

NOTICE

59th ANNUAL GENERAL MEETING



SOUTH AFRICAN GUIDE-DOGS
association for the blind

NOTICE IS HEREBY GIVEN THAT THE 59th ANNUAL GENERAL MEETING OF THE SOUTH AFRICAN GUIDE-DOGS ASSOCIATION FOR THE BLIND WILL BE HELD AT THE GLADYS EVANS TRAINING CENTRE ON THE 19TH SEPTEMBER 2012 AT 14H30.

AGENDA

1. Apologies.
2. Confirmation of the minutes of the 58th A.G.M held on the 28th September 2011.
3. Matters arising from the previous minutes.
4. The Report of the Chairman.
5. The Report of the Treasurer.
6. Auditor's 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),
Rietfontein 2IR, Sandton
Tel: +27 (11) 705 3512 • Fax: 086 506 3364

CAPE TOWN OFFICE

P.O. Box 2674, Clareinch, 7740 • 89 Belvedere Road, Claremont
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 – 2011/2012

All stakeholders in the **South African Guide-Dogs Association for the Blind** can once again feel extremely proud of their contributions to the excellent achievements of the Association over the past year.

The 2011/2012 financial year saw the following major achievements:

- The **Training Department** had superb results with **forty-two** guide-dogs, **five** service dogs and **two** social dogs being trained and placed. Of these, **twenty-three** dogs went to first-time guide-dog and service dog owners.
- The **College of Orientation and Mobility** continued with their two-year programme with very positive results for the students on the course. It is most pleasing to see the commitment of the current group of students.
- The **Marketing Department** was restructured with almost immediate benefits. Fund-raising income increased in excess of 10% over the previous year, which is a significant achievement in the continuing weakened economy. Much of this can be attributed to the fresh, innovative approach from the marketing team and from the success of our direct marketing initiatives.
- The **Finance Department** must be complimented for their part in keeping the finances of the Association on track under very difficult circumstances and resultant pressure.
- On the operational side, a major project was undertaken to ensure that the functioning of the Association is in line with current-day requirements. This has resulted in the restructure of certain departments and an improved flow of communication.
- The renovation of the boarding kennels was completed, which is the penultimate phase in ensuring our facilities match medium-term requirements. All that remains now is to renovate the office building, particularly with a view to providing additional office space.
- The financial performance was again ahead of expectations. The overall financial stability of the Association continues to be most satisfying.

It is only through a huge team effort that results such as these can be achieved. Staff, volunteers, puppy-raisers, supporters and even the Executive team have all combined to make the Association what it is today.

My sincere thanks to everyone for their endeavours and their contribution to the team effort. I cannot believe there are many charitable organisations in this country which operate with such commitment, dedication and passion!

Of course, the Association would not be able to achieve any of its aims without the ongoing support of our many donors. On behalf of those whom we serve, I would like to thank you, one and all, for your caring and overwhelming generosity.

Earlier, I mentioned the financial stability of the Association. In a large part this has been made possible through 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.

While thanking those who have contributed to the recent success of the Association, it would be remiss of me not to make mention of the management team and the Executive committee. Management have done all that has been asked of them; the Executive has ensured good governance and continues to focus on the longer-term sustainability of the Association.

Looking to the year ahead, it is my belief that we need to make even better use of the skills and experience which many volunteers bring. I believe that many volunteers could fill the role of ambassadors for the Association and in so doing spread the word about the work we do to a larger audience. The resultant benefits are obvious.

Finally, as always, 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!



THOMAS DAVID PARKER

CHAIRMAN

19/07/2012

DATE

HONORARY TREASURER'S REPORT – 2011/2012

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

College of Orientation and Mobility

Fundraising has started to improve due to efforts to promote the college and its BEE benefits to the community. Income including diploma fees for the first of the revised two year course is R968,214 when compared to 2011's R236,568. The increase in costs (2012 R2,234,417; 2011 R1,599,946) was mainly attributed to additional personnel to support the new course and the annual increase.

