

Association for the Physically Disabled –  
Greater Johannesburg

Financial Statements

for the year ended 31 March 2011

# **Association for the Physically Disabled – Greater Johannesburg**

## **Financial Statements**

*for the year ended 31 March 2011*

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# Association for the Physically Disabled – Greater Johannesburg

(Non-profit organisation No. 000/865/2706)

## Council's report

*for the year ended 31 March 2011*

The council is responsible for the preparation and fair presentation of the financial statements of the Association for the Physically Disabled – Greater Johannesburg comprising the statement of financial position at 31 March 2011 and the statements of comprehensive income, changes in reserves and funds and the cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with the International Financial Reporting Standards.

The council is also responsible for such internal control as the council determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for maintaining adequate accounting records and an effective system of risk management as well as the preparation of the supplementary schedules included in these financial statements.

The council has made an assessment of the Association's ability to continue as a going concern and have no reason to believe the Association will not be a going concern in the year ahead.

The auditor is responsible for reporting on whether the financial statements are fairly presented in accordance with the applicable financial reporting framework.

### Approval of the financial statements

The financial statements of the Association for the Physically Disabled – Greater Johannesburg, as identified in the first paragraph, were approved by the Council on 8 July 2011 and are signed on their behalf by –

\_\_\_\_\_ } **For and on behalf of the Council**

## **Independent auditor's report**

### **To the members of the Association for the Physically Disabled – Greater Johannesburg**

We have audited the financial statements of the Association for the Physically Disabled – Greater Johannesburg, which comprise the statement of financial position at 31 March 2011, and the statements of comprehensive income, changes in reserves and funds and cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, as set out on pages 5 to 21.

#### *Council's responsibility for the financial statements*

The Council is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as the council determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *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 qualified audit opinion.

#### *Basis for qualified opinion*

It is not feasible for the Association to institute accounting controls over cash collections from appeals, certain donations, events, sales and street collections prior to the initial entry of the receipts in the accounting records. Accordingly, it was impracticable for us to extend our examination beyond the receipts actually recorded.

#### *Qualified opinion*

In our opinion, except for the possible effects of the matter described in the basis for qualified opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the Association for the Physically Disabled – Greater Johannesburg at 31 March 2011, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.



*Other matter*

The supplementary schedules set out on pages 22 to 29 do not form part of the financial statements and are presented as additional information. We have not audited these schedules and accordingly do not express an opinion on them.

**KPMG Inc.**

A handwritten signature in black ink, appearing to be 'ML Watson', is written over the printed name.

Per: ML Watson  
*Chartered Accountant (SA)*  
*Registered Auditor*  
Director  
8 July 2011

# Association for the Physically Disabled – Greater Johannesburg

## Statement of financial position

at 31 March 2011

Assets	Note	2011 R	2010 R
<b>Non-current assets</b>			
Equipment and vehicles	5	633 804	409 358
<b>Current assets</b>			
Inventories		67 416	18 680
Trade and other receivables		208 012	140 114
Investments	6	3 049 067	4 307 536
Deposits on call	7	923 721	393 479
Trust funds		–	1 221
Cash and cash equivalents		41 557	25 016
<b>Total assets</b>		<b>4 923 577</b>	<b>5 295 404</b>
<b>Reserves, funds and liabilities</b>			
<b>General fund</b>			
Investment reserve		821 090	1 163 190
<b>Non-current liabilities</b>			
Interest bearing borrowings	8	62 437	–
<b>Current liabilities</b>			
Trade and other payables		323 111	261 473
Donations and funds for specific purposes	9	297 330	816 985
Short term portion of interest bearing borrowings	8	8 379	–
<b>Total reserves, funds and liabilities</b>		<b>4 923 577</b>	<b>5 295 404</b>

