



**GUIDE-DOGS
ASSOCIATION**
South Africa

NOTICE

65th ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE 65th ANNUAL GENERAL MEETING OF SOUTH AFRICAN GUIDE-DOGS ASSOCIATION FOR THE BLIND WILL BE HELD AT GLADYS EVANS TRAINING CENTRE ON 26 SEPTEMBER 2018 AT 14h30.

AGENDA

1. Apologies
2. Confirmation of the minutes of the 64th AGM held on 27 September 2017
3. Matters arising from the previous minutes
4. The Report of the Chairman
5. The Report of the Treasurer
6. The Report of the Executive Director
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**

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P O Box 67585, Bryanston, 2021
Tel: 011 705 3512 / 0860 100 922
Fax: 086 506 3364
Email: info@guidedog.org.za
Website: www.guidedog.org.za

**WESTERN CAPE OFFICE
DE VILLIERS HOUSE**

89 Belvedere Road, Claremont, 7708
P O Box 2674, Clareinch, 7740
Tel: 021 674 7395 Fax: 021 674 7397

KWAZULU-NATAL OFFICE

P O Box 20120, Durban North, 4016
Tel: 082 875 6244 Fax: 086 580 3785

CHAIRMAN'S REPORT – 2017/2018

The year under review was another successful one for S A Guide-Dogs. This against a background of very difficult economic conditions and a number of operational challenges, particularly the loss of skilled, key staff to greener pastures, including overseas. Experienced Guide Dog Instructors are in short supply worldwide and with our good international reputation, we are vulnerable.

Although we fell short of our overall targets in respect of Guide, Service and Autism Support Dogs, we were not far off our ambitious goals, explained by the factors noted.

A graduating class from the College of Orientation and Mobility, after two years of intense training and development, is a most welcome increase in the number of Orientation and Mobility Instructors working in communities across the country.

We are about to begin a major extension to our Breeding and Puppy facilities.

This as part of our goal to increase significantly the number of dogs going into service.

As he noted in his last address, Dave Parker stood down as Chairman and from the Board. As Chairman for seven years, Dave guided the organisation with wisdom and absolute dedication. We celebrate Dave and Bev's enormous contribution.

In my first year as Chairman, I was struck by the commitment of all involved in our cause: staff, volunteers and supporters. As you well know, we are entirely donor funded. To our many donors we say a grateful thank you.

My thanks to the Board for their forbearance and support.



NIGEL UNWIN
CHAIRMAN

7/13/2018
DATE



TREASURER'S REPORT – YEAR ENDED 31 MARCH 2018

When measured against continuing economic pressures, the Association was again able to achieve a very sound financial outcome for the year ended March 2018.

During the past eighteen months there has been a change in emphasis as regards fundraising, having recognised that many of the traditional activities are no longer as well supported as in the past and there is now a greater emphasis on technology driven methods of spreading the message as regards our needs. Management has also done assessments on the degree of marketing energy expended relative to the potential for successful fundraising, with more focus on achieving a better income cost ratio. Following the disappointing fall in legacies received in the previous financial year, far more attention was given to this aspect of our business during the current year – which yielded a substantial recovery since March 2017, yet it shows only a more modest compounded growth of 6.8% when compared to 2015/16. This in turn suggests that the flows of legacies have remained fairly consistent over the years and it was merely uneven timing lags that caused the severe drop in 2016/17.

Membership (subscription-paying supporters) declined dramatically during the past year, although we have reason to believe that many of the lost members still support us financially in other ways.

The Association's four main sources of revenue excluding any surpluses (or deficits) arising on the sale of financial assets (investments) are :-

- Donations and sponsorships
- Fundraising and sundry activities
- Legacies received and
- Investment income (interest and dividends).

Donations and sponsorships remain our biggest source of revenue, having contributed 38.4% to our total income during the past year. Annual growth was only 2.3% showing clearly that in real terms this did not cover inflation, confirming the economic pressure our sponsors and supporters are experiencing.

