

NOTICE

58th ANNUAL GENERAL MEETING



SOUTH AFRICAN GUIDE-DOGS
association for the blind

NOTICE IS HEREBY GIVEN THAT THE 58th ANNUAL GENERAL MEETING OF THE SOUTH AFRICAN GUIDE-DOGS ASSOCIATION FOR THE BLIND WILL BE HELD AT THE GLADYS EVANS TRAINING CENTRE ON THE 28th SEPTEMBER 2011 AT 14H00.

AGENDA

1. Apologies.
2. Confirmation of the minutes of the 57th A.G.M held on the 22th September 2010.
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 3513 • Fax: 086 506 3364

CAPE TOWN OFFICE

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

DURBAN OFFICE

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

CHAIRMAN'S REPORT – 2010/2011



The past year was yet another satisfactory one for the South African Guide-Dogs Association for the Blind.

Thank you

Once again, the success for the year must be attributed to the endeavours of a superb team:

- excellent, dedicated full-time staff – how lucky we are to be blessed with such a fantastic group of employees.
- wonderful volunteers – how could we ever operate without the merry band of 'vollies' who are always there to help us out!
- loving, caring puppy-raisers – what would we do without the patience and understanding of those who willingly give of their time, their homes and more to ensure that potential guide-dogs are given the right start to their upbringing?
- a committed executive group – how gratifying it is for me to be backed by such wise counsel.
- our many donors – we are fortunate to have such generous, understanding supporters – without their help, the Association would not be able to perform its duties.

All these stake-holders merit a very sincere vote of thanks and appreciation from me and from those whom we serve. It is totally due to their continued commitment that the Association currently finds itself in a stable position, both structurally and financially.

A steady ship

On the matter of the current stability of the Association, it is fitting that I raise a few concerns for the longer term.

- Structurally, we need to make sure that the Association is structured in such a way as to satisfy its aims and objectives while maximising income and containing operating costs – a major challenge for everyone.
- Financially, the growth in the overheads of the Association over the past decade means that general fund-raising income is no longer sufficient to cover operational expenditure. This is particularly the case in these difficult times of financial hardship. This is of concern to me. However, thanks to the receipt of substantial bequests, we ended the 2010/2011 year with a handsome overall profit. Hopefully, the work done by the fund-raising team will ensure that the Association continues to be the recipient of generous bequests.

On the matter of 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.

Applause for success

Turning to a few significant specifics for the past year:

- It is once again pleasing to see that targets set for the operation of the Association have been met and exceeded:
 - output and placement of trained dogs met demand;
 - the College of Orientation & Mobility met its commitments in terms of the number of persons trained; fund-raising income was up by 6% and investment income up by 5%. Income from O&M activities was, however, considerably down on the previous year as the contract with North-West Province was not renewed;
 - expenditure was well controlled by management and staff.
- The new Constitution has been approved by members – and by the revenue authorities – and is now in place.
- A major decision was taken to invest in infrastructure for the College of Orientation & Mobility. The renovated offices and training facilities are now almost completed.
- Renovation of the kennels was continued and all but the boarding kennels have now been rebuilt.

The Association continues to be faced with challenges, both big and small. It will require the continued support, loyalty and dedication of our team of passionate stakeholders to optimise the outcome of these challenges. Finally, on behalf of the Executive Committee, I would like to thank again all those concerned for what they do in the interests of those whom we serve. Thank you so much!

THOMAS DAVID PARKER

CHAIRMAN

22/08/2011

DATE

EXECUTIVE DIRECTOR'S REPORT – 2010/2011

The goal of the South African Guide-Dogs Association for the Blind is to provide the highest quality of trained, physically sound dogs for the benefit of visually impaired persons and other persons having particular disabilities.

I am pleased to report that a total of 51 teams were trained; 38 of these teams being previous guide-dog owners and 13 service or social dogs; 40% of the guide dogs trained were matched to existing clients to replace a guide dog who was retiring. One of these clients has been a guide dog owner for 50 years and, at 75 years of age, she is still using a guide dog to provide her with independence, mobility and companionship.