During this year we were able to secure a donation from the National Lottery for the college amounting to R153,998, which was utilised to acquire a vehicle to transport the students. The expansion of the college facilities was finalised during this year, the total cost which was carried over two years amounted to R 1,663,150. This expansion was long overdue and will allow the college to have one course start and another course finish of 10 students every year, compared to running a course every second year in the past.

Guide-Dogs

Income attributed to guide-dogs was up by 11.16% (2012 R13,049,792; 2011 R11,739,225); this includes the income from financial assets together with profits on disposal of such assets which is up by 13.46% (2012 R3,708,957; 2011 R3,268,840). The bequests programme continues to surprise us with generous donations (2012 R5,339,706; 2011 R6,103,711). Donations received continue to grow from year to year by 7.7% (2012 R 7,702,210; 2011 R7,149,002).

The costs of running the Association increased by 6.67% down on the prior year of 13%. (2012 R13,991,467; 2011 R13,117,235); the main contributor was the salary annual increase.

The old kennels and hospital renovation project was finalised during this year and cost R1,188,053.

Conclusion

I would like to thank all individuals and corporate donors that support and donate to the Association; this income enables the Association to meet its objective and to build its own financial reserve. (Unfortunately the Association is granted no government support.) The Association is currently in a strong financial position due to sound executive and management decisions.



DEBORAH BULLIVANT
HONORARY TREASURER

19/07/2012

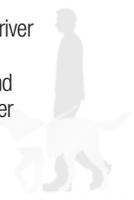
DATE



SOUTH AFRICAN GUIDE-DOGS
association for the blind

ANNUAL FINANCIAL STATEMENTS

31ST MARCH 2012



SOUTH AFRICAN GUIDE-DOGS
ASSOCIATION FOR THE BLIND

OFFICE BEARERS

Executive Director

Malcolm Rumney Driver
60 McKenzie Road
Glenferness, Midrand
Thomas David Parker
Bryanston Glades
Bryanston
Sandton
Deborah Bullivant
23 Kirsch Street
Parkrand
Boksburg

Honorary Chairman

Honorary Treasurer

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
Nicolway

FUND RAISING NUMBER

01 100110 000 8 000-758 NPO

REGISTERED OFFICE

126 Wroxham Road
Rietfontein 2IR
Sandton

CONTENTS

- 2** Report of the Honorary Chairman
- 7** Report of the auditors
- 9** Statement of Comprehensive Income
- 10** Balance Sheet
- 11** Statement of changes in equity
- 12** Statement of Cash Flows
- 13-22** Notes to the financial statements
- 23-26** Trust financial statements

APPROVAL OF ANNUAL FINANCIAL STATEMENTS

The annual financial statements set out on pages 9 to 12 were approved by the Executive Committee and are signed on their behalf:

CHAIRMAN

HONORARY TREASURER

16/07/2012

DATE

16/07/2012

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 Statement of Financial Position as at 31 March 2012; the Statement of Comprehensive Income; and Statement of Cash Flows for the year then ended; a summary of significant accounting policies; and other explanatory notes, as set out on pages 13 - 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 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.

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 2012 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.

Axiom Registered Accountants & Auditors

AXIOM REGISTERED ACCOUNTANTS & AUDITORS

REGISTERED AUDITOR – DENICE NOELLE CARR (644110)