Legacies received grew significantly during the year (just over 70%) but, as mentioned

earlier, this would appear to have merely been due to unpredictable inflows and, realistically, has shown increases in line with inflation when looked at over the past two years. This sector of our revenue now represents just under 35% of the total.

Fundraising and related activities actually declined slightly during the year under review (12.3% of the total) and while this was largely anticipated, it nevertheless confirms the difficult economic conditions in which we presently find ourselves. Our efforts to secure support from the National Lottery continue and there have been indications that we may be in line some time in the future.

As reported previously, the Association has moved a significant portion of its investment portfolio into international equity funds to provide a long-term hedge against a volatile South African market and a potentially weakening SA Rand. This opportunity was taken at a time the Association had sufficient funds to set aside without impacting on its short- to medium-term cash requirements, thereby creating a "nest egg" for the future. The Executive therefore took the view that these investments should be "ring-fenced" and excluded from current operational activities. The nature of the bulk of these investments sees income being rolled-up into the existing capital and consequently we have adopted a new accounting policy to not recognise the income generated from these investments on an annual basis; but rather to account for all changes in value (including dividends, interest, capital profits/losses on disposals within the funds, variations in exchange rates etc) as an adjustment to our Revaluation Reserve – in a manner similar to the market value changes in of our domestic investments. If and when we have a need to liquidate these investments, the measured profit/loss actually realised since time of investment will be brought to account.

As cash was being built up during 2016/17 – to invest offshore – the interest earned during the previous year has now fallen away, resulting in a marked decline of Investment income, which now represents 14.4% of our total income.

Overall, the Association's revenue (excluding the surplus on disposal of investments) increased by 9.5% when compared to the previous year and although this was slightly less than budgeted, it nevertheless was a most satisfactory outcome in present conditions.

Although expenditure reflected a 7.5% growth over the previous year, all cost centres were on or below budget with no major variances or abnormal items being reported.

The College of Orientation & Mobility continues to consolidate as this aspect of the Association's activities opens new doors in servicing the needs of the visually and physically impaired members of our community.

Capital expenditure during the past year was R 627 000, most of which was applied to upgrades to the property, access controls and enhancements to puppy block and training facilities.

On behalf of the Association I'd like to thank all our members, sponsors, benefactors and helpers for their generous contributions to our results. It would be remiss of me if I did not express our heart-felt gratitude for the continuing support of our regular supporters. In these tough times your support is vital to our continuing success and for this we are sincerely grateful. To our new supporters – welcome; and long may your backing continue!

In conclusion, I'd like to thank the executive management for the committed and diligent manner in which the Association's financial affairs were controlled, allowing us to stay within our strategic objectives with reduced expenditure than had been planned.



L.D. DRAKE
HONOURARY TREASURER

August 2018
DATE

EXECUTIVE DIRECTOR'S REPORT – 2017/2018

Working for S A Guide-Dogs Association, there is always a full day's work ahead of you when you arrive each morning. Sometimes you get so caught up in the details of the day that you temporarily forget why our Association exists.

Only when you take a step back and reflect on the achievements of the year does it register that in the past year we have enabled people to live improved lives by our efforts.

We are only able to enrich lives and empower people to be independent with all our staff, supporters and volunteers working towards the same goal. I would like to thank each person who assisted us to reach our goal. Without the support of like-minded people, we would not have been able to assist so many people.

Our College of Orientation and Mobility trained 314 people who are visually impaired. Some of these people had recently lost their sight and they needed skills to assist them to cope without their sight. Some people may need one or two lessons with an Orientation and Mobility Practitioner, but other people

had an extended training course as they needed to learn how to use the long cane and interpret clues in the environment. These people can travel safely and efficiently thanks to your support.

We trained 36 new working dogs and their owners, and we visited 225 of our existing working dogs in the field. These follow-up visits enable us to provide support and advice to the owner to ensure that the partnership reaches their full potential.

We are pleased to announce that our BBBEE certificate lists us as 83% black beneficiaries. This is a 10% increase from last year.

Each of these statistics were achieved after months of labour-intensive work and that is why we are so proud of our achievements.

