

# NOTICE

## 63<sup>rd</sup> ANNUAL GENERAL MEETING



**GUIDE-DOGS  
ASSOCIATION**  
South Africa

NOTICE IS HEREBY GIVEN THAT THE 63<sup>rd</sup> ANNUAL GENERAL MEETING OF THE SOUTH AFRICAN GUIDE-DOGS ASSOCIATION FOR THE BLIND WILL BE HELD AT THE GLADYS EVANS TRAINING CENTRE ON 29 September 2016 at 14h30.

### AGENDA

1. Apologies.
2. Confirmation of the minutes of the 62<sup>nd</sup> A.G.M. held on 22 September 2015
3. Matters arising from the previous minutes.
4. The Report of the Chairman.
5. The Report of the Executive Director.
6. The Report of the Treasurer.
7. Auditor's Report.
8. Acceptance of the Annual Financial Statements.
9. Election of Executive Officers and Board members.
10. Appointment of Auditors.
11. General.
12. Meeting Closure.

### GAUTENG OFFICE & TRAINING CENTRE

#### THE GLADYS EVANS TRAINING CENTRE

126 Wroxham Road, Rietfontein 21R, 2191

P O Box 67585, Bryanston, 2021

Tel: 011 705 3512 / 0860 100 922

Fax: 086 506 3364

Email: [info@guidedog.org.za](mailto:info@guidedog.org.za)

Website: [www.guidedog.org.za](http://www.guidedog.org.za)

### WESTERN CAPE OFFICE

#### DE VILLIERS HOUSE

89 Belvedere Road, Claremont, 7708

P O Box 2674, Clareinch, 7740

Tel: 021 674 7395 Fax: 021 674 7397

### KWA-ZULU NATAL OFFICE

P O Box 1267, Umkomaas, 4170

Tel: 039 973 0387 Fax: 086 580 3785



## EXECUTIVE DIRECTOR'S REPORT 1 APRIL 2015 TO 31 MARCH 2016

The year ending March 2016 was generally a successful and busy year at the Association.

I would like to thank all of our staff, volunteers, puppy raisers, board members, supporters and donors for assisting us to reach our goals.

Our production of working dogs was negatively influenced by an outbreak of Distemper in our puppy block, which resulted in us being under quarantine from late October to end December 2015. I would like to thank Leigh De Beaufort and her team for the hard work and dedication shown during the year and especially during the quarantine period. Training and breeding operations had to be put on hold during this period. We were all deeply saddened by the loss of three beautiful puppies that could not be saved despite all of our efforts.

Our College of Orientation and Mobility (COM) has had a very successful year under the leadership of the new Head, Elizabeth Louw. Our facilitators did an excellent job of training and supporting our six O & M

student practitioners (who are two thirds of the way through their diploma course). COM continues to provide direct training to people who are visually impaired in the Gauteng area. Sadly, COM said goodbye to Moira Higgerty who retired after 35 years of loyal service.

The Training Department, under Mandla Nxumalo's lead, has begun the transition from traditional Guide Dog training to clicker training. We are committed to using a humane training approach that results in happy dogs that understand their working role. I would like to congratulate Hayley Cumming, Joel van Stavel, Percival Tlholoe and Charne Maujean on their qualification as Guide Dog Mobility Instructors. The demand for Service and Autism Support Dog training is steadily growing and Maxine Geddie and her instructors are gearing up for growth in their Department in order to increase production. Cheryl Robertson ensured that our Cape Town training facility was well run and that our Western Cape working dog owners had the support that they required.

Thank you to the House and Grounds teams (Johannesburg and Cape Town) for providing a home away from home for our working dog owners, while they undergo training and for keeping our facilities visitor ready.

