maturity financial assets;
- loans and receivables;
- available-for-sale financial assets; and
- financial assets at fair value through profit and loss.

The classification is dependent on the purpose for which the financial asset is acquired. Management determines the classification of its financial assets at the time of the initial recognition and re-evaluates such designation at least at each reporting date.

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.

Financial assets are stated initially on transaction date at fair value including transaction costs.

Held-to-maturity financial assets and loans and receivables are subsequently stated at amortised cost using the effective interest rate method. Available-for-sale financial assets are subsequently stated at fair value at the reporting date.

Unrealised gains and losses arising from revaluation of available-for-sale financial assets are recognised as other comprehensive income and included in the investment fair value reserve. On disposal or impairment of available-for-sale financial assets, cumulative unrealised gains and losses previously recognised in other comprehensive income are included respectively in determining the profit or loss on disposal of, or impairment charge relating to, that financial asset, which is recognised in the income statement.

Financial assets at fair value through profit and loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term. Assets in this category are classified as 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 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

Land is not depreciated. Buildings are depreciated in a straight line basis estimated to write each asset down to its residual value over the term of its useful life.

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 income statement in the year the item is derecognised.

## 1.3 Intangible assets

### *Non-integrated computer software*

Acquired computer software databases are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their useful lives.

Costs associated with the developing or maintaining of computer software programmes are recognised as an expense as incurred. Costs that are directly associated with the development of identifiable and unique software products controlled by the Association, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets.

Computer software development costs recognised as assets are amortised over their estimated useful lives, typically not exceeding ten years.

### *Impairment of intangible assets excluding goodwill*

At each statement of financial position date, the Association reviews the carrying amounts of intangible assets to determine whether there is any indication that those assets have suffered an impairment loss.

If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). In order to ensure completeness of the impairment assessment of individual assets, all intangible assets are allocated to the cash-generating units to which they belong. An impairment assessment is then undertaken on the individual cash-generating units.

Recoverable amount is defined as the higher of fair value less cost to sell and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted at their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

## 1.4 Investments

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

## 1.5 Accumulated funds

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

Certain income is received for specific purposes and where such income has not been fully utilised during the year, amounts representing the unutilised portions are transferred to the appropriate funds.

## 1.6 Employee Benefits

### *Post retirement benefits*

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

### *Defined contribution plans*

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

## 1.7 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.

Long-term provisions are determined by discounting the expected future cash flows to their present value. The increase in discounted long-term provisions as a result of the passage of time is recognised as a finance expense in the income statement.

## 1.8 Revenue

### *Donations, Sponsorships, Course fees and Subscriptions*

Revenue from donations, sponsorships, course fees and subscriptions are recognised when cash is received.

### *Interest and Dividends*

Interest is recognised on a time proportion basis that takes into account the effective yield on the asset.

Dividends are recognised when these are declared.



## 1.9 Bequests

Bequests 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 section 30 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.
- Estimates made in determining the probability of future taxable income, thereby justifying the recognition of deferred tax assets.

## 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

Cash or cash equivalents, a right to receive cash, an equity instrument or a right to exchange a financial instrument under favourable conditions.

#### 4.2.2 Financial liability

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

#### 4.2.3 Loans and receivables

A financial asset with fixed or determinable repayments that are not quoted in an active market, other than:

- a derivative instrument; or
- an available-for-sale financial asset.

#### 4.2.4 Available-for-sale financial asset

A financial asset that has been designated as available-for-sale or a financial asset other than those classified as loans and receivables, held-to-maturity investments or derivative instruments.

An investment intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, is classified as a non-current available-for-sale financial asset.



**4.2.5 Transaction date**

The date an entity commits itself to purchase or sell a financial instrument.

**4.2.6 Effective interest rate**

The derived rate that discounts the expected future cash flows to the current net carrying amount of the financial asset or financial liability.



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	<b>2010</b>	<b>2009</b>
	<b>R</b>	<b>R</b>
<b>5. REVENUE</b>		
Total revenue comprises:		
- Donations and Sponsorships	6 398 505	6 102 270
- Subscriptions	41 721	72 073
- Income from investments	3 124 639	2 982 839
- Course Fees	2 128 587	1 725 422
<b>6. INCOME FROM INVESTMENTS</b>		
Dividends – listed shares	245 674	327 362
Interest	2 129 949	1 895 364
Loss on sale of investments	(100 792)	(43 391)
Profit on sale of investments	849 809	803 505
	3 124 640	2 982 840
<b>7. OPERATING COSTS</b>		
Operating costs include:		
Audit fees	5 457	33 130
- Current year	-	33 130
- Accounting Fees	4 830	-
- Other Expenses	627	-
Key Management – Salary ( excl employer contributions )	2 000 734	1 325 166
- Number of key management employed during the year	5	4
Depreciation - Furniture and fittings	17 279	8 043
- Software	14 677	11 345
- Equipment	25 402	15 459
- Computers	41 966	28 024
- Motor vehicles	139 805	138 958
Staff Costs		
- Salaries and wages ( excl Key Management )	5 224 134	5 210 369
- Contributions to retirements funds	630 604	639 301
- Medical aid contributions	770 044	611 253
- Average number of employees employed during the year	47	43