# Association for the Physically Disabled – Greater Johannesburg

## Statement of comprehensive income

for the year ended 31 March 2011

	Note	2011		2010	
Revenue		R	R	R	R
National Lottery					
Distribution Trust fund			1 933 488		1 638 635
– 2007				1 064 649	
– 2008				573 986	
– 2009		422 840			
– 2010		1 510 648			
Subsidies for social work services and protective workshops			629 060		573 175
Events, sales and street collections – commercial services			231 471		423 306
Fees for services – social work services/home based care			128 072		365 609
Grants for home based care			883 629		–
Appeals, donations and corporate grants – commercial services			527 231		1 414 018
Legacies – commercial services			135 689		314 825
Business Ventures – commercial services			691 172		–
Sundry revenue					
– Interest received from cash and cash equivalents			8 549		13 652
– Other			6 005		15 503
			<u>5 174 366</u>		<u>4 758 723</u>
<b>Operating expenditure</b>					
Attendant care services		1 470 947		1 320 699	
Corporate communications		–		997 189	
Skyward employment		–		206 163	
Commercial services		2 434 400		–	
Support services		284 450		1 624 434	
– Governance		112 739		521 962	
– Transformation		171 711		175 588	
– Barrier Breakers		–		926 884	
Social work services		839 079		696 205	
Workshops		371 529		605 307	
			<u>5 400 405</u>		<u>5 449 997</u>
<b>Operating loss</b>	11		(226 039)		(691 274)
<b>Income from investments</b>					
Fair value of held for trading investments		(342 100)		460 031	
Profit on disposal of held for trading investments		481 725		55 550	
Interest received		55 328		163 644	
Dividends received		46 460		60 962	
			<u>241 413</u>		<u>740 187</u>
<b>Profit and total comprehensive income for the year</b>			<u>15 374</u>		<u>48 913</u>

# Association for the Physically Disabled – Greater Johannesburg

## Statement of changes in reserves and funds

*for the year ended 31 March 2011*

	<b>General fund R</b>	<b>Investment reserve R</b>	<b>Total R</b>
Balance at 31 March 2009	3 464 874	703 159	4 168 033
Total comprehensive income for the year	48 913		48 913
Transfer of fair value adjustment on held for trading investments	<u>(460 031)</u>	<u>460 031</u>	<u>–</u>
<b>Balance at 31 March 2010</b>	3 053 756	1 163 190	4 216 946
Total comprehensive income for the year	<b>15 374</b>		<b>15 374</b>
Transfer of fair value adjustment on held for trading investments	<u><b>342 100</b></u>	<u><b>(342 100)</b></u>	<u>–</u>
<b>Balance at 31 March 2011</b>	<u><b>3 411 230</b></u>	<u><b>821 090</b></u>	<u><b>4 232 320</b></u>



## Association for the Physically Disabled – Greater Johannesburg

### Statement of cash flows

for the year ended 31 March 2011\

	<i>Note</i>	<b>2011</b> <b>R</b>	2010 <b>R</b>
<b>Cash flows from operating activities</b>			
Cash utilised in operations	<i>15.1</i>	<b>(139 921)</b>	(805 744)
Interest received on investments		<b>55 328</b>	163 644
Interest received on bank balances		<b>8 549</b>	13 652
Dividends received on investments		<b>46 460</b>	60 962
<b>Net cash outflow from operating activities</b>		<b>(29 584)</b>	(567 486)
<b>Cash flows from investing activities</b>			
To maintain operations			
– additions to property, plant and equipment		<b>(399 296)</b>	(161 243)
– additions to investments		<b>(236 618)</b>	(603 297)
– proceeds on disposal of investments		<b>1 634 712</b>	355 545
– proceeds on disposal of motor vehicle		<b>26 408</b>	15 174
<b>Net cash inflow/(outflow) from investing activities</b>		<b>1 025 206</b>	(393 821)
<b>Cash flows from financing activities</b>			
Net (decrease)/increase in donations and funds for specific purposes		<b>(519 655)</b>	750 692
Net increase in interest bearing borrowings		<b>70 816</b>	–
<b>Net cash (outflow)/inflow from financing activities</b>		<b>(448 839)</b>	750 692
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>546 783</b>	(210 615)
Cash and cash equivalents at beginning of year	<i>15.2</i>	<b>418 495</b>	629 110
<b>Cash and cash equivalents at end of year</b>	<i>15.2</i>	<b>965 278</b>	418 495

# **Association for the Physically Disabled – Greater Johannesburg**

## **Notes to the financial statements**

*for the year ended 31 March 2011*

### **1. Reporting entity**

The Association for the Physically Disabled – Greater Johannesburg is a company domiciled in South Africa.

### **2. Basis of preparation**

#### **2.1 Statement of compliance**

The annual financial statements have been prepared in accordance with International Financial reporting Standards (IFRSs) and its interpretations adopted by the International Accounting Standards Board (IASB). The financial statements were approved by the council on 8 July 2011.

The company has elected to adopt IFRS for the year ended 31 March 2011. The financial statements for the year ended 31 March 2011 will be the company's first financial statements prepared in compliance with IFRS and hence IFRS 1 – First time adoption of IFRS has been applied in preparing these financial statements. The company has adopted all applicable IFRS issued or revised up to 31 March 2011. No adjustments were required on adoption.

