

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

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

**ANNUAL FINANCIAL STATEMENTS
31 MARCH 2022**



■ REGISTERED ACCOUNTANTS
& AUDITORS ■

SA GUIDE-DOGS ASSOCIATION for the BLIND

HONOURARY CHAIRMAN'S REPORT

YEAR ENDED 31 MARCH 2022

2022 marks the 69th year of operations of our Association in South Africa. In 1953, Gladys Evans, having recently returned from England with a guide dog for herself, founded the South African Association with a group of interested friends, each contributing 10 Pounds. Gladys was a pioneer - not just in South Africa - but internationally, as the South African Association was amongst the earliest of such Associations to be set up beyond the borders of the United Kingdom – where the first was founded in 1931. There are now 97 similar Associations, all members of the International Guide Dogs Federation (IGDF) in 34 countries spread across the world. Incidentally, the IGDF came into existence in 1989, with the South African Association (led at the time by Executive Director Ken Lord) being one of the founder members of this world body.

As can be expected, the year under review, with the Covid-19 Pandemic spilling into its third year, was another of economic weakness, personal loss, anxiety and hardship for mankind and fund-raising organisations in particular. Whatever the new 'normal' may look like now, it is unlikely we will ever return to the 'normal' of 2019.

Against this background, and the consequential interruptions to our breeding, puppy-raising, dog training and O&M training, the staff and volunteers of GDA, performed miracles. Somehow, we managed to breed 83 dogs, raise over 100 puppies during the year and train/graduate 45 dog teams (with new owners). Despite severe restrictions on travel and access, our O & M Practitioners managed to provide life skills to 380 visually challenged citizens or those linked to their care.

Numbers and statistics, whilst helpful to measure relative progress and achievement, in no way capture the time or effort behind them. For example, it takes about two years to produce a trained guide or assistance dog, from breeding, whelping, raising as a puppy, special training in one of three disciplines and ultimately matching and training with a client.

Training as a student O & M Practitioner is an intensive two year SETA recognised diploma programme. Correspondingly, each person trained in life skills by a qualified Practitioner spends approximately 3 months under guidance. We are indeed fortunate to have a team of highly skilled and dedicated staff – who have delivered the satisfying results during these challenging times!

However, for a third year in succession we were not able to match income with expenditure and recorded a R 10.7 million deficit from Operations (2021 – Deficit of R 13.6 million); with the improvement coming mainly from legacy income from deceased estates. We nevertheless have enjoyed continued support from many key donors and have been the beneficiary of enormous generosity from an individual who prefers not to be named. You know who you are and we are so grateful!

Over the past twenty years, we have been able to build-up a sizable cash reserve which has been invested wisely and has enabled us to weather the financial difficulties we've been experiencing of late. As part of a critical assessment of our income streams and the management of risk following actuarial and investment advice, the Board revised our investment strategy. After careful review, the Association's investment portfolio was split and spread amongst 3 fund managers, with the domestic portion being allocated to two new fund managers – Abax Investments and Ninety One. This change, now about 18 months old, has already proved beneficial.

Fresh strategies have been developed, with plans to reverse the current income imbalance and reach a break-even by March 2025.

Finally, I would like to acknowledge the leadership of our Executive Director, Vernon Tutton, as well as my grateful thanks to all my fellow Board members for their forbearance and support.

Nigel Unwin
August 2022

SA GUIDE-DOGS ASSOCIATION for the BLIND

EXECUTIVE DIRECTOR'S REPORT

YEAR ENDED 31 MARCH 2022

Dear Friends,

The South African Guide-Dogs Association for the Blind has had another challenging year, with Covid-19 still playing a major role effecting fundraising and operations throughout the period.

The weak domestic economy continues to put strain on the fundraising efforts and many planned events were cancelled, adversely impacting our income during the year. The team had to think fast and come up with different programmes to try and cover the shortfall.

The Board took a decision to increase our presence in the CSI arena and a CSI specialist was hired, to develop a corporate fundraising program. The CSI Legacy Awards for 2021/2022 took place at a Gala event in Pretoria during February. Apart from the networking opportunities presented and utilised, the Association also shared the limelight with the likes of international NGO's such as "Doctors without Borders" and the "Reach for a Dream" Foundation.