The training department saw two qualified instructors leave us in the financial year. Ejay Kennedy left us to work as a Guide Dog Mobility Instructor for Guide Dogs for the Blind in the United Kingdom, and Nadine Harber left us to work as a Guide Dog Mobility Instructor for The Seeing Eye Dog Association in Australia. We will really miss the services of these two dedicated instructors, but we wish them well as they continue their chosen career. As sad as we were to see friends and colleagues leave us, we are very pleased to welcome four new staff members on board. Allyce Keogh and Hayley Cumming joined us as Learner Guide Dog Mobility Instructors in Johannesburg and Charné Sivertson joined as a Learner Guide Dog Mobility Instructor in Cape Town. Mandla Nxumalo was promoted to Senior Guide Dog Mobility Instructor; he is currently involved in Allyce and Hayley's education and supervision. Lerato Masemola also joined us as a Learner Puppy Raising Supervisor.

Our puppy rearers and breeding stock holders deserve a special mention in that, in every sense, they are the life-blood of the guide-dog programme, and we take this opportunity to thank them for their commitment and efforts in the past year.

The success we have enjoyed over the last financial year can be contributed to many people within an organisation such as ours. However, a major part of this is the contribution made by staff members in Johannesburg, Cape Town and Durban; whether it be training of clients, kennel management, puppy supervision, administration or fundraising. Thank you for your loyalty, hard work and commitment to the Association.

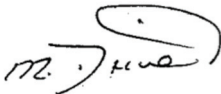
The Association relies heavily on the financial support of individuals, service clubs, companies and corporates to meet its objectives in providing mobility and independence. Without their support, we would not be able to provide the much-needed services to the visually impaired throughout the Republic. A big vote of thanks to you all.

In addition to the breeding, rearing and training of dogs, our goal is also to provide training of mobility practitioners at the College of Orientation and Mobility. This is another important aspect of SAGA's contribution and commitment to independence and mobility for visually impaired people in southern Africa.

The college building has undergone extensive renovation and physical expansion. I am pleased to report that additional facilities include a large lecture room and two breakaway rooms. These facilities are in line with our strategy to expand our services to the visually impaired communities throughout the Republic.

Volunteers are a valuable resource to the Association. At present, we have in excess of 100 puppy rearers and 75 ladies from the local community who give freely of their time and energy to assist our administrative staff in the various mailings and tasks that they perform. Thank you ladies for your time, company and efforts.

In closing, I would like to thank our Executive Committee, who are also volunteers, for their wise guidance. Together, we can look forward to growing and improving the services to the blind and visually impaired communities in South Africa.



MALCOLM RUMNEY DRIVER
EXECUTIVE DIRECTOR

22/08/2011



HONORARY TREASURER'S REPORT – 2010/2011

A word of appreciation

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

Positive brand awareness of the Association conducted by the fundraising teams across the Republic, supported by the many volunteers enabled the Association to receive more bequests during the year 2010 (R24,030,751) and 2011 (R6,103,711) and considering the continued recession that the Republic is experiencing, the donations received continued to grow from year to year by 12% reaching R6,398,505 in 2010 and R7,49,002 in 2011. Excluding the income from the College of Orientation and Mobility, the remaining income was up by 5.2% reaching R11,158,550 by 2010 and R 11,739,225 by 2011, however, the costs of running the Association increased by 13%. The main contributor was the salary increase to allow the Association to stay within the employment market place.

The puppy block expansion project was finalised during this year and amounted to R1,241,773. During this financial year, it was agreed to expand the College for Orientation and Mobility; this project is estimated to cost the Association R1,574,618 and, at the year-end, the Association had spent R837,329 towards this project.

In conclusion, the Association is financially well-placed to support both guide-dog recipients and the training of orientation and mobility instructors for the future.



DEBORAH BULLIVANT
HONORARY TREASURER

22/08/2011

DATE



SOUTH AFRICAN GUIDE-DOGS
association for the blind

ANNUAL FINANCIAL STATEMENTS 31ST MARCH 2011

SOUTH AFRICAN GUIDE-DOGS ASSOCIATION FOR THE BLIND

OFFICE BEARERS

Executive Director

Malcolm Rummy Driver

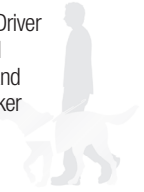
Honorary Chairman

60 McKenzie Road
Glenferness, Midrand
Thomas David Parker
Bryanston Glades
Bryanston
Sandton

Honorary Treasurer

Deborah Bullivant
23 Kirsch Street
Parkrand
Boksburg

SOUTH AFRICAN GUIDE-DOGS
association for the blind



NATURE OF ASSOCIATION

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

AUDITORS

Axiom Registered Accountants and Auditors

BANKERS

Nedbank
Epsom Downs

FUND RAISING NUMBER

01 100110 000 8 000-758 NPO

REGISTERED OFFICE

126 Wroxham Road
Rietfontein 2IR
Sandton

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10	Balance Sheet
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APPROVAL OF ANNUAL FINANCIAL STATEMENTS

The annual financial statements set out on pages 2 to 14 were approved by the Executive Committee and are signed on their behalf:

CHAIRMAN

HONORARY TREASURER

22/08/2011

DATE

22/08/2011

DATE

ASSOCIATION FOR THE BLIND

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 2011; 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 2011 and the results of its operations for the year then ended in accordance with the requirements of the South African Guide-Dogs Association for the Blind.