In the current economy, our Marketing teams (Johannesburg, Durban and Cape Town), headed up by Pieter van Niekerk, have done a sterling job of reaching their targets. This achievement was thanks to their hard work and the hard work of all of our volunteers. We are fortunate to have the support of so many philanthropic minded people who understand the importance of the work that we do. Thank you to all of our supporters. We could not provide the services of working dog training, Orientation and Mobility direct services and the provision of our SETA accredited diploma course without your support.

Jayne Nicolle and her Finance and Admin team ensured that all policies, procedures and accounting practices were adhered to. Receipting and thanking donors is a very

important process. Having the correct systems in place allows all the other departments to function optimally. Thank you to Finance and to our loyal volunteers.

I would like to welcome all of the new staff who joined us during the financial year – Grace, Elizabeth, Mmalomile, Nomonde, Michelle, Kelby, Anny, Avril, Siphwe, Leigh, Susan, Laura; welcome to the Guide-Dogs family.

To conclude, I would like to thank the staff who are no longer working for us for the contribution that they made to the success of the Association. We could not have achieved our goals without the hard work and support of many working together as one team.



**GAIL GLOVER**  
**EXECUTIVE DIRECTOR**

22/06/2016  
**DATE**



## TREASURER'S REPORT – YEAR ENDED 31 MARCH 2016

During a year plagued with economic and political uncertainties and their associated consequences on the South African business community, the Association achieved a very successful financial result. The Association has four main sources of revenue excluding any surpluses (or deficits) arising on the sale of financial assets; broken down as follows :

- Donations and sponsorships
- Fundraising and sundry activities
- Bequests received and
- Income from financial assets (interest and dividends).

Donations and sponsorships being the largest contributor, made up 37% of the total. The next highest was bequests received, which generated 32%; followed by the income from financial assets making up 20%, with fundraising and sundry activities contributing the balance of 11%.

Revenue from all these sources grew by 13.1% during the year under review, which reflected meaningful real growth and resulted from diligent efforts by our executive management team and the staff throughout the year.

A more careful analysis however reveals a number of concerns which are receiving considerable attention at the present time.

Firstly, revenue from the biggest source - donations and sponsorships - was completely static, with no growth during the past 12 months; probably a reflection of the business conditions in which our major supporters are operating at present. Bequests received, on the other hand reflected an increase of more than 20%. This was indeed very pleasing but, due to the nature of bequests, it is very difficult to predict if and when such amounts will be received. The Association therefore faces many challenges going forward to ensure that its future planned activities can be fully financed from "current" income without us having to dip into our reserves (investments).

Our revenues from fundraising increased by a very pleasing 45% over the year. As pointed out in my last report, many of our traditional fundraising activities had been impaired by almost ongoing postal strikes which had forced the fundraising team to explore new

avenues for collecting money and the current results clearly indicate these efforts have borne fruit.

Costs were well controlled during the past year with no major over-expenditures against budget apart from unforeseen expenditure arising from veterinary and related costs following the outbreak of distemper – as mentioned in the Executive Director's report. Maintenance type upgrades were also made to the kennel areas to minimise future outbreaks of this virus; as well as tighter controls being introduced relating to "visitor" dogs entering our property.

Total expenditure (excluding any profit/loss arising from the disposal of property, plant and equipment) grew by 14.7% when compared to the prior year. A major contributor to this increase lies in the area of staff salaries. Although the Association has non-profit status; and unlike many other charitable institutions, management has recognised the need to have properly qualified staff with the necessary skills and experience to ensure that we can maintain a competitive edge in those areas of our business critical to our continuing success and financial well-being. In turn this requires that the Association can attract and retain staff of the highest calibre – as measured in commercial terms – and remuneration packages for its staff are structured accordingly. Over the past twelve months, we have also made provision to strengthen our marketing team and this process is still underway.

The College of Orientation & Mobility is steadily establishing itself as a vital and successful contributor to our strategic objectives. As our marketing efforts generate greater awareness of the significance and value of this function to the community at large, so the support from both our regular and new donors strengthens and we are able to train more students and assist them with subsequent employment.

