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Commission for the Physically Disabled – Greater Johannesburg

Financial Statements

for the year ended 31 March 2012



Association for the Physically Disabled – Greater Johannesburg

Financial Statements

for the year ended 31 March 2012

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Association for the Physically Disabled – Greater Johannesburg
(Non-profit Company No. 000/865/2706)

Executive Board's report
for the year ended 31 March 2012

The Executive Board 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 2012, 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 Executive Board is also responsible for such internal control as the Executive Board determines 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 Executive Board 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 Executive Board on 3 August 2012 and are signed on their behalf by –

For and on behalf of the Executive Board



KPMG Inc
KPMG Crescent
85 Empire Road, Parktown, 2193
Private Bag 9, Parkview, 2122, South Africa

Telephone +27 (0)11 647 7111
Fax +27 (0)11 647 8000
Docex 472 Johannesburg

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 2012, 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 4 to 19.

Executive Board's responsibility for the financial statements

The Executive Board 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 Executive Board determines 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 about 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 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 2012, 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 20 to 27 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.

Per: ML Watson
Chartered Accountant (SA)
Registered Auditor
Director
3 August 2012

KPMG Inc is a company incorporated under the South African Companies Act and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

KPMG Inc is a Registered Auditor, in public practice, in terms of the Auditing Profession Act, 26 of 2005.

Registration number 1999/021543/21

Policy Board:
Chief Executive: RM Kgosana

Executive Directors: DC Duffield, A Hari, AM Mokgabudi, D van Heerden

Other Directors: LP Fourie, N Fubu, T Fubu, S Hlophe, TH Hoole, A Jaffer, M Letsisi, E Magondo, A Masemola, JS McIntosh, CAT Smit, Y Suleman (Chairman of the Board), A Thunström

The company's principal place of business is at KPMG Crescent, 85 Empire Road, Parktown, where a list of the directors' names is available for inspection.



Association for the Physically Disabled – Greater Johannesburg

Statement of financial position

at 31 March 2012

| Assets | <i>Note</i> | 2012 R | 2011 R |
|---|-------------|-------------------|-------------------|
| Non-current assets | | | |
| Equipment and vehicles | 5 | 417 881 | 633 804 |
| Current assets | | 2 891 716 | 4 289 773 |
| Inventories | | 58 642 | 67 416 |
| Trade and other receivables | | 72 330 | 208 012 |
| Investments | 6 | 2 624 995 | 3 049 067 |
| Deposits on call | 7 | 48 547 | 923 721 |
| Cash and cash equivalents | | 87 202 | 41 557 |
| Total assets | | 3 309 597 | 4 923 577 |
| Reserves, funds and liabilities | | | |
| | | 2 729 211 | 4 232 320 |
| General fund | | 1 941 042 | 3 411 230 |
| Investment reserve | | 788 169 | 821 090 |
| Non-current liabilities | | | |
| Interest bearing borrowings | 8 | 39 972 | 62 437 |
| Current liabilities | | 540 414 | 628 820 |
| Trade and other payables | | 427 378 | 323 111 |
| Donations and funds for specific purposes | 9 | 101 252 | 297 330 |
| Short term portion of interest bearing borrowings | 8 | 11 784 | 8 379 |
| Total reserves, funds and liabilities | | 3 309 597 | 4 923 577 |



Association for the Physically Disabled – Greater Johannesburg

Statement of comprehensive income

for the year ended 31 March 2012

| | Note | 2012 | | 2011 | |
|---|------|-----------|--------------------|-----------|------------------|
| | | R | R | R | R |
| Revenue | | | | | |
| National Lottery | | | | | |
| Distribution Trust fund | | | | | 1 933 488 |
| – 2009 | | – | – | 422 840 | |
| – 2010 | | – | – | 1 510 648 | |
| Subsidies for social work services and protective workshops | | | 610 462 | | 629 060 |
| Events, sales and street collections – commercial services | | | 103 654 | | 231 471 |
| Fees for services – social work services/home based care | | | 53 160 | | 128 072 |
| Grants for home based care | | | 854 382 | | 883 629 |
| Appeals, donations and corporate grants – commercial services | | | 225 878 | | 527 231 |
| Legacies – commercial services | | | 84 482 | | 135 689 |
| Business Ventures – commercial services | | | 1 256 700 | | 691 172 |
| Sundry revenue | | | | | |
| – Interest received from cash and cash equivalents | | | 1 412 | | 8 549 |
| – Other | | | – | | 6 005 |
| | | | <u>3 190 130</u> | | <u>5 174 366</u> |
| Operating expenditure | | | | | |
| Attendant care services | | 1 328 413 | | 1 470 947 | |
| Commercial services | | 2 858 501 | | 2 434 400 | |
| Support services | | 100 756 | | 284 450 | |
| – Governance | | 100 756 | | 112 739 | |
| – Transformation | | – | | 171 711 | |
| Social work services | | 761 729 | | 839 079 | |
| Workshops | | 77 138 | | 371 529 | |
| Other | | 923 | | – | |
| | | | <u>5 127 460</u> | | <u>5 400 405</u> |
| Operating loss | 10 | | (1 937 330) | | (226 039) |
| Income/(expenditure) from investments | | | | | |
| Fair value of held for trading investments | | (32 921) | | (342 100) | |
| Profit on disposal of held for trading investments | | 382 382 | | 481 725 | |
| Interest received | | 32 191 | | 55 328 | |
| Dividends received | | 52 569 | | 46 460 | |
| | | | <u>434 221</u> | | <u>241 413</u> |
| (Loss)/profit and total comprehensive (loss)/income for the year | | | <u>(1 503 109)</u> | | <u>15 374</u> |



