

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

[Non-Profit Organisation Registration Number 000-758 NPO]

**ANNUAL FINANCIAL STATEMENTS
31 MARCH 2021**



**REGISTERED ACCOUNTANTS
& AUDITORS**

CHAIRMAN'S REPORT

YEAR ENDED 31 MARCH 2021

At a special board meeting held early in March 2020 to discuss and approve a budget for the upcoming year, a severe lockdown in response to Covid 19 had already been announced by our President. The background to this meeting included reporting a deficit in excess of R 13 million for the year about to end and a future that was completely uncertain - especially in respect of income. After years of surpluses of income over expenditure, during which time we'd been able to grow reserves to over R 100 million; a new, uncertain and unpredictable reality began.

As required by the lockdown rules, we had to close down our offices and entire operations - including the suspension of our dog breeding programme - for the ensuing five months. Similarly, the Orientation & Mobility diploma course saw students being sent home and the College temporarily closed. Thereafter, it has been on-again; off-again, although we were able to resume breeding in August.

Training and Puppy Raising recommenced at about the same time. Leigh de Beaufort (Head of Kennels and Breeding) despite suffering a dose of Covid 19, never relaxed her attention to her heavy workload. Mandla Ndlovu (Head of Training) along with Joel van Stavel (Head of Puppy Raising) and their respective teams applied themselves as best they could, doing whatever they could. Cheryl Robertson (Manager of our Cape Town branch) despite ongoing challenges, just carried on with her high level of output. We are blessed with staff at all levels who rose to the occasion throughout this trying year.

Working mostly from home, our Marketing Team performed miracles and, despite the challenges faced by all NPOs during Covid, managed to exceed the previous year's monthly donations, time after time. I would like to acknowledge Nadia Sands (Head of Marketing) and her team for their tremendous efforts. The O & M team, led by Elizabeth Louw, took the opportunity to review and upgrade our training courses and lecture material.

I would like to congratulate Vernon Tutton (Executive Director) for the role he played in keeping GDA together by making plans when faced with problems and keeping in contact with all staff members throughout. Laurie Drake (Head of Finance) put in extraordinary hours to redesign our financial systems and produce accounts month after month.

Sadly, after 11 years, initially as a volunteer in the Admin department; and then for more than 6 years as a Board member, Philip Kuhn stood down from the Board in November last year. Thank you Phil, I appreciated your wisdom and counsel. Deirdre Venter, for long a legal adviser to GDA, also stepped down from the Board due to work considerations. Fortunately, Deirdre remains available to help and advise us on legal matters.

My thanks to my fellow Board members for always being available with wise counsel. I look forward to the next "non-Zoom" meeting with you all!

Nigel Unwin
September 2021

SA GUIDE-DOGS ASSOCIATION for the BLIND

EXECUTIVE DIRECTOR'S REPORT

YEAR ENDED 31 MARCH 2021

Dear Friends,

We began our fiscal year 2021 with the pandemic now widely known as COVID-19 and were in the "hard" lockdown announced by the President. We had to urgently make decisions on how we were going to respond to these challenges. It was clear we would not be able to operate in the so-called normal or usual way. We had to rework how we operated so we could still accomplish our mission in new ways. We pride ourselves on our flexibility and ability to innovate, which allowed us to adjust our training methods so that we could continue to serve our constituents - by continuing to build on the successes of the previous fiscal year. The pandemic certainly had an impact on our operations and we have worked diligently to ensure the health and safety of our students and graduates, volunteers, staff, dogs and puppies in our programmes. At times we had to rely heavily on our puppy raisers to help rehome the dogs and puppies – thereby keeping them off our properties, thus allowing us to reduce the number of staff on campus; while those who could work from home, did so. Lockdowns prevented us from doing training with the puppy raisers and socialising our dogs became a challenge.

The Orientation and Mobility division had a stop-start period; and was periodically closed down - as its work could not continue in the field during these trying times. Our student training also came to an abrupt halt as schools country-wide were closed down. Our training programme consequently had to be extended for three months to enable the students to complete their training.

To ensure we remained responsive, we worked on-line via Zoom wherever possible. Our Kennels, Puppy Block and the formal dog-training training teams could not stop, but were run with skeleton staff at all times. The puppy-breeding program was suspended for 6 months, resulting in a reduction of puppies born during this past year.