If you assisted us by Puppy Raising or volunteering at our offices, we value your contribution and could not achieve the same goal without your generous assistance.

If you supported our fundraising campaigns or attended our events, we are grateful for your support.

If you are a monthly debit order donor, we are very appreciative of your contribution to our cause and giving us peace of mind that our regular bills will be paid at the end of the month.

If you are a staff member, I would like to thank you for your dedication and passion.

In our new financial year, we are determined to assist even more people in need. Each department has strategised about how they can increase efficiencies and continue to improve our current service offerings. I would like to commend our staff for always being receptive to change and for striving to improve the services that we offer to our stakeholders.



GAIL GLOVER
EXECUTIVE DIRECTOR

10/07/2018
DATE

OFFICE BEARERS	Executive Director	Mrs Gail Glover
	Honorary Chairman	Mr Nigel William Unwin
	Honorary Vice Chairman	Mr Alastair Duncan Stalker
	Honorary Treasurer	Mr Laurence David Drake
	Honorary Board Members	Mr Philip Louis Kuhn Mr Grant Andrew Finnermore Mr Philip Case
	Honorary Secretary	Mrs Janet Margaret Cowley

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

AUDITORS Axiom Registered Accountants and Auditors

BANKERS Nedbank Limited

INVESTMENT FUND MANAGERS Nedbank Private Wealth

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

REGISTERED OFFICE 126 Wroxham Road
Rietfontein 2IR
Sandton
2191

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APPROVAL OF ANNUAL FINANCIAL STATEMENTS

The annual financial statements set out on pages 9 to 22 were approved by the Board and are signed on its behalf by:



CHAIRMAN

10/07/2018

DATE



TREASURER

10/07/2018

DATE



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

Qualified Opinion

We have audited the financial statements of the South African Guide-Dogs Association for the Blind set out on pages 9 to 21, which comprise the statement of financial position as at 31 March 2018, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effect of the matter described in the Basis for Qualified Opinion section of our report, the financial statements present fairly, in all material respects, the financial position of the South African Guide-Dogs Association for the Blind as at 31 March 2018, and its financial performance and cash flows for the year then ended in accordance with the basis of accounting referred to in note 1.

Basis for Qualified Opinion

The South African Guide-Dogs Association for the Blind, in common with other charitable organisations, receives certain income from public donations and functions, the recognition of which, due to its nature, is not susceptible to verification by generally accepted auditing procedures.

Therefore, our examination relating to such income was limited to the amount thereof recorded in the financial records.

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

Basis of Accounting

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

with all the requirements of International Financial Reporting Standards.

Other Information

The Association's Board is responsible for the other information. The other information comprises the Chairman's Report, Executive Director's Report and Treasurers' Report as required by the South African Guide-Dogs Association for the Blind. The other information does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

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

Responsibilities of the Board for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

We communicate with the Association's Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Axiom Registered Accountants and Auditors - J. Pretorius

AXIOM REGISTERED ACCOUNTANTS & AUDITORS

REGISTERED AUDITOR – DEAN MICHAEL PRETORIUS (388497)