SHOP 7 MAGIC GARDEN CENTRE, ARCONPARK, VEREENIGING

16/07/2012

DATE

**REPORT OF THE CHAIRMAN OF THE SOUTH AFRICAN GUIDE-DOGS ASSOCIATION FOR THE BLIND
FOR THE YEAR ENDED 31 MARCH 2012**



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 2012

	2012	2011
	R	R
SUBSCRIPTIONS	47,106	92,961
OTHER INCOME	14,172,004	11,975,793
Fundraising from donations	7,702,210	7,149,002
Fundraising from events	1,365,619	847,437
College of Orientation and Mobility Training income	968,214	236,568
Donation National Lottery	153,998	-
Sale of Dogs	32,640	32,277
Trading Activities	69,764	284,839
Dividend revenue	866,516	661,764
Interest received	2,415,850	2,153,513
Net profit on disposal of financial assets	426,591	453,563
Rental Income	170,602	156,830
EXPENDITURE	16,225,884	14,717,181
Depreciation, amortisation and impairments	331,905	330,397
Fundraising expenses	1,289,740	1,342,368
Administration expenses	4,365,624	3,984,634
Fleet Expenses	412,772	385,697
Kennel expenses	2,397,575	2,024,534
Training Centre Johannesburg expenses	3,234,489	3,126,404
Training Centre Cape Town expenses	704,070	570,582
House & Grounds Johannesburg expenses	819,749	933,768
House & Grounds Cape Town expenses	415,615	417,767
College & Orientation and Mobility Johannesburg	2,234,417	1,599,946
Loss on Disposal of assets	19,928	1,084
(LOSS) / PROFIT FOR THE YEAR	<u>(2,006,774)</u>	<u>(2,648,427)</u>
OTHER COMPREHENSIVE INCOME	5,449,706	6,167,442
Bequests received	5,399,706	6,103,711
Contribution from SAGA Trust	110,000	63,731
NET SURPLUS FOR THE YEAR	<u>3,442,932</u>	<u>3,519,015</u>

SOUTH AFRICAN GUIDE-DOGS ASSOCIATION FOR THE BLIND

BALANCE SHEET AT 31ST MARCH 2012

	Notes	2012 R	2011 R
ASSETS			
Non-current assets			
Financial assets	10	65,577,688	57,687,371
Property, plant and equipment	8	15,147,967	13,297,606
Intangible assets	9	164,670	169,473
Current assets			
Inventories		155,199	368,618
Trade and other receivables	11	480,986	850,811
Cash and bank		552,016	859,646
TOTAL ASSETS		82,078,526	73,233,525
EQUITY AND LIABILITIES			
Capital and reserves			
Accumulated funds		65,084,205	61,641,272
Revaluation of investment		15,864,495	10,366,126
Current liabilities			
Trade and other payables	12	1,129,826	1,226,127
TOTAL EQUITY AND LIABILITIES		82,078,526	73,157,442

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2012

	Accumulated surplus R	Revaluation of investment R	Total R
Balance at 31 March 2009	33,783,463	1,985,663	35,769,126
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	-	-	-
Balance at 31 March 2010	58,122,257	7,631,029	65,753,286
Net deficit for the year	(2,648,427)	-	(2,648,427)
Revaluation of investment	-	2,735,097	2,735,097
Bequests / contributions for the year	6,167,442	-	6,167,442
Property donations for the year	-	-	-
Balance at 31 March 2011	61,641,272	10,366,126	72,007,398
Net deficit for the year	(2,006,774)	-	(2,006,774)
Revaluation of investment	-	5,498,369	5,498,369
Bequests / contributions for the year	5,449,706	-	5,449,706
Property donations for the year	-	-	-
Balance at 31 March 2012	65,084,205	15,864,495	80,948,700



SOUTH AFRICAN GUIDE-DOGS
association for the blind

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2012

	Notes	2012 R	2011 R
CASH FLOWS FROM OPERATING ACTIVITIES		(1,167,999)	(1,962,340)
Cash generated by operations	13.1	(4,450,365)	(4,777,617)
Income from Investments		3,282,366	2,815,277
CASH FLOWS FROM INVESTING ACTIVITIES		(4,589,338)	(4,086,114)
Additions to fixed assets		(2,187,022)	(3,075,630)
Additions to Intangible assets		(18,837)	-
Decrease / (increase) in financial assets		(2,391,949)	(1,122,773)
Proceeds on disposal of plant and equipment		8,470	112,289
CASH FLOWS FROM FINANCING ACTIVITIES		5,449,706	6,167,442
Bequests / contributions received during the year		5,449,706	6,167,442
Property donations received for the year		-	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(307,631)	118,988
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		859,646	740,658
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		<u>552,016</u>	<u>859,646</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012



SOUTH AFRICAN GUIDE-DOGS
association for the blind

1. ACCOUNTING POLICIES

The annual financial statements, as set out on pages 9 - 12 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 statement of financial position 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;
- 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 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

10% College of Orientation Library

Land and buildings are not depreciated.