The COVID-19 pandemic has had a major influence in the way we normally do our fundraising. The team had to come up with new - and sometimes untested - ideas to keep the funds coming in. All "face-to-face" events were cancelled due to the different levels of lock down the country was put under. The team quickly moved to social media to promote marketing activities, and implemented new innovative programmes to enable our donors to keep supporting us during these difficult times.

I express my thanks and appreciation to them all.

Vernon Tutton
September 2021

SA GUIDE-DOGS ASSOCIATION for the BLIND

TREASURER'S REPORT

YEAR ENDED 31 MARCH 2021

The past financial year must surely have been one of the toughest ever experienced from a financial point of view, with the entire world having to deal with the Covid-19 pandemic. Few businesses were not severely impacted by the economic fallout and the Association was no different. The announcement of the hard lockdown in March last year saw us begin the year with both the dog-training activities and Orientation and Mobility operations being suspended.

During the lockdown, our Kennels team was split into two groups who then rotated in isolation on site to care for all those dogs not with puppy-raisers. While this incurred some additional expense in accommodating the respective teams, the significant impact was caused by the interruption of the puppy breeding programme. During the year only 62 puppies were born compared to the previous year's 98. Ironically this had a positive impact on our costs, with all dog related expenses being both lower than budget and also the previous year.

On the O & M side, the diploma course had to be extended beyond the planned November 2020 graduation date, with students finally completing their studies in June 2021. Our practitioners working in the field were completely unable to work for large parts of the year, which has naturally meant that the support for those in need was greatly reduced.

Fortunately both the Marketing and Financial teams were able to function effectively from home, thus ensuring that the administration and fund raising efforts continued with limited impediment. On-site fund-raising activities were understandably severely curtailed as can be seen in our Income Statement.

Expenditures were generally down over the prior year, being influenced to a certain extent by the reduced levels of activity brought about by the pandemic.

As regards the specifics of our financial results, the Association's Income from Operations declined by 6% over the prior year to R 20,79 million, but pleasingly the directly controllable component rose by 8% to R 16,79 million; and now represents 81% of total income (excluding investments). Income from Legacies again showed a significant decline from the previous year and continued the trend of past years. While this source will remain a key element in our funding, its unpredictable nature means that we are vulnerable if too much reliance is placed here in managing the Association's financial needs.

The Marketing team's steady move towards social media platforms and electronic means was given a severe test during the shutdown and certainly rose to the occasion with a series of campaigns while we were all at home.

This strategy has now become entrenched and will continue into the future. We did not make the inroads into corporate support as we had hoped, but in reflection, this market was also facing its own challenges and we remain geared up to drive this during the forthcoming years.

	2021 (R 000's)	%age of total	2020 (R 000's)	%age of total	%age change for year	change (R 000's) +ve/(-ve)
INCOME FROM OPERATIONS						
Fund Raising & Subscriptions	1 173	6%	1 573	7%	-25%	(400)
Donations	11 639	56%	9 445	43%	23%	2 194
Income from Trusts	3 979	19%	4 459	20%	-11%	(480)
Directly controlled	16 791	81%	15 477	70%	8%	1 314
Legacies	3 996	19%	6 670	30%	-40%	(2 674)
Total	20 787	100%	22 147	100%	-6%	(1 360)

Expenditure was well controlled throughout the Association, aided somewhat by reduced activity. Overall expenditure declined by 7,8%; with only marginal increases in IT expenditures and Covid related costs (which we trust will be of a “once-off” nature in times to come.

The Association managed to maintain its staff compliment at full strength during the shutdowns and managed, with nominal financial assistance from the TERS relief fund, to keep all staff on full pay. Savings were however realised through reductions in headcount (in Administration and reorganisations in dog training). The combination of Payroll cost and Veterinary expenses contributes over 80% to the Association’s total expenditure. We have contained vet bills over time through watchful monitoring of dogs’ health and preventative care in co-ordination with our of veterinary specialists.

The development of our customised new dog data base (first phase) has now been completed and has gone live. In spite of the usual teething problems, we are looking forward to meaningful benefits and efficiencies the new system will offer us going forward.

The net deficit from our Main Business revealed an 18% improvement (reduction) over the previous year, coming in at R 19,75 million, compared to R 24,17 million in 2020.