The Association was selected as one of twelve finalists from over one hundred entries. Ultimately we were selected as one of three finalists in our category. As part of the finalists, we received exposure in a special CSI magazine and an article on the Association will be featured on the CSR News website - which is globally accessible – and we are optimistic this exposure will enhance our fund-raising efforts.

On the dog training side of our business, we graduated 45 dog teams in the 2021 – 2022 financial year; being made up of 29 Guide dog teams, 10 Autism teams and 6 Service dog teams. A big thanks must go out to our puppy raisers who do sterling work for us, for without them we would never be able to achieve our goals. On the Orientation and Mobility side our staff of practitioners trained 380 people over this period.

The documentation proposing an upgrade of our existing Orientation & Mobility diploma qualification was finalised and submitted by the ETDP SETA to the QCTO (Quality Council for Trades and Occupations). The process will now move forward and hopefully result in a new qualification being registered on the NQF (National Qualifications Framework) by SAQA (South African Qualifications Authority). It will be at the NQF 6 level, not NQF 5 as current qualification – giving greater credibility to future graduating students.

Vernon Tutton
August 2022

SA GUIDE-DOGS ASSOCIATION for the BLIND

HONOURARY TREASURER'S REPORT

YEAR ENDED 31 MARCH 2022

The Association continues to struggle in growing its revenues significantly in order to regain the balance between our income and our costs. The gradual re-opening of the domestic economy linked to the winding down of Covid-19 restrictions will hopefully enable us to resume many of our traditional fund-raising activities and events. During the past financial year we have enjoyed some success through greater use of social media to communicate our needs to donors and we are optimistic that if this trend continues, coupled with our usual events, we could see some meaningful growth in the future. Our new strategies to align ourselves closer to corporate support and social responsibility grants is very much still in its infancy, although there are clear signals these efforts are starting to bear fruit and we anticipate a positive impact on our income in the short- to medium-term.

The Association's business model is very well established and the output of trained dogs and O & M students follows a clear process. Cost cutting opportunities are somewhat limited, hence if we are not able to grow our income, our operating deficits cannot be reversed.

Dog breeding resumed to normal during the year and planned numbers will soon be reached with the consequent impact on costs. On the O & M side, the class of 2019 – which should have graduated at the end of 2020 – only completed their training during the current financial year, causing a planned new intake to be delayed until January 2022, with 7 new students being enrolled, of which 3 are sponsored by the Eastern Cape Department of Health. Our O & M practitioners are again fully operational.

Examining the Association's results for the year ended March 2022, the main features were :-

- Directly controlled income increased by 16% - this was as a result in extensive advertising airtime being donated to the Association, which gave us wide exposure and promotional value
- Directly controlled income (excl. non-operational donations in kind) only grew by 4% - which leaves us with challenges in finding new fund-raising avenues
- Expenses (excl. non-operational donations in kind) grew by 4% and largely reflect inflationary growth. Some expense lines have been reduced (no Covid) while others have shown greater growth as the business returned to planned levels of activity, resulting in
- Net Deficit from Main Business increased by 4% to R20.6 million
- Legacy Income almost doubled to R 7.6 million. We enjoyed a significant increase in receipts from this sector, which provided us with a welcome contribution to reducing our Operating Deficit. Unfortunately this component of our income is largely unpredictable. Legacies notified but not yet paid suggest we can expect a continuation of good receipts for the forthcoming financial year and will assist in our plans to reach a break-even point by March 2024 and, coupled with
- Investment Income grew by 4%, contributed to an overall
- Deficit from Operations reduced by 21% to R 10.7 million from R13.6 million in the previous year.

No material capital expenditure took place during the year under review. Apart from continuing progress payments for the development of our new Dog Data Base and the replacement of a number of old computer lap-tops, the only other acquisition of fixed assets was the receipt from a deceased estate of a small motor vehicle.

The plan to upgrade our Puppy Block remains on hold until our financial position can be improved through restoring a positive operational cash flow.

In conclusion I'd like to take this opportunity to thank all our donors and loyal supporters for their critical support in furthering our cause.