SHOP 7 MAGIC GARDEN CENTRE, ARCONPARK, VEREENIGING, 1939

19/07/2018

DATE

**REPORT OF THE BOARD OF THE SOUTH AFRICAN GUIDE-DOGS ASSOCIATION FOR THE BLIND
FOR THE YEAR ENDED 31 MARCH 2018**

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 2018

	Notes	2018 R 000	2017 R 000
SUBSCRIPTIONS	8	42	128
OTHER INCOME	5	20 924	22 696
Fundraising from donations		12 363	12 089
Fundraising from events		3 205	3 065
College of Orientation and Mobility Training income		139	407
Donation National Lottery		-	-
Sale of dogs		39	30
Trading activities		161	94
Dividends received	6	3 469	3 769
Interest received	6	1 165	2 963
Rental income		282	261
Sundry income		101	18
EXPENDITURE		28 564	26 552
Depreciation of PPE		585	507
Marketing		5 055	4 528
Administration		6 211	6 135
Fleet		690	659
Kennels		4 207	3 800
Training Centre Johannesburg		4 944	5 047
Training Centre Cape Town		1 531	1 168
House & Grounds Johannesburg		1 335	1 130
House & Grounds Cape Town		322	392
College of Orientation and Mobility (Johannesburg)		3 694	3 174
(Profit) / Loss on disposal of PPE		(10)	12
OPERATING (LOSS) / PROFIT FOR THE YEAR		(7 598)	(3 728)
Finance costs		-	-
(LOSS) / PROFIT FOR THE YEAR		(7 598)	(3 728)
OTHER COMPREHENSIVE INCOME	5	11 251	6 590
Legacies received		11 084	6 399
Contribution from The John and Esther Ellerman Memorial Trust		167	191
NET SURPLUS FOR THE YEAR		3 653	2 862

STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2018

	Notes	2018 R 000	2017 R 000
ASSETS			
Non-current assets			
		132 714	129 640
Property, plant and equipment	9	17 793	17 782
Financial assets	10	114 921	111 858
Current assets			
		2 102	2 038
Inventories	11	245	117
Trade and other receivables	12	1 308	1 096
Cash and bank		549	825
TOTAL ASSETS		134 816	131 678
EQUITY AND LIABILITIES			
Capital and reserves			
		133 291	129 583
Accumulated funds		113 137	109 418
Revaluation reserve	10	20 154	20 165
Current liabilities			
Trade and other payables	13	1 525	2 095
TOTAL EQUITY AND LIABILITIES		134 816	131 678

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2018

	Notes	Accumulated surplus R 000	Revaluation reserve R 000	Total R 000
Balance at 31 March 2015		89 008	30 790	119 798
Net deficit for the year		(3 055)	-	(3 055)
Revaluation reserve		-	(9 033)	(9 033)
Legacies received for the year		9 870	-	9 870
Net profit on disposal of financial assets		7 759	-	7 759
Balance at 31 March 2016		103 582	21 757	125 339
Net deficit for the year		(3 728)	-	(3 728)
Revaluation reserve		-	(1 592)	(1 592)
Legacies received for the year	5	6 590	-	6 590
Net profit on disposal of financial assets	43256	2 974	-	2 974
Balance at 31 March 2017		109 418	20 165	129 583
Net deficit for the year		(7 598)	-	(7 598)
Revaluation reserve		-	(11)	(11)
Legacies received for the year	5	11 251	-	11 251
Net profit on disposal of financial assets	43256	66	-	66
Balance at 31 March 2018		113 137	20 154	133 291

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2018

	Notes	2018 R 000	2017 R 000
CASH FLOWS FROM OPERATING ACTIVITIES		(12 568)	(10 826)
Cash generated by operations	14.1	(12 568)	(10 826)
Finance costs		-	-
CASH FLOWS FROM INVESTING ACTIVITIES		1 041	4 277
Additions to property, plant and equipment		(627)	(1 534)
Decrease / (Increase) in financial assets		(3 074)	(3 913)
Proceeds on disposal of property, plant and equipment		41	16
Income from financial assets		4 701	9 708
CASH FLOWS FROM LEGACY ACTIVITIES		11 251	6 589
Legacies received during the year		11 251	6 589
Property donations received for the year		-	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(276)	40
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		825	785
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		549	825

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018**1. ACCOUNTING POLICIES**

The annual financial statements as set out on pages 9 - 22 are prepared on the historical cost basis with the exception of financial assets as detailed in note 1.3, 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 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 of financial assets, cumulative unrealised gains and losses previously recognised are included respectively in determining the profit or loss on disposal of that financial asset, which is 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 or 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

Assets are 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:

20%	Furniture and fittings
10%	Motor vehicles
16,67%	Office equipment
12,5%	IT equipment
12,5%	Computer software
10%	College of Orientation and Mobility 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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 – CONTINUED

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 Financial assets

All financial assets are initially recognised at cost. Listed equities 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 quoted market prices.