The growth in income from our investment portfolio was ahead of the market which was noteworthy given some of the events during the past year and our capital values were preserved in spite of the dramatic fall in the market over the December 2015 period.

Our Fund Manager has been consolidating the portfolio and exiting numerous of our well performing investments that have been assessed to have "peaked" and we are currently holding a significant part of our portfolio in cash pending a review of the portfolio and being ready to make new investments as suitable opportunities present themselves. The Board has engaged an independent specialist to evaluate the performance of our Fund Manager so as to ensure that the Association's investments are being managed according to the mandates set. We once more are indebted to Nedbank Private Wealth for its wisdom and expertise in this area and for delivering the results achieved in a very volatile market.

Capital expenditure for the 2015/6 financial year was contained to less than budget as management was able to source suitable replacement vehicles – the major expense item – at lower prices than planned. We were also significantly aided by the donation of a vehicle from the winner of our annual car raffle thus obviating the need for us to acquire a new unit – for which we express our sincere appreciation.

Overall, we were again able to finance our business operations through current cash flows without having to draw from our investment portfolio thereby maintaining the Association's sound financial position – which enables the Board to plan for the future in confidence.

The results achieved by the Association could not have been reached without the generosity and loyal support of all our members, donors and sponsors and the Board records its deep gratitude to you all.

In conclusion, I'd like to thank Jayne Nicolle, our Financial Manager and her team for all their hard work and unwavering commitment during the past year.



**LAURENCE DAVID DRAKE**  
**TREASURER**

22/06/2016  
**DATE**

**ANNUAL FINANCIAL STATEMENTS FOR  
THE YEAR ENDED 31 MARCH 2016**



# SOUTH AFRICAN GUIDE-DOGS ASSOCIATION FOR THE BLIND

## OFFICE BEARERS

Executive Director	Mrs Gail Glover
Honorary Chairman	Mr Thomas David Parker
Honorary Vice Chairman	Dr Jill Belinda Drake
Honorary Treasurer	Mr Laurence David Drake
Honorary Board Members:	Ms Deborah Bullivant Mrs Morag Anne Cardoso Mr Grant Andrew Finnemore Mr Philip Louis Kuhn Mr David Richard Leyshon Mr Johan Wilhelm Roos Mr Alastair Duncan Stalker Mr Nigel William Unwin

## NATURE OF ASSOCIATION

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

## AUDITORS

Axiom Registered Accountants and Auditors

## BANKERS

Nedbank Limited

## INVESTMENT FUND MANAGERS

Nedbank Private Wealth

## NON-PROFIT ORGANISATION

### REGISTRATION NUMBER

000-758 NPO

## REGISTERED OFFICE

126 Wroxham Road  
Rietfontein 2IR  
Sandton  
2191

## CONTENTS

<b>7</b>	Report of the Auditor
<b>8</b>	Report of the Board
<b>9</b>	Statement of Comprehensive Income
<b>10</b>	Statement of Financial Position
<b>11</b>	Statement of Changes in Equity
<b>12</b>	Statement of Cash Flows
<b>13 - 21</b>	Notes to the financial statements

## APPROVAL OF ANNUAL FINANCIAL STATEMENTS

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



**CHAIRMAN**

22/06/2016

**DATE**



**TREASURER**

22/06/2016

**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 Board's Report, the Statement of Financial Position as at 31 March 2016, 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 8 to 21.