The carrying values of assets are reviewed for impairment when events or changes in circumstances indicate that 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.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012 - CONTINUED

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 are 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 statement of comprehensive income. 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 statement of comprehensive income.

1.8 Revenue*Donations, Sponsorships, Course fees and Subscriptions*

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

Interest and Dividends

Interest is recognised when received.

Dividends are recognised when these are received.

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 comprise 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012 – CONTINUED



	2012	2011
	R	R
5. REVENUE		
Total revenue comprises:		
- Donations and Sponsorships	7,856,208	7,149,002
- Subscriptions	47,106	92,961
- Income from investments	3,708,957	3,268,840
- Fundraising and other	2,606,839	1,557,951

6. INCOME FROM INVESTMENTS

Dividends – listed shares	866,516	661,763
Interest	2,415,850	2,153,513
Loss on sale of investments	(226,229)	(9,092)
Profit on sale of investments	652,820	462,656
	<u>3,708,957</u>	<u>3,268,840</u>

7. OPERATING COSTS

Operating costs include:		
Audit fees	38,950	37,480
- Current year	38,950	37,480
- Accounting Fees	-	-
- Other Expenses	-	-
Key Management – Salary (excl employer contributions)		
	1,978,440	1,798,500
- Number of key management employed during the year	4	4
Depreciation – Furniture and fittings		
	31,944	31,220
- Software	20,391	19,834
- Equipment	53,814	46,456
- Computers	40,924	43,247
- Motor vehicles	156,294	166,531
- College of Orientation Library	4,897	-
Staff Costs		
- Salaries and wages (excl Key Management)	7,644,021	7,044,088
- Contributions to retirement funds	805,488	797,154
- Medical aid contributions	717,801	627,777
- Average number of employees employed during the year (excl Key Management)	49	44

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012 – CONTINUED

8. PROPERTY, PLANT AND EQUIPMENT

	2012			2011		
	Cost	Accumulated Depreciation	Carrying Value	Cost	Accumulated Depreciation	Carrying Value
Property	12,260,648	-	12,260,648	10,288,547	-	10,288,547
Furniture and fixtures	683,881	(583,453)	100,428	653,024	(555,346)	97,678
Motor vehicles	2,915,429	(765,412)	2,150,017	2,931,144	(621,043)	2,310,101
Office Equipment	404,930	(142,197)	262,733	364,341	(98,435)	265,906
IT Equipment	447,801	(185,450)	262,351	403,770	(199,427)	204,343
Computer software	168,605	(100,887)	67,718	162,560	(80,498)	82,062
College of Orientation Library	48,969	(4,897)	44,072	48,969	-	48,969
	16,930,263	(1,782,296)	15,147,967	14,852,355	(1,554,749)	13,297,606

Reconciliation of property, plant and equipment		2012			
	Opening Balance	Additions	Disposals	Depreciation	Total
Property	10,288,547	1,972,101	-	-	12,260,648
Furniture and fixtures	97,678	35,764	(1,070)	(31,944)	100,428
Motor vehicles	2,310,101	-	(3,790)	(156,294)	2,150,017
Office Equipment	265,906	53,425	(2,784)	(53,814)	262,733
IT Equipment	204,343	119,685	(20,753)	(40,924)	262,351
Computer software	82,062	6,047	-	(20,391)	67,718
College of Orientation Library	48,969	-	-	(4,897)	44,072
	13,297,606	2,187,022	(28,397)	(308,264)	15,147,967

Reconciliation of property, plant and equipment		2012			
	Opening Balance	Additions	Disposals	Depreciation	Total
Property	8,167,671	2,120,876	-	-	10,288,547
Furniture and fixtures	57,885	71,013	-	(31,220)	97,678
Motor vehicles	1,921,623	668,383	(113,374)	(166,531)	2,310,101
Office Equipment	185,456	126,906	-	(46,456)	265,906
IT Equipment	224,380	23,210	-	(43,247)	204,343
Computer software	85,623	16,273	-	(19,834)	82,062
College of Orientation Library	-	48,969	-	-	48,969
	10,642,638	3,075,630	(113,374)	(307,288)	13,297,606