#### **2.2 Basis of measurement**

The financial statements are presented in Rands. They are prepared on the historical cost basis except for financial instruments held for trading which are stated at fair value.

#### **2.3 Use of estimates and judgements**

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that may affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

# Association for the Physically Disabled – Greater Johannesburg

## Notes to the financial statements

for the year ended 31 March 2011 (continued)

### 3. Significant accounting policies

#### 3.1 Equipment and vehicles

Items of equipment and vehicles are stated at cost less accumulated depreciation and impairment losses.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each item of equipment and vehicles.

The estimated useful lives are as follows –

- Wheelchairs 3 years
- Motor vehicles 5 years
- Furniture and equipment 10 years
- Computer equipment 3 years
- Leased assets 5 years

#### 3.2 Impairment

The carrying amounts of the Association's equipment and vehicles are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount is estimated. The recoverable amount is its net selling price. An impairment loss is recognised in profit or loss whenever the carrying amount of an asset exceeds its recoverable amount.

A previously recognised impairment loss is reversed if the recoverable amount increases as a result of a change in the estimates used to determine the recoverable amount.

#### 3.3. Investments

Investments are held for trading and are classified as current assets. They are stated at fair value with any resultant gain or loss recognised in profit or loss. The resultant gain or loss is then transferred to the investment reserve via the statement of changes in reserves and funds.

The fair value of financial instruments classified as held for trading is their quoted traded price at the reporting date.

#### 3.4 Inventories

Inventories are carried at the lower of cost and net realisable value. The cost of inventories comprises costs of purchase. Obsolete, redundant and slow moving inventories are identified on a regular basis and are written down to their estimated net realisable values.

# Association for the Physically Disabled – Greater Johannesburg

## Notes to the financial statements

for the year ended 31 March 2011 (continued)

### 3 Significant accounting policies (continued)

#### 3.5 Leases

##### *Finance leases*

Leases that transfer substantially all the risks and rewards of ownership of the underlying assets to the Association are classified as finance leases. Assets acquired in terms of finance leases are capitalised as equipment and vehicles at the lower of fair value and the present value of the minimum lease payments at inception of the lease and depreciated over the useful life of the asset. The capital element of future obligations under the leases is included as a liability in the statement of financial position. Lease payments are allocated using the effective interest rate method to determine the lease finance cost, which is recognised in profit or loss over the lease period, and the capital repayment, which reduces the liability of the lessor.

##### *Operating leases*

Leases are classified as operating leases where the lessor retains the risks and rewards of ownership of the underlying asset. Payments made under operating leases are recognised in profit or loss income on a straight line basis over the period of the lease.

#### 3.6 Revenue

Revenue comprises subsidies and grants received, income from events, sales and donations, service fees, investment income and other non-operating income. Subsidies, fund raising income and service fees are recognised when the cash has been received. Investment income and other non-operating income are recognised on the accrual basis of accounting.

#### 3.7 Employee benefits

The cost of all short-term employee benefits is recognised during the period in which the employee renders the related service. The provisions for employee entitlements to wages, salaries and annual leave represent the amount which the Association has a present obligation to pay as a result of employees' service provided to the reporting date. The provisions have been calculated at undiscounted amounts based on current wage and salary rates.

Obligations for contributions to defined contribution pension plans are recognised as an expense when they are due.

#### 3.8 Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash on hand, deposits held on call with banks, and investments in money market instruments, net of bank overdraft all of which are available for use by the Association unless otherwise stated.

# Association for the Physically Disabled – Greater Johannesburg

## Notes to the financial statements

for the year ended 31 March 2011 (continued)

### 4. Financial risk management

#### 4.1 Overview

The Association has exposure to the following risks from its use of financial instruments –

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Association's exposure to each of the above risks, the Association's objectives, policies and processes for managing risk, and the Association's management of reserves and funds. Further quantitative disclosures are included throughout these financial statements.

Risk management is carried out in line with directives received from the executive committee, in close co-operation with the central accounting department of the Association. Management, however, have the overall responsibility for the establishment and oversight of the Association's risk management framework.

The Association's risk management policies are established to identify and analyse the risks faced by the Association, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Association's activities.

#### 4.2 Credit risk

Credit risk is the risk of financial loss to the Association if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Association's receivables from customers and investments.

##### *Trade and other receivables*

The Association's exposure to credit risk is influenced mainly by the individual characteristics on each customer.

As the Association has not had a problem with the recoverability of its trade receivables, no impairment allowance has been raised for either the 2011 or 2010 financial years.

##### *Investments*

The Association limits its exposure to credit risk by only investing in liquid securities.