As mentioned earlier, our income from Legacies again declined, dropping from R 6,67 million to R 4 million for the current year. Our income from Investments also declined – reflecting the reduced earnings the corporate world has experienced during these challenging times.

During the year, the Association reviewed its investment portfolio and after due consideration, resolved to spread responsibility for management of said

investment amongst 3 Fund Managers. Abax Investments and NinetyOne thus took over our domestic portfolio late in the year and placed our funds in unit trusts offering a better prospect of steady growth in future. The liquidation of the old portfolio did however realise a net profit of some R 4,9 million which thus reduced the Association's overall deficit for the year to R 8,7 million – compared to a deficit of R 11.02 the previous year – an improvement of 21%!

Given the devastation experienced throughout the world economy, this result can be considered highly satisfactory notwithstanding the constraints on our income generating capacity.

While the deficit remains a serious concern, the Board is comfortable that constructive steps have been put in place and the focus has been realigned to restore the financial balance between income earned and committed expenditure.

All that remains is for me to thank all our loyal and dedicated members, donors and sponsors for their enduring support and trust you'll stay with us for the long-run in achieving our mission to enhance the lives of visually and physically impaired people and children with autism.

Dawn Earp
September 2021

[Non-Profit Organisation Registration Number 000-758 NPO]

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

OFFICE BEARERS	Executive Director	Mr Vernon Wooding Tutton
	Honorary Chairman	Mr Nigel William Unwin
	Honorary Vice Chairman	Mr Alastair Duncan Stalker
	Honorary Treasurer	Mrs Dawn Earp
	Honorary Board Member	Mr Philip John Case
	Honorary Board Member	Mr Jeremy Guy Opperman
	Honorary Board Member	Ms Lanya Dawn Stanek (appointed 17 November 2020)
	Honorary Board Member	Ms Wendy Robyn Alexander (appointed 17 November 2020)
	Honorary Secretary	Mrs Janet Margaret Cowley
	Honorary Board Member	Mr Philip Louis Kuhn (resigned 17 November 2020)
	Honorary Board Member	Mr Grant Andrew Finnemore (resigned 17 November 2020)
	Honorary Board Member	Mrs Deirdre Venter (Bone) (resigned 10 February 2021)
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	
FUND MANAGERS	Nedbank Private Wealth Ninety One Abax Investments	
NON-PROFIT ORGANISATION # 000-758 NPO		
REGISTERED OFFICE	126 Wroxham Road Rietfontein Sandton	
CONTENTS	2	Board responsibility report
	3	Report of the Board
	4	Report of the Auditors
	5	Statement of Comprehensive Income
	6	Statement of Financial Position
	7	Statement of Changes in Equity
	8	Statement of Cash Flows
	9 - 14	Notes to the financial statements

SOUTH AFRICAN GUIDE-DOGS ASSOCIATION FOR THE BLIND

(Non-Profit Organisation Registration No. 000-758 NPO)

STATEMENT OF THE BOARD OF THE ASSOCIATION'S RESPONSIBILITY FOR THE YEAR ENDED 31 MARCH 2021

The Board of the Association is responsible for the preparation, integrity and fair presentation of the annual financial statements of South African Guide-Dogs Association for the Blind. The annual financial statements for the year ended 31 March 2021, presented on pages 3 to 14, have been prepared in accordance with the Conceptual Framework as contained in IFRS for small and medium-sized entities and include amounts based on judgements and estimates made by management.

The Board of the Association consider that in preparing the annual financial statements, it has used the most appropriate policies, consistently applied and supported by reasonable prudent judgements and estimates, and that the Conceptual Framework has been applied. The annual financial statements fairly present the results of operations for the year and the financial position of the Association at year end in accordance with the above framework.

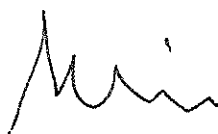
The Board of the Association has a responsibility for ensuring that accounting records are kept. The accounting records should disclose with reasonable accuracy, the financial position and results of the Association to enable the Board the of Association to ensure that the annual financial statements comply with relevant legislation.