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)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012 – CONTINUED

9. INTANGIBLE ASSETS

	2012			2011		
	Cost	Accumulated Depreciation	Carrying Value	Cost	Accumulated Depreciation	Carrying Value
Computer software, internally generated	249,937	(85,267)	164,670	231,100	(61,627)	169,473

Reconciliation of intangible assets

	2012			
	Opening Balance	Additions	Amortisation	Total
Computer software, internally generated	169,473	18,837	(23,640)	164,670

Reconciliation of intangible assets

	2011			
	Opening Balance	Additions	Amortisation	Total
Computer software, internally generated	192,583	-	(23,110)	169,473

10. FINANCIAL ASSETS (AVAILABLE-FOR-SALE)

	2012	2011
	R	R
BOE Securities Managed Portfolio	54,801,902	46,422,372
Funds on Call	10,775,786	11,244,999
	<u>65,577,688</u>	<u>57,667,371</u>
Opening balance	57,687,371	53,829,502
Interest received	2,415,850	2,118,915
Dividends received	866,516	661,764
Brokerage fees	(487,939)	(451,794)
Capital (Redeemed)/Introduced	(3,690,231)	(3,696,011)
Shares Purchased	10,962,318	7,114,957
Shares Sold	(8,101,156)	(5,078,622)
Profit on sale of shares	426,591	453,563
Adjust to fair value – prior year reversal	(10,366,126)	(7,631,029)
Adjust to fair value – current year	15,864,494	10,366,126
	<u>65,577,688</u>	<u>57,667,371</u>

11. TRADE AND OTHER RECEIVABLES

SARS – Vat	246,294	272,187
Prepayments	204,392	235,190
Sundry debtors	27,642	328,776
Deposits	2,658	14,658
	<u>480,987</u>	<u>850,811</u>
Maturity profile		
Within one year	478,328	836,153
More than two years	2,658	14,658
	<u>480,987</u>	<u>850,811</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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012 – CONTINUED

12. TRADE AND OTHER PAYABLES

	2012	2011
	R	R
Trade payables	788,447	674,319
Other payables	341,376	551,807
	<u>1,129,823</u>	<u>1,226,126</u>
<i>Maturity profile</i>		
Within one year	1,129,823	1,226,126
One to two years	-	-
	<u>1,129,823</u>	<u>1,226,126</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% (2011: 15%) of the total obligation of R494,579 (2011: R 85,747) for the year.

13. NOTES TO THE STATEMENT OF CASH FLOWS

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

Net (loss)/profit for the year	(2,006,774)	(2,648,427)
Adjustments for:		
Amortisation	23,640	23,110
Depreciation	308,264	307,288
Loss on sale of fixed assets	19,928	1,084
Income from investments	(3,282,366)	(2,815,277)
	<u>(4,937,308)</u>	<u>(5,132,222)</u>
Operating profit before working capital changes		
Changes in Working Capital		
(Increase)/Decrease in Inventory	213,419	(67,931)
(Increase)/Decrease in Accounts Receivable	369,825	(30,401)
Increase/(Decrease) in Accounts Payable	(96,301)	452,937
	<u>(4,450,365)</u>	<u>(4,777,617)</u>
Cash generated by operations		

13.2 Events subsequent to the year end

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012 – CONTINUED

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	<u>Total Cash Flows</u>	<u>Within one year</u>	<u>One to two years</u>	<u>More than two years</u>
		R	R	R	R
2012					
Financial Assets					
Loans and Receivables		1,033,003	1,030,344	-	2,658
SARS - Vat	11	246,294	246,294	-	-
Prepayments	11	204,392	204,392	-	-
Other debtors	11	27,642	27,642	-	-
Deposits	11	2,658	-	-	2,658
Cash at Bank		552,016	552,016	-	-
Investments available-for-sale	10	65,577,688	65,577,688	-	-
Total		66,610,691	66,608,032	-	2,658
Financial Liabilities					
Non-derivative instruments		1,129,823	1,129,823	-	-
Trade payables	12	788,447	788,447	-	-
Other payables	12	341,376	341,376	-	-
Total		1,129,823	1,129,823	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012 – CONTINUED

14. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (continues)

Note		Total Cash Flows	Within one year	One to two years	More than two years	
2011		R	R	R	R	R
Financial Assets						
Loans and Receivables						
		1,710,457	1,695,799	-	-	14,658
SARS – Vat	11	272,187	272,187	-	-	-
Prepayments	11	188,945	188,945	-	-	-
Other debtors	11	375,021	375,021	-	-	-
Deposits	11	14,658	-	-	-	14,658
Cash at Bank		859,646	859,646	-	-	-
Investments available-for-sale	10	57,687,371	57,687,371	-	-	-
Total		59,397,828	59,383,170	-	-	14,658
Financial Liabilities						
Non-derivative instruments						
Trade payables	12	674,319	674,319	-	-	-
Other payables	12	551,807	551,807	-	-	-
Total		1,226,126	1,226,126	-	-	-

14.2 Credit Risk

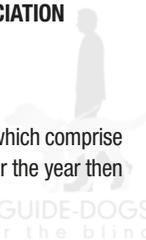
Credit risk, or the risk of financial loss due to counterparties not meeting their contractual obligations, is managed by monitoring procedures. Trade and other receivables consist mainly of prepayments. The Association does not have customers who might owe monies. Credit Risk exposure in respect of 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 are monitored on a continuous and proactive basis. At the reporting date, the interest rate profile of the company's interest bearing financial instruments were:

	2012	2011
Fixed Rate Instruments (average)	6,1%	6,1%
At the reporting date, the Association was exposed to market influences on listed equities valued at	R18,297,165	R18,174,906

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 Trust which comprise of the balance sheet as at 31 March 2012, the income statements, 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 page 26.

Trustee's Responsibility for the Financial Statements

The Trustees are responsible for the preparation and fair presentation of these financials 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 financials 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 financials 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 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.

Opinion

In our opinion, except for the effects of such adjustments, if any, regarding to matters referred to in the preceding paragraph, the financials statements fairly present, in all material respects, the financial position of the Trust at 31 March 2012 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.

Denice Noelle Carr

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

SHOP 7 MAGIC GARDEN CENTRE, ARCONPARK, VEREENIGING

16/07/2012

DATE

SOUTH AFRICAN GUIDE-DOGS ASSOCIATION FOR THE BLIND

INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 2012

	2012	2011
	R	R
DONATIONS RECEIVED	110,000	15,000
BANK CHARGES	-	(15)
INCOME FOR THE YEAR	<u>110,000</u>	<u>14,985</u>

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2012

	2012	2011
	Retained	Retained
	Income	Income
BALANCE AT 31 MARCH 2010	50,746	27,674
INCOME FOR THE YEAR	<u>14,985</u>	<u>203,072</u>
	65,731	230,746
FUNDS DISTRIBUTED TO S A GUIDE-DOGS ASSOCIATION FOR THE BLIND	<u>(63,731)</u>	<u>(180,000)</u>
BALANCE AT 31 MARCH 2011	2,000	50,746
INCOME FOR THE YEAR	<u>110,000</u>	<u>14,985</u>
	112,000	65,731
FUNDS DISTRIBUTED TO S A GUIDE-DOGS ASSOCIATION FOR THE BLIND	<u>(110,000)</u>	<u>(63,731)</u>
BALANCE AT 31 MARCH 2012	<u>2,000</u>	<u>2,000</u>



TRUSTEE – Thomas David Parker

17/07/2012

DATE



TRUSTEE – Malcom Rumney Driver

17/07/2012

DATE

BALANCE SHEET AS AT 31 MARCH 2012

	2012	2011
	R	R
TRUST CAPITAL ACCOUNT	2,000	2,000
EMPLOYMENT OF CAPITAL		
BANK BALANCE	2,000	2,000



[Handwritten signature of Thomas David Parker]

TRUSTEE – Thomas David Parker

17/07/2012
DATE

[Handwritten signature of Malcom Rumney Driver]

TRUSTEE – Malcom Rumney Driver

17/07/2012
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 comprise of cash held at a bank.