# Association for the Physically Disabled – Greater Johannesburg

## Notes to the financial statements

*for the year ended 31 March 2011 (continued)*

### 4. Financial risk management *(continued)*

#### 4.3 Liquidity risk

Liquidity risk is the risk that the Association will not be able to meet its financial obligations as they fall due. The Association's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Association's name.

#### 4.4 Market risk

Market risk is the risk that changes in market prices, such as interest rates and traded quoted share prices, will affect the Association's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Borrowings are generally at a rate linked to the prime bank overdraft rate.

## Association for the Physically Disabled – Greater Johannesburg

### Notes to the financial statements

for the year ended 31 March 2011 (continued)

#### 5. Equipment and vehicles

	Cost R	Accumulated depreciation R	Net book value R		
<b>2011</b>					
Wheel chairs	48 450	(48 448)	2		
Motor vehicles – owned	636 086	(203 522)	432 564		
– leased	261 720	(230 307)	31 413		
Furniture and equipment – owned	187 711	(122 537)	65 174		
– leased	62 240	–	62 240		
Computer equipment	303 609	(261 198)	42 411		
	<b>1 499 816</b>	<b>(866 012)</b>	<b>633 804</b>		
<b>2010</b>					
Wheel chairs	48 450	(42 857)	5 593		
Motor vehicles – owned	416 092	(173 620)	242 472		
– leased	261 719	(209 214)	52 505		
Furniture and equipment – owned	180 998	(111 140)	69 858		
Computer equipment	273 860	(234 930)	38 930		
	<b>1 181 119</b>	<b>771 761</b>	<b>409 358</b>		
<b>Net book value 2011</b>	<b>Wheel chairs R</b>	<b>Motor vehicles R</b>	<b>Furniture and equipment R</b>	<b>Computer equipment R</b>	<b>Total R</b>
At beginning of year	5 593	294 977	69 858	38 930	409 358
Additions	–	299 994	69 553	29 749	399 296
Depreciation	(5 591)	(111 191)	(11 397)	(26 268)	(154 447)
Disposals	–	(19 803)	(600)	–	(20 403)
At end of year	<b>2</b>	<b>463 977</b>	<b>127 414</b>	<b>42 411</b>	<b>633 804</b>

# Association for the Physically Disabled – Greater Johannesburg

## Notes to the financial statements

for the year ended 31 March 2011 (continued)

### 5. Equipment and vehicles (continued)

Net book value	Wheel chairs R	Motor vehicles R	Furniture and equipment R	Computer equipment R	Total R
2010					
At beginning of year	21 742	260 764	60 701	26 292	369 499
Additions	–	102 500	23 526	35 217	161 243
Depreciation	(16 149)	(68 287)	(14 369)	(18 301)	(117 106)
Disposals	–	–	–	(4 278)	(4 278)
At end of year	<u>5 593</u>	<u>294 977</u>	<u>69 858</u>	<u>38 930</u>	<u>409 358</u>
				<b>2011 R</b>	<b>2010 R</b>

### 6. Investments

*Held for trading*

Listed investments

– RSA gilts

– ordinary shares

– offshore investments

–	538 510
<b>1 798 037</b>	2 518 916
<b>1 251 030</b>	<u>1 250 110</u>
<b>3 049 067</b>	<u>4 307 536</u>

### 7. Deposits on call

Settlement account for investments

<b>923 721</b>	<u>393 479</u>
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## Association for the Physically Disabled – Greater Johannesburg

### Notes to the financial statements for the year ended 31 March 2011 (continued)

	2011 R	2010 R
<b>8. Interest bearing borrowings</b>		
Finance lease liabilities	70 816	–
	70 816	–
<b>Reflected as</b>		
Non-current liabilities	62 437	–
Current liabilities	8 379	–
	8 379	–

Finance lease liabilities are payable as follows:

	Future minimum lease payments 2011 R'000	Interest expense 2011 R'000	Present value of future minimum lease payments 2011 R'000
Less than one year	20 869	12 490	8 379
Between one and five years	104 119	41 682	62 437
More than five years	–	–	–
	124 988	54 172	70 816

	2011 R	2010 R
<b>9. Donations and funds for specific purposes</b>		
Balance at beginning of year	816 985	66 293
Receipts during the year	7 000	2 173 475
Utilised during the year	(526 655)	(1 422 783)
Balance at end of year	297 330	816 985

# Association for the Physically Disabled – Greater Johannesburg

## Notes to the financial statements

for the year ended 31 March 2011 (continued)

### 10. Operating leases

The Association leases certain of its office equipment in terms of operating leases. The Association does not have an option to acquire the assets at the termination of the lease.