## 8. PROPERTY, PLANT AND EQUIPMENT

2010	Furniture &						
	Total	Property	Vehicles	Fittings	Software	Computers	Equipment
Cost	12 022 727	8 167 671	2 508 763	581 919	146 287	380 560	237 527
Accumulated Depreciation	(1 380 089)	-	(587 139)	(524 126)	(60 665)	(156 180)	(51 979)
Book Value	10 642 638	8 167 671	1 921 624	57 793	85 622	224 380	185 548

2009	Furniture &						
	Total	Property	Vehicles	Fittings	Software	Computers	Equipment
Cost	11 402 079	7 833 005	2 471 061	579 262	94 646	273 962	150 143
Accumulated Depreciation	(1 261 286)	-	(555 267)	(506 847)	(45 987)	(115 214)	(37 971)
Book Value	10 140 793	7 833 005	1 915 794	72 415	48 659	158 748	112 172

### Reconciliation of Property, Plant and Equipment

2010	Furniture &						
	Total	Property	Vehicles	Fittings	Software	Computers	Equipment
Carrying value at 1/4/2009	10 140 792	7 833 005	1 915 794	72 415	48 658	158 748	112 172
Additions	899 387	334 666	302 209	2 657	51 641	107 598	100 616
Disposals	(277 740)	-	(264 508)	-	-	-	(13 232)
Depreciation for the year	(239 129)	-	(139 805)	(17 279)	(14 677)	(41 966)	(25 402)
Accumulated depreciation write-off	119 328	-	107 934	-	-	-	11 394
Carrying value at 31/3/2010	10 642 638	8 167 671	1 921 624	57 793	85 622	224 380	185 548

2009	Furniture &						
	Total	Property	Vehicles	Fittings	Software	Computers	Equipment
Carrying value at 1/4/2008	10 318 120	8 167 671	1 921 624	12 567	60 004	100 677	55 577
Additions	1 731 309	1 232 496	272 773	67 891	-	86 095	72 054
Disposals	(166 319)	-	(166 319)	-	-	-	-
Depreciation for the year	(201 829)	-	(138 958)	(8 043)	(11 345)	(28 024)	(15 459)
Accumulated Depreciation write-off	84 564	-	84 564	-	-	-	-
Carrying value at 31/3/2009	11 765 845	9 400 167	1 973 684	72 415	48 659	158 748	112 172

### DETAILS OF PROPERTY

1. Portion 126 of Rietfontein, Sandton 54408/83
2. Erf 47 – 6th Avenue, Orange Grove T6569/1999
3. 89 Belvedere Road, Claremont T93012/2005
4. 85 Belvedere Road, Claremont T00094572/2007

Fair value of Land and Buildings is estimated by the municipality at R 10 289 000 (31 March 2009)

## 9. INTANGIBLE ASSETS

2010	Non - integrated	
	<u>software</u>	<u>Total</u>
Gross carrying amount 1/4/2009	215 693	215 693
- Amortisation	(23 110)	(23 110)
- Additions	-	-
- Disposals	-	-
Gross carrying amount 31/3/2010	<u>192 583</u>	<u>192 583</u>

	Non - integrated	
	<u>Software</u>	<u>Total</u>
<b>2009</b>		
Gross carrying amount 1/4/2008	75 000	75 000
- Amortisation	(15 407)	(15 407)
- Additions	156 100	156 100
- Disposals	-	-
Gross carrying amount 31/3/2009	<u>215 693</u>	<u>215 693</u>