### Executive Board's Responsibility for the Financial Statements

The Association's Executive Board 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 events, 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 2016 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 - Denise Noelle Carr*

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

SHOP 7 MAGIC GARDEN CENTRE, ARCONPARK, VEREENING, 1939

22/06/2016

**DATE**



## REPORT OF THE BOARD OF THE SOUTH AFRICAN GUIDE-DOGS ASSOCIATION FOR THE BLIND FOR THE YEAR ENDED 31 MARCH 2016

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

### **NATURE OF BUSINESS**

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

### **FINANCIAL RESULTS**

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

### **CAPITAL**

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

### **PROPERTY, PLANT AND EQUIPMENT**

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

### **EVENTS SUBSEQUENT TO THE YEAR END**

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

**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2016**

	Notes	2016 R 000	2015 R 000
<b>SUBSCRIPTIONS</b>	8	121	20
	5	21 033	18 884
<b>OTHER INCOME</b>			
Fundraising from donations		11 358	11 355
Fundraising from events		2 276	1 804
College of Orientation and Mobility Training income		642	316
Donation National Lottery		-	-
Sale of dogs		37	56
Trading activities		135	(48)
Dividends received	6	4 350	4 389
Interest received	6	1 629	787
Rental income		238	225
Profit on disposal of PPE		368	-
		24 209	21 211
<b>EXPENDITURE</b>			
Depreciation		460	419
Fundraising expenses		3 363	3 169
Administration		6 152	5 465
Fleet		587	454
Kennels		3 425	2 736
Training Centre Johannesburg		4 345	3 764
Training Centre Cape Town		1 155	935
House & Grounds Johannesburg		1 045	945
House & Grounds Cape Town		520	411
College of Orientation and Mobility (Johannesburg)		3 157	2 804
Loss on disposal of PPE		-	109
<b>OPERATING (LOSS) / PROFIT FOR THE YEAR</b>		(3 055)	(2 307)
Finance costs		-	-
<b>(LOSS) / PROFIT FOR THE YEAR</b>		(3 055)	(2 307)
<b>OTHER COMPREHENSIVE INCOME</b>	5	9 870	8 203
Bequests received		9 762	7 933
Contribution from The John and Esther Ellerman Memorial Trust	16	108	270
Contribution from SAGA Trust		-	-
<b>NET SURPLUS FOR THE YEAR</b>		6 815	5 896



STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2016

	Notes	2016 R 000	2015 R 000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	9	16 783	16 514
Financial assets	10	109 537	104 226
<b>Current assets</b>			
Inventories	11	204	110
Trade and other receivables	12	391	692
Cash and bank		785	898
<b>TOTAL ASSETS</b>		<b>127 700</b>	<b>122 440</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Accumulated funds		103 582	89 008
Revaluation reserve	10	21 757	30 790
<b>Current liabilities</b>			
Trade and other payables	13	2 361	2 642
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>127 700</b>	<b>122 440</b>

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2016

	Notes	Accumulated surplus R 000	Revaluation Reserve R 000	Total R 000
<b>Balance at 31 March 2013</b>		67 266	27 092	94 358
Net deficit for the year		(3 870)	-	(3 870)
Revaluation reserve		-	(4 558)	(4 558)
Bequests received for the year	5	5 240	-	5 240
Net profit on disposal of financial assets	5 / 6	8 156	-	8 156
<b>Balance at 31 March 2014</b>		76 792	22 534	99 326
Net deficit for the year		(2 307)	-	(2 307)
Revaluation reserve		-	8 256	8 256
Bequests received for the year	5	8 203	-	8 203
Net profit on disposal of financial assets	5 / 6	6 320	-	6 320
<b>Balance at 31 March 2015</b>		89 008	30 790	119 798
Net deficit for the year		(3 055)	-	(3 055)
Revaluation reserve		-	(9 033)	(9 033)
Bequests received for the year	5	9 870	-	9 870
Net profit on disposal of financial assets	5 / 6	7 759	-	7 759
<b>Balance at 31 March 2016</b>		103 582	21 757	125 339



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

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

The financial statements are prepared on the going concern basis.

**1.1 Financial instruments***Initial recognition*

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

Financial assets are recognised on transaction date when the Association becomes a party to the contracts and thus obtains rights to receive economic benefits and are derecognised when these rights no longer exist. Unrealised gains and losses arising from revaluation of financial assets are transferred directly to the revaluation reserve. On disposal or impairment of financial assets, cumulative unrealised gains and losses previously recognised are included respectively in determining the profit or loss on disposal of, or impairment charge relating to, that financial asset, which is then recognised in the statement of changes in equity.