	<b>Total future minimum lease payments under non-cancellable operating leases</b>	
	<b>2011</b>	<b>2010</b>
	<b>R</b>	<b>R</b>
Not later than 1 year	–	1 740

### 11. Operating loss

Operating loss is arrived at after taking into account -

Audit fees	<b>65 000</b>	60 000
Depreciation	<b>154 447</b>	117 106
Equipment rental	<b>12 506</b>	37 768
Profit on disposal of equipment and vehicles	<b>(6 005)</b>	(10 896)
Rent paid	<b>22 546</b>	8 524
Salaries and wages	<b>3 533 803</b>	3 714 358

Fees for services for 2010 include services provided by Barrier Breakers.

Commercial services expenditure previously shown as Corporate Communication, Skyward Employment and Barrier Breakers.

### 12. Taxation

The Association is exempt from income tax in terms of Section 10(1)(cN) of the Income Tax Act.

### 13. Defined contribution fund

Pension fund contributions are made on behalf of all employees to the Association for the Physically Disabled Pension Fund. The Fund is a defined contribution fund and is governed by the Pension Funds Act.

	<b>2011</b>	<b>2010</b>
	<b>R</b>	<b>R</b>
Contributions paid	<b>415 363</b>	351 190

# Association for the Physically Disabled – Greater Johannesburg

## Notes to the financial statements

for the year ended 31 March 2011 (continued)

### 14. Risk management

#### 14.1 Exposure to credit risk

The carrying amount of financial assets represent the maximum credit exposure.

The maximum exposure to credit risk at the reporting date was –

	Carrying amount	
	2011	2010
	R	R
Trade and other receivables	208 012	140 114
Cash and cash equivalents	965 278	418 495
Held for trading financial assets	3 049 067	4 307 536
	<u>4 222 357</u>	<u>4 866 145</u>

#### 14.2 Liquidity risk

The following are the contractual maturities of financial liabilities agreements –

2011	Carrying amount	Contractual cash flows	Within 1 year	2 to 5 years
	R	R	R	R
<b>Non-derivative financial liabilities</b>				
Interest bearing borrowings	70 816	124 988	20 869	104 119
Trade and other payables	323 111	323 111	323 111	–
	<u>393 927</u>	<u>448 099</u>	<u>343 980</u>	<u>104 119</u>
2010				
<b>Non-derivative financial liabilities</b>				
Trade and other payables	261 473	261 473	261 473	–
	<u>261 473</u>	<u>261 473</u>	<u>261 473</u>	<u>–</u>

# Association for the Physically Disabled – Greater Johannesburg

## Notes to the financial statements

for the year ended 31 March 2011 (continued)

### 14. Financial instruments (continued)

#### 14.3 Fair values

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows -

	2011		2010	
	Carrying amount R	Fair value R	Carrying amount R	Fair value R
Trade and other receivables	208 012	208 012	140 114	140 114
Investments	3 049 067	3 049 067	4 307 536	4 307 536
Cash and cash equivalents	965 278	965 278	418 495	418 495
Trade and other payables	(323 111)	(323 111)	(261 473)	(261 473)
Interest bearing borrowings	(70 816)	(70 816)	–	–
	<b>3 828 430</b>	<b>3 828 430</b>	4 604 672	4 604 672

#### *Basis for determining fair values*

The following summarises the significant methods and assumptions used in estimating the fair values of financial instruments reflected in the table above.

#### *Non-derivative financial liabilities*

Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

#### *Trade and other receivables*

The fair value of trade and other receivables approximates their carrying amounts due to their short term nature.

#### *Trade and other payables*

The fair value of trade and other payables approximates their carrying amounts due to their short term nature.

# Association for the Physically Disabled – Greater Johannesburg

## Notes to the financial statements

for the year ended 31 March 2011 (continued)

### 14. Financial instruments (continued)

#### Fair value hierarchy

The different levels have been defined as follows –

Level 1	quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2	inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly;
Level 3	inputs for the asset or liability that are not on observable market data.