**10. FINANCIAL ASSETS (AVAILABLE-FOR-SALE)**

	<b>2010</b>	<b>2009</b>
	<b>R</b>	<b>R</b>
BOE Securities Managed Portfolio	41 670 940	7 250 209
Funds on Call	12 158 562	17 660 875
	<u>53 829 502</u>	<u>24 911 084</u>
Opening balance	24 911 084	26 482 300
Interest received	2 033 837	1 895 364
Dividends received	245 674	327 362
Brokerage fees	(229 348)	(99 214)
Capital (Redeemed)/Introduced	(8 301 491)	(769 837)
Shares Purchased	30 185 138	1 147 217
Shares Sold	(1 696 104)	(1 342 542)
Transfer Sasfin to BOE Surplus	286 329	-
Profit on sale of shares	749 017	760 113
Adjust to fair value – prior year reversal	(1 985 663)	(5 475 342)
Adjust to fair value – current year	7 631 029	1 985 663
	<u>53 829 502</u>	<u>24 911 084</u>

**11. TRADE AND OTHER RECEIVABLES**

	<b>2010</b>	<b>2009</b>
	<b>R</b>	<b>R</b>
SARS – VAT	73 899	77 912
Accrued income	-	-
Prepayments	226 174	285 097
Sundry debtors	506 004	192 351
Staff loans	-	-
Deposits	14 333	14 233
	<u>820 410</u>	<u>569 593</u>

*Maturity profile*

Within one year	738 006	555 360
More than two years	82 404	14 233
	<u>820 410</u>	<u>569 593</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 company holds no collateral over trade and other receivables.

**12. TRADE AND OTHER PAYABLES**

	<b>2010</b>	<b>2009</b>
	<b>R</b>	<b>R</b>
Deposits	-	-
Trade payables	605 001	913 287
Other payables	168 191	209 701
	<u>773 192</u>	<u>1 122 988</u>
 <i>Maturity profile</i>		
Within one year	773 192	1 122 988
One to two years	-	-
	<u>773 192</u>	<u>1 122 988</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 15% of the total obligation of R 315 217 for the 2010 year.

**13. NOTES TO CASH FLOW STATEMENT**

**13.1 Reconciliation of net surplus before taxation to cash generated by operations:**

	<b>2010</b>	<b>2009</b>
	<b>R</b>	<b>R</b>
Net surplus for the year	128 043	529 471
Adjustments for :		
Amortisation	23 110	15 407
Depreciation	239 129	201 829
Loss on sale of fixed assets	37 912	1 755
Income from investments	(2 375 623)	(2 222 725)
Operating Surplus before working capital changes	(1 947 429)	(1 474 263)
Changes in Working Capital		
(Increase)/Decrease in Inventory	(85 771)	-
(Increase)/Decrease in Accounts Receivable	(465 733)	(210 013)
Increase/(Decrease) in Accounts Payable	(349 796)	412 407
Cash Generated by operations	<u>(2 848 729)</u>	<u>(1 271 869)</u>

**14. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS**

*Introduction*

The Association is exposed to liquidity, credit and commodity price risk arising from its financial instruments. The Director and Management have the overall responsibility for the establishment and oversight of the Association’s risk management framework. The Director and Management established comprehensive risk management processes which would provide assurance that significant business risks are systematically identified, assessed and reduced to acceptable levels. The Director and Management meet regularly to review 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.

**14.1 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	Total Cash Flows	Within one year	One to two years	More than two years
		R	R	R	R
<b>2010</b>					
<b>Financial Assets</b>					
<b>Loans and Receivables</b>		1 561 068	1 478 664	-	82 404
SARS – VAT	11	73 899	73 899	-	-
Prepayments	11	226 174	226 174	-	-
Other debtors	11	506 004	437 933	-	68 071
Deposits	11	14 333	-	-	14 333
Cash at Bank		740 658	740 658	-	-
<b>Investments available-for-sale</b>	10	53 829 502	53 829 502	-	-
<b>Total</b>		55 390 570	55 308 166	-	82 404
<b>Financial Liabilities</b>					
Non-derivative instruments		773 192	773 192	-	-
Trade payables	12	605 001	605 001	-	-
Other payables	12	168 191	168 191	-	-
<b>Total</b>		773 192	773 192	-	-

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	Note	Total Cash Flows	Within one year	One to two years	More than two years
		R	R	R	R
<b>2009</b>					
<b>Financial Assets</b>					
<b>Loans and Receivables</b>		1 624 546	1 610 313	-	14 233
SARS - VAT	11	77 912	77 912	-	-
Prepayments	11	285 097	285 097	-	-
Other debtors	11	192 351	192 351	-	-
Deposits	11	14 233	-	-	14 233
Cash at Bank		1 054 953	1 054 953	-	-
<b>Investments available-for-sale</b>	10	24 911 085	7 250 211	-	17 660 874
<b>Total</b>		<b>26 535 631</b>	<b>8 860 524</b>	<b>-</b>	<b>17 675 107</b>
<b>Financial Liabilities</b>					
<b>Non-derivative instruments</b>		1 122 988	1 122 988	-	-
Trade payables	12	1 114 243	1 114 243	-	-
Other payables	12	8 745	8 745	-	-
<b>Total</b>		<b>1 122 988</b>	<b>1 122 988</b>	<b>-</b>	<b>-</b>

## 14.2 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. The Association does not have customers who might owe monies. Credit Risk exposure in respect of trade receivables is further analysed in note 11. The carrying value of the investments available-for-sale, loans and receivables and derivative financial instrument financial assets represent the maximum credit risk exposure.