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

*Financial Liabilities*

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

**1.2 Property, plant and equipment**

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

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

10%	Vehicles
20%	Furniture & Fittings
12,5%	Software
16,67%	Equipment
10%	College of Orientation Library

Properties are not depreciated nor subject to impairment and are stated at cost or bequeathed value.

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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016 - CONTINUED

### 1.3 Financial assets

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

### 1.4 Accumulated funds

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

### 1.5 Employee Benefits

#### *Post retirement benefits*

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

#### *Defined contribution plans*

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

### 1.6 Provisions

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

### 1.7 Inventory

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

### 1.8 Revenue

#### *Donations, Sponsorships, Events, Trading and Subscriptions*

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

#### *Course fees*

Course fees are recognised when due to the Association.

#### *Interest and Dividends*

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

#### *Profit and loss on disposal of financial assets*

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

### 1.9 Bequests

Bequests are recognised when cash is received and are credited to accumulated funds.

## 2. TAXATION

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

**3. KEY ESTIMATES AND JUDGEMENTS**

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

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

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

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

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

**4.2 Financial instruments****4.2.1 Financial asset**

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

**5. REVENUE**

Total revenue comprises:

- Donations and Sponsorships
- Fundraising from events
- Investment income
- Other

- Subscriptions
- Bequests Received
- Net profit on disposal of financial assets

	<b>2016 R 000</b>	<b>2015 R 000</b>
	11 358	11 355
	2 276	1 804
	5 979	5 176
	1 420	549
	<u>21 033</u>	<u>18 884</u>
	121	20
	9 870	8 203
	7 759	6 320
	<u>38 783</u>	<u>33 427</u>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31 MARCH 2016 – CONTINUED**

**6. INCOME FROM FINANCIAL ASSETS**

Dividends - listed shares  
Interest

Loss on sale of investments  
Profit on sale of investments

	<b>2016 R 000</b>	<b>2015 R 000</b>
	4 350	4 389
	1 629	787
	5 979	5 176
	(1 329)	(127)
	9 088	6 447
	7 759	6 320
	<u>13 738</u>	<u>11 496</u>

**7. OPERATING COSTS**

Operating costs include:

Audit fees

- Current year
- Accounting Fees
- Other Expenses

Depreciation of property, plant and equipment

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

Staff costs

- Key management salaries and wages
- Other employees salaries and wages

Total salaries and wages

- Contributions to retirement funds and other insurance
- Medical aid contributions

Total staff costs

	51	47
	41	40
	4	4
	6	3
	460	419
	56	50
	211	193
	116	98
	65	66
	7	7
	5	5
	3 070	3 003
	9 951	9 369
	13 021	12 372
	1 809	1 455
	957	901
	<u>15 787</u>	<u>14 728</u>

Staff numbers

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

Total average number of employees during the year

	<b>2016 #</b>	<b>2015 #</b>
	6	6
	55	49
	<u>61</u>	<u>55</u>

**8. MEMBERSHIP**

Annual Members  
Life Members

	<b>2016 #</b>	<b>2015 #</b>
	293	159
	188	99
	105	60

**9. PROPERTY, PLANT AND EQUIPMENT**

	2016			2015		
	Cost	Accumulated Depreciation	Carrying Value	Cost	Accumulated Depreciation	Carrying Value
Property	12 469	-	12 469	12 809	-	12 809
Furniture and fixtures	998	(768)	230	872	(712)	160
Motor vehicles	4 618	(1 263)	3 355	3 765	(1 053)	2 712
Office Equipment	818	(444)	374	779	(329)	450
IT Equipment	676	(359)	317	637	(304)	333
Computer software	60	(47)	13	60	(40)	20
College of Orientation Library	50	(25)	25	50	(20)	30
	19 689	(2 906)	16 783	18 972	(2 458)	16 514