Financial assets – Foreign

Due to the strategic long-term nature of the Association's investments in international equity funds, where the common practice is to capitalise annual returns, and where variations in exchange rates have the same outcome on the reported current value of such funds as changing market values, the Association does not recognise the income generated from these investments on an annual basis; all changes in value (including dividends received, interest, capital profits/losses on disposals within the funds, variations in exchange rates and changes in the closing market values of the underlying investments etc) are taken directly to the Revaluation Reserve – similar to the market value changes of local investments.

The reported value of these funds is calculated by converting the foreign currency values of the respective funds at the ruling local currency (ZAR) to foreign currency exchange rate at the year end. The introduction of this new policy applies to new funds invested and consequently there is no measurable effect on the Association's results had this policy been in place in the previous year.

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*Defined contribution plans*

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

1.6 Provisions

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

1.7 Inventory

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

1.8 Revenue*Donations, Sponsorships, Events, Trading and Subscriptions*

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

Course fees

Course fees are recognised when due to the Association.

Interest and dividends

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

Profit and loss on disposal of financial assets

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

1.9 Legacies

Legacies received are credited to accumulated funds.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 – CONTINUED

2. TAXATION

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

3. KEY ESTIMATES AND JUDGEMENTS

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

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

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

4. DEFINITIONS

4.1 Cash and cash equivalents

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

4.2 Financial instruments

4.2.1 Financial asset

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

4.2.2 Financial liability

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

5. REVENUE

Total revenue comprises:

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

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

	2018 R 000	2017 R 000
	12 363	12 089
	3 927	3 876
	4 634	6 733
	<u>20 924</u>	<u>22 698</u>
	42	128
	11 251	6 589
	67	2 976
	<u>32 284</u>	<u>32 391</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED**31 MARCH 2018 – CONTINUED****6. INCOME FROM FINANCIAL ASSETS**

	2018 R 000	2017 R 000
Dividends – listed shares	3 469	3 769
Interest	1 165	2 963
	4 634	6 732
Loss on sale of investments	-	(85)
Profit on sale of investments	67	3 059
	67	2 974
	<u>4 701</u>	<u>9 706</u>

7. OPERATING COSTS

Operating costs include:

Audit fees	59	55
- Current year	48	43
- Accounting fees	4	5
- Other expenses	7	7
Depreciation of property, plant and equipment	585	507
- Furniture and fittings	76	72
- Motor vehicles	276	238
- Equipment	140	108
- Computers	84	77
- Software	4	7
- College of Orientation and Mobility library	5	5
Staff costs		
- Key management salaries and wages	4 013	3 404
- Other employees salaries and wages	13 206	11 775
Total salaries and wages	<u>17 219</u>	<u>15 179</u>
- Contributions to retirement funds and other insurance	2 105	1 989
- Medical aid contributions	899	815
Total staff costs	<u>20 223</u>	<u>17 983</u>

Staff numbers

	2018 #	2017 #
- Average number of key management employed during the year	7	7
- Average number of other employees employed during the year	65	60
Total average number of employees during the year	<u>72</u>	<u>67</u>

8. MEMBERSHIP

	2018 #	2017 #
Annual	187	398
Life	142	136



9. PROPERTY, PLANT AND EQUIPMENT

	2018 R 000			2017 R 000		
	Cost	Accumulated Depreciation	Carrying Value	Cost	Accumulated Depreciation	Carrying Value
Property	12 908	-	12 908	12 754	-	12 754
Furniture and fixtures	1 072	(910)	162	1 037	(839)	198
Motor vehicles	5 403	(1 721)	3 682	5 486	(1 501)	3 985
Office equipment	1 253	(587)	666	879	(485)	394
IT equipment	820	(461)	359	802	(376)	426
Computer software	60	(59)	1	60	(55)	5
College of Orientation & Mobility library	50	(35)	15	50	(30)	20
	21 566	(3 773)	17 793	21 068	(3 286)	17 782