The following financial instruments are carried at fair value by valuation method –

	<b>2011</b>	2010
	<b>Level 1</b>	Level 1
Investments	<b>3 049 067</b>	4 307 536

### 15. Notes to the cash flow statement

	<b>2011</b>	2010
	<b>R</b>	R
<i>15.1</i> Cash utilised in operations		
Operating loss	(226 039)	(691 274)
Adjustments for		
– profit on disposal of equipment and vehicles	(6 005)	(10 896)
– interest received from cash and cash equivalents	(8 549)	(13 652)
– depreciation	154 447	117 106
Working capital changes		
– increase in inventories	(48 736)	6 106
– increase in trade and other receivables	(67 898)	(57 596)
– decrease in trust funds	1 221	737
– increase in trade and other payables	61 638	(156 275)
	<b>(139 921)</b>	<b>(805 744)</b>
<i>15.2</i> Cash and cash equivalents		
Cash and cash equivalents comprise -		
Deposits on call	923 721	393 479
Cash and cash equivalents	41 557	25 016
	<b>965 278</b>	<b>418 495</b>

# Association for the Physically Disabled – Greater Johannesburg

## Notes to the financial statements

for the year ended 31 March 2011 (continued)

### 16. Going concern

The Association's continued existence is dependent on future support, subsidies, donations and sponsorship from donors.

### 17. Standards and interpretations not yet effective

At the date of authorisation of the financial statements of the Association for the Physically Disabled for the year ended 31 March 2011, the following Standards and Interpretations were in issue but not yet effective –

Standard/Interpretation		Effective date
IAS 24 (AC 126) (revised)	<i>Related Party Disclosures</i>	Annual periods beginning on or after 1 January 2011*
11 individual amendments to 6 standards	<i>Improvements to International Financial Reporting Standards 2010</i>	Amendments are effective for annual periods beginning on or after 1 July 2010 or for annual periods beginning on or after 1 January 2011*
IFRS 7 (AC 144) amendment	<i>Disclosures – Transfers of Financial Assets</i>	Annual periods beginning on or after 1 July 2011*
IFRS 9 (2010) (AC 146)	<i>Financial Instruments</i>	Annual periods beginning on or after 1 January 2013*

\* All Standards and Interpretations will be adopted at their effective date if applicable.

## Association for the Physically Disabled – Greater Johannesburg

### Schedule of income

for the year ended 31 March 2011

2011	Social work	Attendant	Workshops	Commercial	Governance	Support	Transformation	Total
Income	R	care	R	services	R	Services	n	R
		R	R	R	R	R	R	R
Subsidies	516 560		112 500					629 060
Grants – DOSD/DOH/Anglo/ De Beers		883 629		15 524		57 469		956 622
Dividends						46 460		46 460
Interest						63 879		63 879
P & L Sale of shares						481 724		481 724
FV adjustment						(342 099)		(342 099)
Profit on disposal of fixed assets						6 005		6 005
Fees for services	3 300	122 972				1 800		128 072
Donations				152 602				152 602
Street collections				6 226				6 226
Events				76 523				76 523
Sales				148 722				148 722
Appeals– Corporate				301 635				301 635
Legacies				135 689				135 689
Business Ventures				691 172				691 172
NLDTF – 2009	79 152			343 688				422 840
NLDTP – 2010	295 633	493 697		549 607			171 711	1 510 648
<b>Total income</b>	<b>894 645</b>	<b>1 500 298</b>	<b>112 500</b>	<b>2 421 388</b>		<b>315 238</b>	<b>171 711</b>	<b>5 415 780</b>

## Association for the Physically Disabled – Greater Johannesburg

### Schedule of expenses

for the year ended 31 March 2011 (continued)

2011

Expenses	Social work R	Attendant care R	Protective Workshops R	Commercial services R	Governance R	Support services R	Transformation R	Total R
Uniforms and clothing		6 940				412		7 352
Salaries and wages– VIP	442 292	721 345	170 007	1 139 405		834 755	171 711	3 479 515
Salaries and wages – casual		50 058				4 230		54 288
Salaries and wages – merit bonus	30 446	42 614	10 522	59 131		79 508		222 221
Long service awards		1 000	250			500		1 750
Service awards						2 000		2 000
Medical aid	7 200	2 800		8 000		14 400		32 400
Staff recruitment				3 428		1 403		4 831
Staff welfare	1 109	4 713	1 419	14 037		14 038		35 316
Staff training	650	850		2 323		8 907		12 730
Workmans compensation						3 183		3 183
Depreciation						154 447		154 447
Motor vehicle expenses– fuel and oil	10 224	8 438	27 955	6 112		45 696		98 425
Motor vehicle expenses– repairs and maintenance	3 408	3 180	11 199	2 961		20 434		41 182
Travel allowance						19 200		19 200
Travelling expenses	4 953	93 002		2 032		12 171		112 158
Courier and postage			21	36		4 815		4 872
Telephone and fax	32 959	25 826	4 531	41 553		19 931		124 800
Web costs						12 481		12 481
Affiliation fees						500		500