**Reconciliation of property,  
plant and equipment**

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

**Reconciliation of property,  
plant and equipment**

	Opening Balance	Additions	2015		Total
			Disposals	Depreciation	
Property	12 446	513	(150)	-	12 809
Furniture and fixtures	119	91	-	(50)	160
Motor vehicles	2 236	942	(273)	(193)	2 712
Office Equipment	368	325	(145)	(98)	450
IT Equipment	355	49	(5)	(66)	333
Computer software	27	-	-	(7)	20
College of Orientation Library	35	-	-	(5)	30
	15 586	1 920	(573)	(419)	16 514

**DETAILS OF PROPERTY**

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

The aggregate value of the properties has been assessed by the respective municipalities at R 11 750 000 ( 31 March 2016 )



**13. TRADE AND OTHER PAYABLES**

	<b>2016</b>	<b>2015</b>
	<b>R 000</b>	<b>R 000</b>
Trade payables	1 364	2 104
Other payables	997	538
	<u>2 361</u>	<u>2 642</u>
<b>Maturity profile</b>		
Within one year	2 361	2 642
One to two years	-	-
	<u>2 361</u>	<u>2 642</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% (2015: 18%) of the total obligation of R498 757 (2015: R640 816) for the year.

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

Net (loss)/profit for the year	(3 055)	(2 307)
Adjustments for:		
Net profit on disposal of financial assets taken to equity	7 759	6 320
Depreciation	460	419
(Profit)/Loss on disposal of property, plant and equipment	(368)	109
Income from financial assets	(13 738)	(11 496)
	<u>(8 942)</u>	<u>(6 955)</u>
Operating profit before working capital changes		
Changes in Working Capital		
(Increase)/Decrease in Inventory	(94)	62
(Increase)/Decrease in Accounts Receivable	301	99
Increase/(Decrease) in Accounts Payable	(281)	1 353
	<u>(9 016)</u>	<u>(5 441)</u>
Cash Generated by operations		

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016 – CONTINUED

**15. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS**

*Introduction*

The Association is exposed to liquidity, credit and commodity price risk arising from its financial instruments. The Executive Committee has 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.

**15.1 Liquidity Risk**

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

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

	Note	<u>Total Cash Flows</u>	<u>Within one year</u>	<u>One to two years</u>	<u>More than two years</u>
<b>2015</b>		<b>R 000</b>	<b>R 000</b>	<b>R 000</b>	<b>R 000</b>
<b>Assets</b>					
<b>Loans and Receivables</b>					
		1 590	1 406	179	5
SARS - VAT	11	136	136	-	-
Prepayments	11	198	198	-	-
Other debtors	11	353	174	179	-
Deposits	11	5	-	-	5
Cash at Bank		898	898	-	-
<b>Financial Assets</b>	10	104 226	104 226	-	-
<b>Total</b>		<b>105 816</b>	<b>105 632</b>	<b>179</b>	<b>5</b>
<b>Liabilities</b>					
<b>Financial Liabilities</b>					
		2 642	2 642	-	-
Trade payables	12	2 104	2 104	-	-
Other payables	12	538	538	-	-
<b>Total</b>		<b>2 642</b>	<b>2 642</b>	<b>-</b>	<b>-</b>

### 15.2 Credit Risk

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

### 15.3 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 Association's interest bearing financial instruments were:

	<b>2016</b>	<b>2015</b>
	<b>R 000</b>	<b>R 000</b>
<b>Fixed Rate Instruments (average)</b>	7,5%	6,5%
At the reporting date, the Association was exposed to interest rate influences on cash deposits of	34 289	18 722

### At the reporting date, the profile of the Associations' listed financial instruments were:

At the reporting date, the Association was exposed to market influences on listed equities valued at	75 248	85 505
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## 16. THE JOHN AND ESTHER ELLERMAN TRUST

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