Denice Noelle Carr
AXIOM REGISTERED ACCOUNTANTS & AUDITORS

REGISTERED AUDITOR – DENICE NOELLE CARR (644110)
33 SENATOR MARKS AVENUE, VEREENIGING, 1939

17/06/2011
DATE

SOUTH AFRICAN GUIDE-DOGS ASSOCIATION FOR THE BLIND

REPORT OF THE CHAIRMAN OF THE SOUTH AFRICAN GUIDE-DOGS ASSOCIATION FOR THE BLIND FOR THE YEAR ENDED 31 MARCH 2011



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

A donation of R153,998 was received from the National Lottery on 23 May 2011.

SOUTH AFRICAN GUIDE-DOGS ASSOCIATION FOR THE BLIND

INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 2011

	2011 R	2010 R
SUBSCRIPTIONS	92,961	41,721
OTHER INCOME	11,975,793	13,087,137
Fundraising from donations	7,149,002	6,398,505
Fundraising from events	847,437	1,121,266
College of Orientation and Mobility Training income	236,568	1,928,587
Donation National Lottery	-	200,000
Sale of Dogs	32,277	7,145
Trading Activities	284,839	173,598
Dividend revenue	661,764	245,674
Interest received	2,153,513	2,129,949
Net profit on disposal of financial assets	453,563	734,104
Recoveries – insurance claims	-	11,929
Rental Income	156,830	136,380
EXPENDITURE	14,717,181	13,000,815
Depreciation, amortisation and impairments	330,397	262,239
Fundraising expenses	1,342,368	1,230,845
Administration expenses	3,984,634	3,185,412
Fleet Expenses	385,697	209,107
Kennel expenses	2,024,534	1,443,640
Training Centre Johannesburg expenses	3,126,404	2,951,417
Training Centre Cape Town expenses	570,582	412,624
House & Grounds Johannesburg expenses	933,768	615,365
House & Grounds Cape Town expenses	417,767	354,737
College & Orientation and Mobility North West	-	1,138,997
College & Orientation and Mobility Johannesburg	1,599,946	1,158,520
Loss on Disposal of assets	1,084	37,912
(LOSS) / PROFIT FOR THE YEAR	(2,648,427)	128,043
OTHER COMPREHENSIVE INCOME	6,167,442	24,210,751
Bequests received	6,103,711	24,030,751
Contribution from SAGA Trust	63,731	180,000
NET SURPLUS FOR THE YEAR	3,519,015	24,338,794

SOUTH AFRICAN GUIDE-DOGS ASSOCIATION FOR THE BLIND

SOUTH AFRICAN GUIDE-DOGS ASSOCIATION FOR THE BLIND

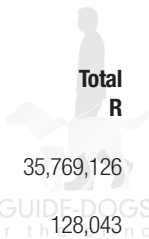
BALANCE SHEET AT 31ST MARCH 2011

	Notes	2011 R	2010 R
ASSETS			
Non-current assets			
		71,154,450	64,664,723
Financial assets	10	57,687,371	53,829,502
Property, plant and equipment	8	13,297,606	10,642,638
Intangible assets	9	169,473	192,583
Current assets			
		2,079,075	1,861,755
Inventories		368,618	300,687
Trade and other receivables	11	850,811	820,410
Cash and bank		859,646	740,658
TOTAL ASSETS		<u>73,233,525</u>	<u>66,526,478</u>
EQUITY AND LIABILITIES			
Capital and reserves			
		72,007,398	65,753,288
Accumulated funds		61,641,272	58,122,259
Revaluation of investment		10,366,126	7,631,029
Current liabilities			
Trade and other payables	12	1,226,127	773,190
TOTAL EQUITY AND LIABILITIES		<u>73,233,525</u>	<u>66,526,478</u>

SOUTH AFRICAN GUIDE-DOGS ASSOCIATION FOR THE BLIND

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2011

	Accumulated surplus R	Revaluation of investment R	Total R
Balance at 31 March 2010	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