## Association for the Physically Disabled – Greater Johannesburg

### Schedule of expenses

for the year ended 31 March 2011 (continued)

2011

Expenses	Social work R	Attendant care R	Protective Workshops R	Commercial services R	Governance R	Support services R	Transformation R	Total R
Audit fees					65 000			65 000
Accounting fees			1 800					1 800
Legal fees						21 650		21 650
Professional fees				21 572	13 880	13 880		49 332
Shop tin collections				986				986
Golf day				42 408				42 408
Casual day				74 556				74 556
Christmas cards				14 541				14 541
Business ventures				141 894				141 894
Sales – projects				65 081				65 081
Commercial web				810				810
APD/BB button campaign				3 914				3 914
Annual report						6 990		6 990
Annual general meeting						10 866		10 866
Capacity building	18 436		3 799	320		15 587		38 142
Bank charges	4 900	4 708	6 091	5 903		4 515		26 117
Interest paid						11 069		11 069
Management fees investments						12 613		12 613
PR/marketing				740		3 646		4 386
Cleaning	510	864				900		2 274

## Association for the Physically Disabled – Greater Johannesburg

### Schedule of expenses

for the year ended 31 March 2011 (continued)

2011

Expenses	Social work R	Attendant care R	Protective Workshops R	Commercial services R	Governanc e R	Support services R	Transformatio n R	Total R
Computer expenses	15 516	3 880		29 255		23 271		71 922
Entertainment				255		358		613
Electricity and water		2 140	3 738			15 840		21 718
Insurance and licences General	1 354	28	10 394	12 160		62 266		86 202
						19 797		19 797
Office renovations						57 469		57 469
Printing and stationery	4 754	3 709	3 758	21 904		18 434		52 559
Rent paid	1 514	9 230		11 803				22 547
Rental of equipment	4 168			4 165		4 170		12 503
Repairs and maintenance – buildings		1 705	272			1 717		3 694
Repairs and maintenance – equipment						1 332		1 332
Security	2 538	73	4 192	13 978		6 647		27 428
Subscriptions	150	100				4 291		4 541
<b>Expenses</b>	<b>587 081</b>	<b>987 203</b>	<b>259 948</b>	<b>1 745 263</b>	<b>78 880</b>	<b>1 570 319</b>	<b>171 711</b>	<b>5 400 405</b>
<b>Re-allocation for distribution</b>	<b>251 998</b>	<b>483 744</b>	<b>111 581</b>	<b>689 137</b>	<b>33 859</b>	<b>(1 570 319)</b>	<b>–</b>	<b>–</b>
<b>Total expenses</b>	<b>839 079</b>	<b>1 470 947</b>	<b>371 529</b>	<b>2 434 400</b>	<b>112 739</b>	<b>–</b>	<b>171 711</b>	<b>5 400 405</b>

## Association for the Physically Disabled – Greater Johannesburg

### Schedule of expenses

for the year ended 31 March 2011 (continued)

2010

Income	Social work R	Attendant care R	Workshops R	Corporate communications R	Skyward R	Governance R	Barrier Breakers R	Support Services R	Total R
Subsidies	(530 450)		(42 725)						(573 175)
Investment income – dividends								(60 962)	(60 962)
Investment income – interest								(177 296)	(177 296)
Investment income – profit sale of shares								(55 550)	(55 550)
Investment income – fair value adjustment								(460 031)	(460 031)
Profit on disposal of fixed assets								(10 896)	(10 896)
Other income – tuckshop								(3 489)	(3 489)
Events								(81 740)	(81 740)
Sales								(333 188)	(333 188)
Street collections								(8 378)	(8 378)
Fees for services	(2 769)	(105 491)			(20 170)		(230 894)	(6 285)	(365 609)
Administration fees								(1 118)	(1 118)
Appeals								(191 968)	(191 968)
Donations								(42 878)	(42 878)
NLDTF – 2007								(1 064 649)	(1 064 649)
NLDTP – 2008							(13 960)	(560 026)	(573 986)
Grants – Government		(894 929)	(100 000)		(29 243)			–	(1 024 172)
Grants – Corporate								(155 000)	(155 000)
Legacies								(314 825)	(314 825)
<b>Total income</b>	<b>(533 219)</b>	<b>(1 000 420)</b>	<b>(142 725)</b>		<b>(49 413)</b>		<b>(244 854)</b>	<b>(3 528 279)</b>	<b>(5 498 910)</b>

## Association for the Physically Disabled – Greater Johannesburg

### Schedule of expenses

for the year ended 31 March 2011 (continued)