Dawn Earp
August 2022

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

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
	Honorary Board Member	Ms Wendy Robyn Alexander
	Honorary Secretary	Mrs Janet Margaret Cowley

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

AUDITORS Axiom Registered Accountants and Auditors

BANKERS First National Bank Limited
Nedbank Limited

FUND MANAGERS Nedbank Private Wealth
Ninety One
Abax Investments

NON-PROFIT ORGANISATION # 000-758 NPO

REGISTERED OFFICE 126 Wroxham Road
Rietfontein
Sandton

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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 2022**

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 2022, presented on pages 3 to 14, have been prepared in accordance with the Conceptual Framework for Financial Reporting as contained in the International financial reporting standards (IFRS) 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.

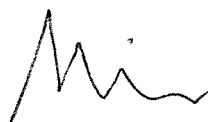
The Board of the Association has a responsibility for ensuring that accounting records are kept. The accounting records should disclose with reasonable accuracy, the financial position and results of the Association to enable the Board of the Association to ensure that the annual financial statements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

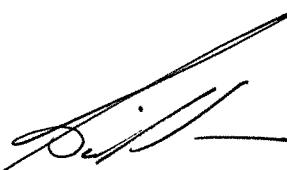
The Board of the Association has reviewed the Association's budget and cash flow forecast for the financial year to 31 March 2023. On the basis of this review and in light of the current financial position, the Board of the Association is satisfied that the Association has access to adequate resources 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 the 31st of August 2022 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 2022**

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**

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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 2022, 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 2022, 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.

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 (644110)
PARTNER - AXIOM REGISTERED ACCOUNTANTS & AUDITORS
REGISTERED AUDITOR
03 AUGUST 2022
Office No 7 Magic Garden Centre
Corner of Zea- and Johannesburg Road
Arcon Park
Vereeniging
1930

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 R '000	2021 R '000
MEMBERSHIP SUBSCRIPTIONS	2 / 5	16	56
SALES of TRAINED DOGS		-	1
TUITION FEES & O & M INCOME	2	107	36
FUND RAISING EVENTS	2	570	573
TRADING & SUNDRY INCOME	2	758	507
TRADING INCOME		292	98
SUNDRY INCOME		466	409
TURNOVER		1 451	1 173
DONATIONS RECEIVED	2	14 238	11 639
DONATIONS DIRECT	11	11 295	11 130
DONATIONS IN KIND	12	2 943	509
INCOME FROM TRUSTS	2	3 837	3 979
WILL TRUSTS		1 039	1 319
CHARITABLE TRUSTS	11	2 798	2 660
DIRECTLY CONTROLLED INCOME		19 526	16 791
EXPENSES	4	(38 047)	(36 544)
PAYROLL & RELATED	4	28 359	27 633
OTHER STAFF COSTS		99	64
STAFF TRAINING		104	36
KENNEL EXPENSES	12	946	757
VETERINARY EXPENSES	12	1 894	1 657
TRAINING EQUIPMENT		282	115
TRAVEL & ACCOMMODATION		319	198
FACILITIES		1 160	1 070
REPAIRS & MAINTENANCE		821	844
DEPRECIATION	6	878	929
ADMIN & GENERAL EXPENSES		668	532
COMMUNICATION COSTS		376	351
IT EXPENSES		739	687
STUDENT RELATED EXPENSES		188	327
MARKETING & PROMOTIONS EXPENSES		218	386
HEALTH & SAFETY		97	241
FLEET RUNNING EXPENSES		899	718
SUB-TOTAL		(18 521)	(19 753)
VALUE OF NON-OPERATIONAL DONATIONS-IN-KIND	12	(2 046)	-
NET (DEFICIT) from MAIN BUSINESS		(20 567)	(19 753)
LEGACIES RECEIVED	2	7 623	3 996
NET (DEFICIT) before INVESTMENTS		(12 944)	(15 757)
INVESTMENT INCOME	2 / 3	2 203	2 119
DIVIDENDS RECEIVED		297	1 685
INTEREST RECEIVED		1 906	434
(DEFICIT) from OPERATIONS		(10 741)	(13 638)
PROFIT / (LOSS) on disposal of ASSETS		721	4 928
PROFIT / (LOSS) on disposal of PPE		-	-
NET PROFIT on disposal of FINANCIAL ASSETS	2 / 3	721	4 928
NET (DEFICIT) for the YEAR		(10 020)	(8 710)