The Association operates in an established control environment, which is documented and regularly reviewed. This incorporates risk management and internal control procedures which are designed to provide reasonable, but not absolute, assurance that assets are safeguarded and the risks facing the operations are being controlled. Nothing has come to the attention of the Board of the Association to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

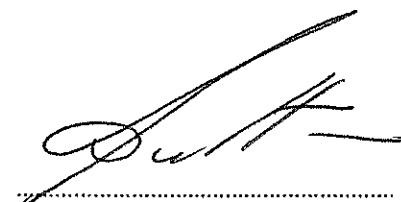
The Board of the Association has reviewed the Association's budget and cash flow forecast for the financial year to 31 March 2022. On the basis of this review and in light of the current financial position, the Board of the Association is satisfied that the Association has access to adequate resources to continue in operational existence for the foreseeable future and is a going concern. It has continued to adopt the going concern basis in preparing the annual financial statements. These annual financial statements support the viability of the Association.

The annual financial statements have been audited by the independent auditor, Axiom Registered Accountants & Auditors, who were given unrestricted access to all financial records and related data, including minutes of all meetings of management, Board of the Association and Committees of the Board. The modified audit report of Axiom Registered Accountants & Auditors is presented on page 4.

The annual financial statements were approved by the Board of the Association on 22 September 2021 and are signed on its behalf by :-



.....
N.W. Unwin
Chairman



.....
V.W. Tutton
Executive Director

**REPORT OF THE BOARD OF SOUTH AFRICAN GUIDE-DOGS ASSOCIATION FOR THE BLIND
FOR THE YEAR ENDED 31 MARCH 2021**

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 ended 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 property, plant and equipment of the Association or in the policy regarding their use.

EVENTS SUBSEQUENT TO THE YEAR END

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

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

Page 4

Qualified Opinion

We have audited the financial statements of the South African Guide-Dogs Association for the Blind set out on pages 5 to 14, which comprise the statement of financial position as at 31 March 2021, and the statement of 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 2021, and its financial performance for the year then ended in accordance with 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 organizations, 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.

The comparative figures as reflected on the statement of comprehensive income on page 5 were not subject to a full audit examination. We refer to Note 12 on page 14 of the financial statement.

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 sections 290 and 291 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised January 2018) (IRBA Code (Revised January 2018)), parts 1 and 3 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised November 2018)(IRBA Code (Revised November 2018)) 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 (Revised January 2018), the IRBA Code (Revised November 2018) and in accordance with other ethical requirements applicable to performing audits in South Africa. Section 290 and 291 of the IRBA Code (Revised January 2018) are consistent with sections 290 and 291 of the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants. Parts 1 and 3 of the IRBA Code (Revised November 2018) are consistent with parts 1 and 3 of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards.) 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 Board Responsibility report and Report of the Board 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 either 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 it 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 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 & Auditors

DENICE NOELLE CARR (6441110)

PARTNER - AXIOM REGISTERED ACCOUNTANTS & AUDITORS

REGISTERED AUDITOR

22 SEPTEMBER 2021

Office No 7 Magic Garden Centre

Corner of Zea- and Johannesburg Road

Arcon Park

Vereeniging

1930



[Non-Profit Organisation Registration Number 000-758 NPO]

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 R '000	2020 R '000
MEMBERSHIP SUBSCRIPTIONS		56	38
SALES of TRAINED DOGS		1	19
TUITION FEES & O & M INCOME		36	143
FUND RAISING EVENTS		573	1 218
TRADING & SUNDRY INCOME		507	155
TRADING INCOME		98	155
SUNDRY INCOME		409	-
TURNOVER		1 173	1 573
DONATIONS RECEIVED		11 639	9 445
DONATIONS DIRECT		11 130	8 965
DONATIONS IN KIND		509	480
INCOME FROM TRUSTS		3 979	4 459
WILL TRUSTS		1 319	-
CHARITABLE TRUSTS	11	2 660	4 459
DIRECTLY CONTROLLED INCOME		16 791	15 477
EXPENSES	4	(36 544)	(39 649)
PAYROLL & RELATED		27 633	28 326
OTHER STAFF COSTS		64	208
STAFF TRAINING		36	444
KENNEL EXPENSES		757	923
VETERINARY EXPENSES		1 657	1 876
TRAINING EQUIPMENT		115	264
TRAVEL & ACCOMMODATION		198	416
FACILITIES		1 070	1 416
REPAIRS & MAINTENANCE		844	1 036
DEPRECIATION	6	929	934
ADMIN & GENERAL EXPENSES		532	928
COMMUNICATION COSTS		351	453
IT EXPENSES		687	658
STUDENT RELATED EXPENSES		327	386
MARKETING & PROMOTIONS EXPENSES		386	510
HEALTH & SAFETY		241	-
FLEET RUNNING EXPENSES		718	871
NET (DEFICIT) from MAIN BUSINESS		(19 753)	(24 172)
LEGACIES RECEIVED		3 996	6 670
NET (DEFICIT) before INVESTMENTS		(15 757)	(17 502)
INVESTMENT INCOME	3	2 119	4 764
DIVIDENDS RECEIVED		1 685	3 921
INTEREST RECEIVED		434	843
(DEFICIT) from OPERATIONS		(13 638)	(12 738)
PROFIT / (LOSS) on disposal of ASSETS		4 928	1 716
PROFIT / (LOSS) on disposal of PPE		-	-
NET PROFIT on disposal of INVESTMENTS	3	4 928	1 716
NET (DEFICIT) for the YEAR		(8 710)	(11 022)