Reconciliation of property, plant and equipment

	2018				
	Opening Balance	Additions	Disposals	Depreciation	Total
Property	12 754	154	-	-	12 908
Furniture and fixtures	198	41	-	(76)	162
Motor vehicles	3 985	-	(27)	(276)	3 682
Office equipment	394	416	(4)	(140)	666
IT equipment	426	17	-	(84)	359
Computer software	5	-	-	(4)	1
College of Orientation & Mobility library	20	-	-	(5)	15
	17 782	628	(31)	(585)	17 793

Reconciliation of property, plant and equipment

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

DETAILS OF PROPERTY

1. Portion 126 of Rietfontein 2IR, Sandton T54408/1983
2. 89 Belvedere Road, Claremont T93012/2005
3. 85 Belvedere Road, Claremont T94572/2007

The aggregate value of the properties has been assessed by the respective municipalities at R12 900 000 (2016 – R11 750 000).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 – CONTINUED

10. FINANCIAL ASSETS

	2018	2017
	R 000	R 000
Nedbank Private Wealth Securities Managed Portfolio	99 939	88 676
Local	75 222	88 676
Foreign	24 717	-
Funds on Call	14 982	23 182
	<u>114 921</u>	<u>111 858</u>
Opening balance	111 858	109 537
Interest received	1 153	2 948
Dividends received	3 469	3 769
Management fees	(794)	(730)
Capital (redeemed)/introduced	(821)	(5 049)
Shares sold	(3 717)	(21 629)
Proceeds on sale of shares	3 784	24 604
Adjust to fair value – prior year reversal	(20 165)	(21 757)
Adjust to fair value – current year	20 154	20 165
	<u>114 921</u>	<u>111 858</u>

11. INVENTORY

Office inventory	9	5
Trading stock	236	112
	<u>245</u>	<u>117</u>

12. TRADE AND OTHER RECEIVABLES

SARS – VAT	147	165
Prepayments	308	550
Sundry debtors	52	119
Deposits	801	262
	<u>1 308</u>	<u>1 096</u>
<i>Maturity profile</i>		
Within one year	1 300	1 072
More than one year	8	24
	<u>1 308</u>	<u>1 096</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 2018 – CONTINUED

15. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

Introduction

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

Risk profile

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

15.1 Liquidity risk

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

	Note	<u>Total Cash Flows</u>	<u>Within one year</u>	<u>One to two years</u>	<u>More than two years</u>
		R 000	R 000	R 000	R 000
2018					
Assets					
Loans and receivables		1857	1849	-	8
SARS – VAT	12	147	147	-	-
Prepayments	12	308	308	-	-
Other debtors	12	52	52	-	-
Deposits	12	801	793	-	8
Cash at bank		549	549	-	-
Financial assets	10	114 921	114 921	-	-
Total		116 778	116 770	-	8
Liabilities					
Financial liabilities					
		1 525	1 525	-	-
Trade payables	13	825	825	-	-
Other payables	13	700	700	-	-
Total		1 525	1 525	-	-

	Note	Total Cash Flows	Within one year	One to two years	More than two years
		R 000	R 000	R 000	R 000
2017					
Assets					
Loans and receivables		1 921	1 897	-	24
SARS – VAT	12	165	165	-	-
Prepayments	12	550	550	-	-
Other debtors	12	119	119	-	-
Deposits	12	262	238	-	24
Cash at bank		825	825	-	-
Financial assets	10	111 858	111 858	-	-
Total		113 779	113 755	-	24
Liabilities					
Financial Liabilities					
		2 095	2 095	-	-
Trade payables	13	1 399	1 399	-	-
Other payables	13	696	696	-	-
Total		2 095	2 095	-	-

15.2 Credit Risk

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

Credit risk exposure in respect of trade receivables is further analysed in note 12.

15.3 Investment Return Risk

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

At the reporting date :

	2018	2017
	R 000	R 000
The interest rate profile of the Association's interest bearing financial instruments were:		
Fixed rate instruments (average)	5,8%	8,6%
Exposure to interest rate influences on cash deposits of	14 982	23 182
Exposure to market influences on listed equities valued at	75 222	88 676
Exposure to market and foreign currency influences on foreign listed equities, valued at	24 717	-