2010

Expenses	Social work R	Attendant care R	Workshops R	Corporate communications R	Skyward R	Governance R	Barrier Breakers R	For distribution R	Transformation R	Total R
Uniforms and clothing	46	3 253	65		9		37	4 289		7 699
Salaries and wages – VIP	397 273	576 425	215 140	444 577	98 863	274 682	759 143	759 708	109 912	3 635 723
Salaries and wages – casual		61 673					9 130	7 832		78 635
Salaries and wages – merit bonus	11 382	51 644	11 095		6 759		30 473	116 322		227 675
Long service awards		750	1 500					4 000		6 250
Directors awards		500						1 500		2 000
Staff recruitment								2 926		2 926
Staff welfare	689	3 251	1 201		250			28 299		33 690
Staff training	2 470	825		2 400	3 017		570	44 906		54 188
Workmans compensation								10 991		10 991
Depreciation								117 106		117 106
Motor vehicle expenses – fuel and oil	2 754	2 464	41 849		7 559			61 143		115 769
Motor vehicle expenses – repairs and maintenance	4 189	351	18 596		6 851			22 292		52 279
Travel allowance								38 400		38 400
Travelling expenses	6 189	100 825	100		649		1 029	11 218		120 010
Courier and postage		51	327					6 830		7 208
Telephone and fax	5 174	20 224	5 215		252		3 925	96 104		130 894
Web costs				10 800			13 150	11 100		35 050
Affiliation fees								500		500

## Association for the Physically Disabled – Greater Johannesburg

### Schedule of expenses

for the year ended 31 March 2011 (continued)

2010

Expenses	Social work R	Attendant care R	Workshops R	Corporate communications R	Skyward R	Governance R	Barrier Breakers R	For distribution R	Transformation R	Total R
Audit fees						60 000				60 000
Accounting fees							810			810
Professional fees	4 496						4 775	19 551		28 822
Street collections								552		552
Shop tin collections				254						254
Golf day				40 318						40 318
APD-Horn Campaign				429						429
Casual day				89 369						89 369
Christmas cards				16 903						16 903
Gifts				15						15
Commercial web				4 233						4 233
APD/BB button campaign				3 898						3 898
Easter stamps				125						125
Annual report				10 532						10 532
Annual general meeting				10 404						10 404
Capacity building			500						2 675	3 175
Bank charges	256	219	2 327	641				23 165		26 608
Interest paid	26							916		942
Management fees										
investments				4 500				13 750		18 250
PR/marketing							1 152	5 583		6 735
Cleaning		780								780

## Association for the Physically Disabled – Greater Johannesburg

### Schedule of expenses

for the year ended 31 March 2011 (continued)

2010

Expenses	Social work R	Attendant care R	Workshops R	Corporate communications R	Skyward R	Governance R	Barrier Breakers R	For distribution R	Transformatio n R	Total R
Computer expenses	90						9 158	39 048		48 296
Entertainment								300		300
Electricity and water	–	1 563	62 494					11 484		75 541
Loss on disposal of vehicles										
Insurance and licences	4 736	8 824	22 258		6 551		2 029	64 962		109 360
Office renovations								10 800		10 800
Printing and stationery	3 538	3 745	1 113		1 430		4 450	38 532		52 808
Rent paid	1 398	6 618						507		8 523
Rental of equipment	640							37 128		37 768
Repairs and maintenance – buildings		1 500	3 157					1 118		5 775
Repairs and maintenance – equipment	961	158					22	1 182		2 323
Security		1 187	1 187					5 755		8 129
Subscriptions	100							3 096		3 196
Write-off of Barrier Breakers							87 030			87 030
<b>Expenses</b>	<b>446 406</b>	<b>846 832</b>	<b>388 122</b>	<b>639 397</b>	<b>132 191</b>	<b>334 682</b>	<b>926 884</b>	<b>1 622 895</b>	<b>112 587</b>	<b>5 449 997</b>
<b>Re-allocation for distribution</b>	<b>249 799</b>	<b>473 868</b>	<b>217 184</b>	<b>357 792</b>	<b>73 971</b>	<b>187 280</b>	<b>–</b>	<b>(1 622 895)</b>	<b>63 001</b>	<b>–</b>
<b>Total expenses</b>	<b>696 205</b>	<b>1 320 699</b>	<b>605 307</b>	<b>997 189</b>	<b>206 163</b>	<b>521 962</b>	<b>926 884</b>	<b>–</b>	<b>175 588</b>	<b>5 449 997</b>