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

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2011

	Notes	2011 R	2010 R
CASH FLOWS FROM OPERATING ACTIVITIES		(1,962,340)	(473,106)
Cash generated by operations	13.1	(4,777,617)	(2,848,729)
Income from Investments		2,815,277	2,375,623
CASH FLOWS FROM INVESTING ACTIVITIES		(4,086,114)	(24,051,940)
Additions to fixed assets		(3,075,630)	(899,387)
Additions to Intangible assets		-	-
Decrease / (increase) in financial assets		(1,122,773)	(23,273,053)
Proceeds on disposal of plant and equipment		112,289	120,500
CASH FLOWS FROM FINANCING ACTIVITIES		6,167,442	24,210,751
Bequests / contributions received during the year		6,167,442	24,210,751
Property donations received for the year		-	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		118,988	(314,295)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		740,658	1,054,953
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		859,646	740,658

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

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.



SOUTH AFRICAN GUIDE-DOGS
association for the blind

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

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 2011 - CONTINUED



SOUTH AFRICAN GUIDE-DOGS
ASSOCIATION FOR THE BLIND

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.

SOUTH AFRICAN GUIDE-DOGS ASSOCIATION FOR THE BLIND



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 2011 – CONTINUED



5. REVENUE

Total revenue comprises:

	2011 R	2010 R
- Donations and Sponsorships	7,149,002	6,398,505
- Subscriptions	92,961	41,721
- Income from investments	3,268,840	3,124,640
- Fundraising and other	1,557,951	3,563,992

6. INCOME FROM INVESTMENTS

Dividends – listed shares	661,763	245,674
Interest	2,153,513	2,129,949
Loss on sale of investments	(9,092)	(100,792)
Profit on sale of investments	462,656	849,809
	3,268,840	3,124,640

7. OPERATING COSTS

Operating costs include:

Audit fees	37,480	5,457
- Current year	37,480	-
- Accounting Fees	-	4,830
- Other Expenses	-	627

Key Management – Salary (excl employer contributions)	1,798,500	2,000,734
- Number of key management employed during the year	4	5

Depreciation – Furniture and fittings	31,220	17,279
- Software	19,834	14,677
- Equipment	46,456	25,402
- Computers	43,247	41,966
- Motor vehicles	166,531	139,805

Staff Costs		
- Salaries and wages (excl Key Management)	7,044,088	5,224,134
- Contributions to retirement funds	797,154	770,044
- Medical aid contributions	627,777	630,604
- Average number of employees employed during the year	48	47

8. PROPERTY, PLANT AND EQUIPMENT

	2011			2010		
	Cost	Accumulated Depreciation	Carrying Value	Cost	Accumulated Depreciation	Carrying Value
Property	10,288,547	-	10,288,547	8,167,671	-	8,167,671
Furniture and fixtures	653,024	(555,346)	97,678	581,919	(524,034)	57,885
Motor vehicles	2,931,144	(621,043)	2,310,101	2,508,762	(587,139)	1,921,623
Office Equipment	364,341	(98,435)	265,906	237,527	(52,071)	185,456
IT Equipment	403,770	(199,427)	204,343	380,560	(156,180)	224,380
Computer software	162,560	(80,498)	82,062	146,287	(60,664)	85,623
College of Orientation Library	48,969	-	48,969	-	-	-
	14,852,355	(1,554,749)	13,297,606	12,022,726	(1,380,088)	10,642,638

Reconciliation of property, plant and equipment

	2011				
	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 2010)

9. INTANGIBLE ASSETS

	2011			2010		
	Cost	Accumulated Depreciation	Carrying Value	Cost	Accumulated Depreciation	Carrying Value
Computer software, internally generated	231,100	(61,627)	169,473	231,100	(38,517)	192,583

Reconciliation of intangible assets

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

Reconciliation of intangible assets

	2010		
	Opening Balance	Amortisation	Total
Computer software, internally generated	215,693	(23,110)	192,583

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011 – CONTINUED

10. FINANCIAL ASSETS (AVAILABLE-FOR-SALE)

	2011	2010
	R	R
BOE Securities Managed Portfolio	46,422,372	41,670,940
Funds on Call	11,244,999	12,158,562
	57,667,371	53,829,502
Opening balance	53,829,502	24,911,084
Interest received	2,118,915	2,033,837
Dividends received	661,764	245,674
Brokerage fees	(451,794)	(229,348)
Capital (Redeemed)/Introduced	(3,696,011)	(8,301,491)
Shares Purchased	7,114,957	30,185,138
Shares Sold	(5,078,622)	(1,696,104)
Transfer Sasfin to BOE Surplus	-	286,329
Profit on sale of shares	453,563	749,017
Adjust to fair value – prior year reversal	(7,631,029)	(1,985,663)
Adjust to fair value – current year	10,366,126	7,631,029
	57,687,371	53,829,502