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

STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2022

	Notes	2022 R '000	2021 R '000
ASSETS			
NON-CURRENT ASSETS			
		103 080	110 417
PROPERTY, PLANT AND EQUIPMENT	6	16 744	17 224
FINANCIAL ASSETS	7	86 336	93 193
CURRENT ASSETS			
		1 552	1 440
INVENTORY	8	192	124
TRADE AND OTHER RECEIVABLES	9	619	961
CASH AND BANK		741	355
TOTAL ASSETS		<u>104 632</u>	<u>111 857</u>
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
		102 460	108 837
ACCUMULATED FUNDS		83 397	91 608
REVALUATION RESERVE	7	19 063	17 229
CURRENT LIABILITIES			
TRADE AND OTHER PAYABLES	10	2 172	3 020
TOTAL EQUITY AND LIABILITIES		<u>104 632</u>	<u>111 857</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 2022

	Notes	Accumulated surplus R '000	Revaluation reserve R '000	Total R '000
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		91 609	17 229	108 837
Prior year restatement	7	1 809	(1 809)	-
Net (deficit) from main business		(20 567)	-	(20 567)
Legacies received for the year	2	7 623	-	7 623
Investment income	2	2 203	-	2 203
Net profit / (loss) on disposal of assets	2 / 3	721	-	721
Revaluation reserve	7	-	3 643	3 643
Balance at 31 March 2022		83 397	19 063	102 460

STATEMENT CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 R '000	2021 R '000
CASH FLOWS FROM OPERATING ACTIVITIES		(20 263)	(18 145)
NET (DEFICIT) from MAIN BUSINESS		(20 567)	(19 753)
Adjustments for :			
Depreciation		878	929
Changes in Working Capital			
(Increase) in Inventory		(68)	(101)
Decrease in Accounts Receivable		342	53
(Decrease)/Increase in Accounts Payable		(848)	727
Finance Costs		-	-
CASH FLOWS FROM INVESTING ACTIVITIES		13 026	13 848
Additions to property, plant and equipment	6	(398)	(562)
Net income from financial assets	3	2 924	7 047
Decrease in financial assets	7	10 500	7 363
CASH FLOWS FROM LEGACY ACTIVITIES	2	7 623	3 996
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		386	(301)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		355	656
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		741	355

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

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 for Financial Reporting, 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 2022 - 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 direct, Sponsorships, Events, Income from trusts, Legacies, 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 **Turnover**
Income the Association generates by conducting its fund raising activities of selling goods and services to its customers for a price.
- 1.8 **Donations-in-kind**
Donations received "in-kind" are recognised at cost to the donor. Where the nature of the goods or services donated relates to an activity deemed part of the direct operational requirements of the Association, these are reported on the relevant expense line. All other donations-in-kind are reported separately.
- 1.9 **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 2022 - continued

		2022	2021
	Notes	R '000	R '000
2. INCOME			
Total income comprises:			
- Donations received		14 239	11 639
- Income from trusts		3 837	3 979
- Fundraising, sponsorships and other		1 434	1 117
- Investment income		2 203	2 119
		<u>21 713</u>	<u>18 854</u>
- Subscriptions		16	56
- Legacies received		7 623	3 996
- Net profit on disposal of assets		721	4 928
		<u>30 073</u>	<u>27 834</u>
3. INCOME FROM FINANCIAL ASSETS			
Investment income		2 203	2 119
- Dividends	7	297	1 685
- Interest	7	1 866	431
- Interest : Cash and bank		40	3
Net profit on disposal of financial assets		721	4 928
- Profit / (loss) on disposal of financial assets	7	791	5 474
- Management fees	7	(70)	(546)
Total net income from financial assets		<u>2 924</u>	<u>7 047</u>
4. EXPENSES			
Expenses include:			
Audit fees		71	67
- Current year		62	59
- Accounting fees		7	4
- Other expenses		2	4
Depreciation of property, plant and equipment		878	929
- Furniture and fittings		51	51
- Motor vehicles		398	446
- Equipment		210	210
- Computers		212	210
- Software		7	11
- College of Orientation and Mobility library		-	1
Staff costs			
- Key management salaries and wages		5 985	6 167
- Other employees salaries and wages		17 942	17 307
Total salaries and wages		<u>23 927</u>	<u>23 474</u>
- Contributions to retirement funds and related insurance		3 063	2 776
- Medical aid contributions		1 303	1 309
- Other		66	74
Total staff costs		<u>28 359</u>	<u>27 633</u>
Staff numbers		2022	2021
- Average number of key management employed during the year		# 7	# 8
- Average number of other employees employed during the year		72	76
Total average number of employees during the year		<u>79</u>	<u>84</u>
5. MEMBERSHIP		2022	2021
Annual		# 338	# 282
Life		135	83
		<u>203</u>	<u>201</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 - continued