2. TAXATION

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

COLLEGE OF ORIENTATION AND MOBILITY

Freedom and independence mean different things to different people, but to a blind person it means largely the ability to go where he likes, when he likes, to be able to travel to work safely on a daily basis, go shopping unaided, deposit his salary at the building society or bank, visit friends and go to church. This means the need to be mobile.

In 1969 the SA Guide-Dogs Association became aware of the need for this type of service as a complimentary service to guide dogs and began investigating the feasibility of opening a school of orientation and mobility. In 1974 this goal was realised and the Orientation and Mobility School was established to train sighted instructors, from all over southern Africa, who would in turn train visually impaired people.

The College of Orientation and Mobility relies on funding from private individuals and companies to continue their work. Companies can score BEE points through CSI giving and donations. A company can secure maximum points for funding as beneficiaries are 98% non-white.

The College of Orientation and Mobility trains sighted students who complete a national diploma in Orientation and Mobility (SETA Accredited) and return to their service organisations and/or communities where they can effectively train blind and visually impaired people across South Africa on the skills of daily living and mobility using a white cane.

One trained Orientation and Mobility practitioner can effectively train on average 24 blind people per annum.

It is estimated that 1% of South Africa's population is blind and there is a need for more support and professionally trained practitioners to assist these individuals.

HISTORY OF THE SOUTH AFRICAN GUIDE-DOGS ASSOCIATION FOR THE BLIND

For centuries the dog has been a companion and aid to blind people. Throughout the ages, art and literature have placed the dog at the blind person's side.

There is a painting in the Louvre, in Paris, depicting a blind man and his 'guide dog' painted by Chardin in the mid-1700s. There is also a wood-cut by H Nageli done in 1845 of a famous blind traveller, Jacob Birrer, and the small dog he had trained as his guide dog.

The original guide dogs were smallish mongrel type dogs, rather terrier-like in appearance. They basically walked ahead of the blind person on a long rope.

During World War 1 the Germans trained dogs to carry messages and to perform other specialised tasks. After the Great War (1914 to 1918) the Austrian War Department began training blinded war veterans with guide dogs. It was not until 1923, in Germany, that any formalised training for blind persons with dogs was established. A training centre was established in Potsdam.

A visiting American, Mrs Dorothy Harris Eustis, who was experimenting with intelligence in dogs at her breeding station Fortunate Fields in Switzerland realised the potential. It was the enthusiasm of Morris Frank, a blind young American, which inspired Dorothy to train a guide dog for him. The dog was called Buddy.

In 1929 Morris and Dorothy established the first Guide Dog School in the USA in Morristown, New Jersey, calling it The Seeing Eye. In 1931, the Guide-Dogs for the Blind Association was started in the United Kingdom. Over the years more and more countries have opened their own training centres.

Guide Dogs in South Africa

The South African Guide-Dogs Association for the Blind was founded in 1953 by Gladys Evans and a temporary training centre was rented at No 1, Glamorgan Road, Parkwood, after she returned from England with her famous guide dog, Sheena.

SAGA's first real home was a lovely six acre property called Vale Cottage in Parkmore, Sandton which was established in 1958. Vale Cottage was later renamed The Gladys Evans Training Centre and remained the home of SAGA until 1986 when, due to the increased demand for guide dogs, the new Gladys Evans Training Centre was opened in Wroxham Road, Witkoppen. This 11 acre property boasts all the facilities required to train both guide dogs and their blind owners.

It's interesting to note that in the long history of SAGA only four people have headed the Association. They are Michael Bibikoff (1955 to 1959), Lionel Wilson (1959 to 1969), Ken Lord (1969 to 2004) and Malcolm Driver (2004 to the present time).