Refer to Note 12 for information relating to the audited comparative figures.

[Non-Profit Organisation Registration Number 000-758 NPO]

STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2021

	Notes	2021 R '000	2020 R '000
ASSETS			
NON-CURRENT ASSETS			
		110 417	105 481
PROPERTY, PLANT AND EQUIPMENT	6	17 224	17 591
FINANCIAL ASSETS	7	93 193	87 890
CURRENT ASSETS			
		1 440	1 692
INVENTORY	8	124	22
TRADE AND OTHER RECEIVABLES	9	961	1 013
CASH AND BANK		355	657
TOTAL ASSETS		<u>111 857</u>	<u>107 173</u>
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
		108 837	104 880
ACCUMULATED FUNDS		91 608	100 317
REVALUATION RESERVE	7	17 229	4 563
CURRENT LIABILITIES			
TRADE AND OTHER PAYABLES	10	3 020	2 293
TOTAL EQUITY AND LIABILITIES		<u>111 857</u>	<u>107 173</u>

SOUTH AFRICAN GUIDE-DOGS ASSOCIATION FOR THE BLIND

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[Non-Profit Organisation Registration Number 000-758 NPO]

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Accumulated surplus R '000	Revaluation reserve R '000	Total R '000
Balance at 31 March 2019		111 339	24 651	135 990
Net deficit for the year		(24 531)	-	(24 531)
Legacies received for the year	2	11 129	-	11 129
Net profit / (loss) on disposal of financial assets	2	2 380	-	2 380
Revaluation reserve		-	(20 088)	(20 088)
Balance at 31 March 2020		100 317	4 563	104 880
Net (deficit) from main business		(19 753)	-	(19 753)
Legacies received for the year	2	3 996	-	3 996
Investment income	2	2 119	-	2 119
Net profit / (loss) on disposal of assets	2 / 3	4 928	-	4 928
Revaluation reserve	7	-	12 666	12 666
Balance at 31 March 2021		91 608	17 229	108 837

STATEMENT CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 R '000	2020 R '000
CASH FLOWS FROM OPERATING ACTIVITIES		(18 146)	(27 996)
Cash utilised by operations		(18 146)	(27 996)
Finance costs		-	-
CASH FLOWS FROM INVESTING ACTIVITIES		13 848	16 685
Additions to property, plant and equipment	6	(562)	(936)
Decrease / (Increase) in financial assets	7	7 363	11 141
Income from financial assets	3	7 047	6 480
CASH FLOWS FROM LEGACY ACTIVITIES	2	3 996	11 129
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(302)	(182)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		657	839
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		355	657

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1. ACCOUNTING POLICIES

The annual financial statements as set out on pages 2 - 14 are prepared on the historical cost basis with the exception of financial assets as detailed in note 1.2, 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. The board adopted the Conceptual Framework as contained in the International financial reporting standards (IFRS) for the basis of accounting.

1.1 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:

10 years	Furniture and fittings
10 years	Motor vehicles
6 years	Equipment
5 years	IT Equipment
2 years	Computer software
10 years	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 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.

1.2 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 dominated

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 - continued

1.3 Employee Benefits

Defined contribution plans

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

1.4 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.

1.5 Inventory

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

1.6 Income

Donations, Sponsorships, Events, Income from trusts, Trading and Subscriptions

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

Course fees

Course fees are recognized when due to the Association.