6. PROPERTY, PLANT AND EQUIPMENT	2022 R '000			2021 R '000		
	Cost	Accumulated Depreciation	Carrying Value	Cost	Accumulated Depreciation	Carrying Value
Property	13 174	-	13 174	13 129	-	13 129
Furniture and fixtures	1 097	(918)	179	1 088	(867)	221
Motor vehicles	5 620	(3 868)	1 752	5 688	(3 628)	2 060
Equipment	1 664	(1 254)	410	1 639	(1 043)	596
IT Equipment	1 653	(1 267)	386	1 536	(1 055)	481
Computer software	870	(28)	842	759	(22)	737
College of Orientation and Mobility library	53	(52)	1	52	(52)	-
	<u>24 131</u>	<u>(7 387)</u>	<u>16 744</u>	<u>23 891</u>	<u>(6 667)</u>	<u>17 224</u>

Reconciliation of property, plant and equipment

	2022				
	Opening Balance	Additions	Disposals	Depreciation	Total
Property	13 129	45	-	-	13 174
Furniture and fixtures	222	8	-	(51)	179
Motor vehicles	2 060	90	-	(398)	1 752
Equipment	595	25	-	(210)	410
IT Equipment	481	117	-	(212)	386
Computer software	737	112	-	(7)	842
College of Orientation and Mobility library	-	1	-	-	1
	<u>17 224</u>	<u>398</u>	<u>-</u>	<u>(878)</u>	<u>16 744</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
Office 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>

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 (2021 - R 28 962 000).

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2022 - continued

	2022 R '000	2021 R '000
7. FINANCIAL ASSETS		
Financial assets	86 285	91 031
Local	72 839	78 346
Foreign dominated	13 446	12 685
Funds on call	51	2 162
	<u>86 336</u>	<u>93 193</u>
Opening balance	93 193	87 890
Interest received (Refer to note 3)	1 866	431
Dividends received (Refer to note 3)	297	1 685
Management fees	(80)	(629)
- Management fees (Refer to note 3)	(70)	(546)
- VAT on management fees	(10)	(83)
Capital redeemed	(13 374)	(14 324)
Profit on disposal of financial assets	791	5 474
(Decrease) in financial assets	(10 500)	(7 363)
Revaluation reserve	3 643	12 666
- Adjust to fair value - prior year reversal	(17 229)	(4 563)
- Adjust to fair value - prior year adjustment	1 809	-
- Adjust to fair value - current year	19 063	17 229
	<u>86 336</u>	<u>93 193</u>
8. INVENTORY		
Consumables kennels	184	116
Trading items	8	8
	<u>192</u>	<u>124</u>
9. TRADE AND OTHER RECEIVABLES		
SARS - VAT	365	551
Prepayments	29	59
Sundry debtors	239	347
Deposits	5	4
Provision for doubtful debts	(19)	-
	<u>619</u>	<u>961</u>
<i>Maturity profile</i>		
Within one year	614	957
More than one year	5	4
	<u>619</u>	<u>961</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	914	1 336
Other payables	1 258	1 684
	<u>2 172</u>	<u>3 020</u>
<i>Maturity profile</i>		
Within one year	2 172	3 020
One to two years	-	-
	<u>2 172</u>	<u>3 020</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% (2021 : 18%) of the total obligation of R1 371 915 (2021 : R1 693 107) for the year.		

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2022 - continued

11. DONATIONS RECEIVED AND INCOME FROM TRUSTS

Included in income from Charitable Trusts is an amount of R 160 356 (2021 : R 156 420) from the John & Esther Ellerman Trust

Included in Donations Direct is a grant of R 497 250 (2021 : Nil) from the National Lotteries Commission.

12 DONATIONS-IN-KIND	2022 R '000	2021 R '000
Donations-in-Kind : Income	2 943	509
Goods relate to Kennel Expenses	644	509
Goods relate to Veterinary Expenses	253	-
Goods & services relate to Marketing Activities	2 046	-