## 14.3 Investment Return Risk

Exposure to risk on financial assets, investments available-for-sale and liabilities is monitored on a continuous and proactive basis. At the reporting date, the interest rate profile of the company's interest bearing financial instruments were:

	2010	2009
<b>Fixed Rate Instruments (average)</b>	7,7%	10,7%
At the reporting date, the Association was exposed to market influences on listed equities valued at	<u>R12 158 562</u>	<u>R7 250 211</u>

**INDEPENDENT AUDITOR'S REPORT**

**TO THE MEMBERS OF THE SOUTH AFRICAN GUIDE-DOGS ASSOCIATION FOR THE BLIND TRUST**

**Report on the Financial Statements**

We have audited the financial statements of the South African Guide-Dogs Association for the Blind Trust which comprise the Balance Sheet as at 31 March 2010, the Income Statement, the Statement of Changes in Equity for the year then ended, a summary of significant accounting policies and other explanatory notes as set out on pages 23 to 26.

**Trustee's Responsibility for the Financial Statements**

The Trustees are responsible for the preparation and fair presentation of these financial statements in accordance with the requirements of the South African Guide-Dogs Association for the Blind Trust. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

The Trust, 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. In our opinion, except for the effects of such adjustments, if any, regarding to matters referred to in the preceding paragraph, the financial statements fairly present, in all material respects, the financial position of the Trust at 31 March 2010 and the results of its operations for the year then ended in accordance with the requirements of the South African Guide-Dogs Association for the Blind Trust.

*Axiom Registered Accountants & Auditors*

**AXIOM REGISTERED ACCOUNTANTS & AUDITORS**  
**REGISTERED AUDITOR - DENICE NOELLE CARR (644110)**

28/07/2010

**DATE**

**SOUTH AFRICAN GUIDE-DOGS ASSOCIATION FOR THE BLIND TRUST**

**INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 2010**

	<b>2010</b>	<b>2009</b>
	<b>R</b>	<b>R</b>
Donations Received	203 100	226 280
Bank Charges	(28)	0
Income For The Year	<u>203 072</u>	<u>226 280</u>

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2010**

	<b>2010</b>	<b>2009</b>
	<b>Retained Income</b>	<b>Retained Income</b>
Balance at 31 March 2008	51 394	9 544
Income for The Year	<u>226 280</u>	<u>331 850</u>
	277 674	341 394
Funds Distributed To SA Guide-Dogs Association For The Blind	(250 000)	(290 000)
Balance at 31 March 2009	27 674	51 394
Income for The Year	<u>203 072</u>	<u>226 280</u>
	230 746	277 674
Funds Distributed To SA Guide-Dogs Association For The Blind	(180 000)	(250 000)
Balance at 31 March 2010	<u>50 746</u>	<u>27 674</u>



TRUSTEE - Thomas David Parker

28/07/2010

DATE



TRUSTEE - Malcom Rumney Driver

28/07/2010

DATE

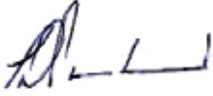


**SOUTH AFRICAN GUIDE-DOGS ASSOCIATION FOR THE BLIND TRUST**

**BALANCE SHEET AS AT 31 MARCH 2010**

	<b>2010</b>	<b>2009</b>
	<b>R</b>	<b>R</b>
Trust Capital Account	50 746	27 674
Employment Of Capital		
Bank Balance	50 746	27 674

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TRUSTEE - Thomas David Parker

28/07/2010

DATE



TRUSTEE - Malcom Rumney Driver

28/07/2010

DATE



**1. ACCOUNTING POLICIES**

The annual financial statements are prepared on the historical cost basis and incorporate the following principal accounting policies :

**1.1 Revenue**

*Donations*

Revenue from donations is recognised when cash is received.

**1.2 Financial Instruments**

Financial instruments recognised on the Balance Sheet comprises cash held at bank.

**2. TAXATION**

The Trust is an approved public benefit organisation and is exempt from normal tax .

# NOTES



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