Interest and Dividends

Interest is recognized on the accrual basis.

Dividends are recognized when these are receivable net of direct costs.

Profit and loss on disposal of assets

On disposal of financial assets the profit and/or loss made is stated directly in equity under the statement of changes in equity.

1.7 Legacies

Legacies received are credited directly to accumulated funds.

2. TAXATION

The Association is an approved public benefit organization and is exempt from normal tax in terms of section 30 of the Income Tax Act.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 - continued

		2021	2020
	Notes	R '000	R '000
2. INCOME			
Total income comprises:			
- Donations received and income from trusts		15 618	8 965
- Fundraising, sponsorships and other		1 117	1 536
- Investment income		2 119	4 100
		<u>18 854</u>	<u>14 601</u>
- Subscriptions		56	38
- Legacies received		3 996	11 129
- Net profit on disposal of assets		4 928	2 380
		<u>27 834</u>	<u>28 148</u>
3. INCOME FROM FINANCIAL ASSETS			
Investment income		2 119	4 764
- Dividends	7	1 685	3 921
- Interest	7	431	834
- Interest : Cash and bank		3	9
Net profit on disposal of financial assets		4 928	1 716
- Profit / (loss) on disposal of financial assets	7	5 474	2 380
- Management fees	7	(546)	(664)
Total net income from financial assets		<u>7 047</u>	<u>6 480</u>
4. EXPENSES			
Expenses include:			
Audit fees		67	59
- Current year		59	53
- Accounting fees		4	6
- Other expenses		4	-
Depreciation of property, plant and equipment		929	934
- Furniture and fittings		51	56
- Motor vehicles		446	457
- Equipment		210	227
- Computers		210	184
- Software		11	10
- College of Orientation and Mobility library		1	-
Staff costs			
- Key management salaries and wages		6 167	6 617
- Other employees salaries and wages		17 381	17 730
Total salaries and wages		<u>23 548</u>	<u>24 347</u>
- Contributions to retirement funds and related insurance		2 833	2 926
- Medical aid contributions		1 309	1 236
Total staff costs		<u>27 690</u>	<u>28 509</u>
Staff numbers		2021	2020
		#	#
- Average number of key management employed during the year		8	9
- Average number of other employees employed during the year		76	77
Total average number of employees during the year		<u>84</u>	<u>86</u>
		2021	2020
		#	#
5. MEMBERSHIP			
Annual		282	389
Life		83	190
		<u>201</u>	<u>199</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 - continued

6. PROPERTY, PLANT AND EQUIPMENT	2021 R '000			2020 R '000		
	Cost	Accumulated Depreciation	Carrying Value	Cost	Accumulated Depreciation	Carrying Value
Property	13 129	-	13 129	13 000	-	13 000
Furniture and fixtures	1 088	(867)	221	1 088	(816)	272
Motor vehicles	5 688	(3 628)	2 060	5 868	(3 362)	2 506
Equipment	1 639	(1 043)	596	1 627	(833)	794
IT Equipment	1 536	(1 055)	481	1 396	(844)	552
Computer software	759	(22)	737	537	(70)	467
College of Orientation and Mobility library	52	(52)	-	50	(50)	-
	<u>23 891</u>	<u>(6 667)</u>	<u>17 224</u>	<u>23 566</u>	<u>(5 975)</u>	<u>17 591</u>

Reconciliation of property, plant and equipment

	2021				
	Opening Balance	Additions	Disposals	Depreciation	Total
Property	13 000	129	-	-	13 129
Furniture and fixtures	273	-	-	(51)	222
Motor vehicles	2 506	-	-	(446)	2 060
Equipment	793	12	-	(210)	595
IT Equipment	552	139	-	(210)	481
Computer software	467	281	-	(11)	737
College of Orientation and Mobility library	-	1	-	(1)	-
	<u>17 591</u>	<u>562</u>	<u>-</u>	<u>(929)</u>	<u>17 224</u>

Reconciliation of property, plant and equipment

	2020				
	Opening Balance	Additions	Disposals	Depreciation	Total
Property	12 908	92	-	-	13 000
Furniture and fixtures	329	-	-	(56)	273
Motor vehicles	2 963	-	-	(457)	2 506
Office equipment	779	241	-	(227)	793
IT Equipment	611	125	-	(184)	552
Computer software	-	477	-	(10)	467
College of Orientation and Mobility library	-	-	-	-	-
	<u>17 590</u>	<u>935</u>	<u>-</u>	<u>(934)</u>	<u>17 591</u>

DETAILS OF PROPERTIES

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 R 28 962 000 (2020 - R 28 962 000).