11. TRADE AND OTHER RECEIVABLES

SARS – Vat	272,187	73,899
Prepayments	235,190	226,174
Sundry debtors	328,776	506,004
Deposits	14,658	14,333
	850,811	820,410
Maturity profile		
Within one year	836,153	738,006
More than two years	14,658	82,404
	850,811	820,410

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.

12. TRADE AND OTHER PAYABLES

	2011	2010
	R	R
Trade payables	674,319	605,001
Other payables	551,807	168,191
	<u>1,226,126</u>	<u>773,192</u>
<i>Maturity profile</i>		
Within one year	1,226,126	773,192
One to two years	-	-
	<u>1,226,126</u>	<u>773,192</u>

Fair value of trade & other payables

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

Leave pay provision

The leave pay provision, which is included in other payables was based on 15% of the total obligation of R 85,747 for the 2011 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	(2,648,427)	128,043
Adjustments for:		
Amortisation	23,110	23,110
Depreciation	307,288	239,129
Loss on sale of fixed assets	1,084	37,912
Income from investments	(2,815,277)	(2,375,623)
Operating profit before working capital changes	(5,132,222)	(1,947,429)
Changes in Working Capital		
(Increase)/Decrease in Inventory	(67,931)	(85,771)
(Increase)/Decrease in Accounts Receivable	(30,401)	(465,733)
Increase/(Decrease) in Accounts Payable	452,937	(349,796)
Cash generated by operations	<u>(4,777,617)</u>	<u>(2,848,729)</u>

13.2 Events subsequent to the year end

A donation of R153,998 was received from the National Lottery on 23 May 2011.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011 – 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
2011					
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				
Total		1,710,457	1,695,799	-	14,658
Financial Liabilities					
Non-derivative instruments		1,226,126	1,226,126	-	-
Trade payables	12	674,319	674,319	-	-
Other payables	12	551,807	551,807	-	-
Total		1,226,126	1,226,126	-	-

14. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (continues)

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

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:

	2011	2010
Fixed Rate Instruments (average)	6,1%	7,7%
At the reporting date, the Association was exposed to market influences on listed equities valued at	R18,174,906	R19,455,930

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 2011, 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 pages 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 2011 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.

Denise Noelle Carr
AXIOM REGISTERED ACCOUNTANTS & AUDITORS

REGISTERED AUDITOR - DENISE NOELLE CARR (644110)

33 SENATOR MARKS AVENUE, VEREENIGING, 1939

17/06/2011

DATE

SOUTH AFRICAN GUIDE-DOGS ASSOCIATION FOR THE BLIND

INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 2011

	2011	2010
	R	R
DONATIONS RECEIVED	15,000	203,100
BANK CHARGES	(15)	(28)
INCOME FOR THE YEAR	<u>14,985</u>	<u>203,072</u>

SOUTH AFRICAN GUIDE-DOGS
association for the blind

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

	2011	2010
	Retained	Retained
	Income	Income
BALANCE AT 31 MARCH 2009	27,674	51,394
INCOME FOR THE YEAR	<u>203,072</u>	<u>226,280</u>
	230,746	277,674
FUNDS DISTRIBUTED TO S A GUIDE-DOGS ASSOCIATION FOR THE BLIND	<u>(180,000)</u>	<u>(250,000)</u>
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	<u>2,000</u>	<u>50,746</u>



TRUSTEE – Thomas David Parker

22/08/2011

DATE



TRUSTEE – Malcom Rumney Driver

22/08/2011

DATE

SOUTH AFRICAN GUIDE-DOGS ASSOCIATION FOR THE BLIND

BALANCE SHEET AS AT 31 MARCH 2011

	2011	2010
	R	R
TRUST CAPITAL ACCOUNT	2,000	50,746
EMPLOYMENT OF CAPITAL		
BANK BALANCE	2,000	50,746

SOUTH AFRICAN GUIDE-DOGS
association for the blind



TRUSTEE – Thomas David Parker

22/08/2011

DATE



TRUSTEE – Malcom Rumney Driver

22/08/2011

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).