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2021 - continued

7. FINANCIAL ASSETS	2021 R '000	2020 R '000
Financial assets	91 031	85 697
Local	55 142	48 501
Foreign dominated	35 889	37 196
Funds on call	2 162	2 193
	<u>93 193</u>	<u>87 890</u>
Opening balance	87 890	119 119
Interest received (Refer to note 3)	431	834
Dividends received (Refer to note 3)	1 685	3 921
Management fees	(629)	(763)
- Management fees (Refer to note 3)	(546)	(664)
- VAT on management fees	(83)	(99)
Capital redeemed	(14 324)	(17 512)
Profit on disposal of financial assets	5 474	2 379
Decrease in financial assets	(7 363)	(11 141)
Revaluation reserve	12 666	(20 088)
- Adjust to fair value - prior year reversal	(4 563)	(24 651)
- Adjust to fair value - current year	17 229	4 563
	<u>93 193</u>	<u>87 890</u>
8. INVENTORY		
Office stationery	-	6
Consumables kennels	116	-
Trading items	8	16
	<u>124</u>	<u>22</u>
9. TRADE AND OTHER RECEIVABLES		
SARS - VAT	551	643
Prepayments	59	204
Sundry debtors	347	162
Deposits	4	4
	<u>961</u>	<u>1 013</u>
<i>Maturity profile</i>		
Within one year	957	1 009
More than one year	4	4
	<u>961</u>	<u>1 013</u>
<i>Fair value of trade and other receivables</i>		
The carrying value approximates the fair value because of the short period to maturity of these instruments.		
<i>Collateral</i>		
The association holds no collateral over trade and other receivables.		
10. TRADE AND OTHER PAYABLES		
Trade payables	1 336	1 244
Other payables	1 684	1 049
	<u>3 020</u>	<u>2 293</u>
<i>Maturity profile</i>		
Within one year	3 020	2 293
One to two years	-	-
	<u>3 020</u>	<u>2 293</u>
<i>Fair value of trade & other payables</i>		
The carrying value approximates the fair value because of the short period to settlement of these obligations.		
<i>Leave pay provision</i>		
The leave pay provision which is included in other payables was based on 18% (2020 18%) of the total obligation of R1 693 107 (2020 R1 193 076) for the year.		
11. THE JOHN AND ESTHER ELLERMAN MEMORIAL TRUST		
Included the amount for CHARITABLE TRUSTS is an amount received from the JOHN AND ESTHER ELLERMAN MEMORIAL TRUST	<u>156</u>	<u>156</u>

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2021 - continued

12. **COMPARTIVE STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2020**

The association amended the layout of the statement of comprehensive income for the year ended 31 March 2021, the association determined to restate the comparative figures for the prior year, however the audit examination of this restatement was limited. As referred to in the audit report on page 4.

Below is an extract of the previous layout of the statement of comprehensive income which was audited the year end 31 March 2020.

	2020 R '000
SUBSCRIPTIONS	38
OTHER INCOME	14 600
Donations and sponsorships	8 965
Fundraising from events	1 218
College of Orientation and Mobility Training income	143
Grant from National Lottery	-
Sale of dogs	19
Investment income	4 100
Sundry income	155
EXPENDITURE	39 169
Depreciation	934
Marketing	5 391
Administration expenses	8 105
Fleet expenses	871
Kennel expenses	7 907
Training Centre Johannesburg expenses	6 224
Training Centre Cape Town expenses	1 961
Property Johannesburg	1 337
Property Cape Town	461
College & Orientation and Mobility Johannesburg	5 978
OPERATING (LOSS) / PROFIT FOR THE YEAR	<u>(24 531)</u>
Finance costs	-
(LOSS) / PROFIT FOR THE YEAR	<u>(24 531)</u>
OTHER COMPREHENSIVE INCOME	11 129
Legacies received	10 973
Contribution from The John and Esther Ellerman Memorial Trust	156
NET (DEFICIT) / SURPLUS FOR THE YEAR	<u><u>(13 402)</u></u>