Association for the Physically Disabled – Greater Johannesburg

Statement of changes in reserves and funds

for the year ended 31 March 2012

| | General fund R | Investment reserve R | Total R |
|---|----------------------|----------------------------|------------------|
| Balance at 31 March 2010 | 3 053 756 | 1 163 190 | 4 216 946 |
| Total comprehensive income for the year | 15 374 | | 15 374 |
| Transfer of fair value adjustment on held for trading investments | 342 100 | (342 100) | – |
| Balance at 31 March 2011 | 3 411 230 | 821 090 | 4 232 320 |
| Total comprehensive loss for the year | (1 503 109) | | (1 503 109) |
| Transfer of fair value adjustment on held for trading investments | 32 921 | (32 921) | – |
| Balance at 31 March 2012 | 1 941 042 | 788 169 | 2 729 211 |



Association for the Physically Disabled – Greater Johannesburg

Statement of cash flows

for the year ended 31 March 2012\

| | <i>Note</i> | 2012 R | 2011 R |
|--|-------------|--------------------|------------------|
| Cash flows from operating activities | | | |
| Cash utilised in operations | 14.1 | (1 520 143) | (139 921) |
| Interest received on investments | | 32 191 | 55 328 |
| Interest received on bank balances | | 1 412 | 8 549 |
| Dividends received on investments | | 52 569 | 46 460 |
| Net cash outflow from operating activities | | (1 433 971) | (29 584) |
| Cash flows from investing activities | | | |
| To maintain operations | | | |
| – additions to property, equipment and vehicles | | (17 255) | (399 296) |
| – additions to investments | | (1 227 141) | (236 618) |
| – proceeds on disposal of investments | | 2 000 674 | 1 634 712 |
| – proceeds on disposal of property, equipment and vehicles | | 63 302 | 26 408 |
| Net cash inflow from investing activities | | 819 580 | 1 025 206 |
| Cash flows from financing activities | | | |
| Net (decrease)/increase in donations and funds for specific purposes | | (196 078) | (519 655) |
| Net (decrease)/increase in interest bearing borrowings | | (19 060) | 70 816 |
| Net cash outflow from financing activities | | (215 138) | (448 839) |
| Net (decrease)/increase in cash and cash equivalents | | (829 529) | 546 783 |
| Cash and cash equivalents at beginning of year | 14.2 | 965 278 | 418 495 |
| Cash and cash equivalents at end of year | 14.2 | 135 749 | 965 278 |



Association for the Physically Disabled – Greater Johannesburg

Notes to the financial statements

for the year ended 31 March 2012

1. Reporting entity

The Association for the Physically Disabled – Greater Johannesburg is a entity 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).

2.2 Basis of measurement

The financial statements are prepared on the historical cost basis, except for certain financial instruments which are measured at fair value as stated below.

2.3 Functional and presentation currency

These financial statements are presented in South African Rands (R), which is the entities functional currency.

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 underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.



Association for the Physically Disabled – Greater Johannesburg

Notes to the financial statements

for the year ended 31 March 2012 (continued)

3. Significant accounting policies

3.1 Property, equipment and vehicles

Items of property, equipment and vehicles are measured at cost less accumulated depreciation and accumulated impairment losses.

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

The estimated useful lives are as follows –

| | |
|---------------------------|----------|
| • Buildings | 2 years |
| • 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 property, 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 2012 (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 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 2012 (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 2012 or 2011 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 2012 (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 2012 (continued)

5. Property, equipment and vehicles

| | Cost R | Accumulated depreciation R | Net book value R |
|---------------------------------|------------------|----------------------------------|------------------------|
| 2012 | | | |
| Wheel chairs | 48 450 | (48 448) | 2 |
| Motor vehicles – owned | 679 544 | (391 490) | 288 054 |
| Furniture and equipment – owned | 187 415 | (131 895) | 55 520 |
| – leased | 67 881 | (22 627) | 45 254 |
| Computer equipment | 220 852 | (191 801) | 29 051 |
| | 1 204 142 | (786 261) | 417 881 |
| 2011 | | | |
| 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 |
| | 1 499 816 | (866 012) | 633 804 |

| | Wheel chairs R | Motor vehicles R | Furniture and equipment R | Computer equipment R | Total R |
|--------------------------------|----------------------|------------------------|------------------------------------|----------------------------|----------------|
| Net book value 2012 | | | | | |
| At beginning of year | 2 | 463 977 | 127 414 | 42 411 | 633 804 |
| Additions | – | – | 8 011 | 9 244 | 17 255 |
| Depreciation | – | (113 058) | (33 291) | (22 604) | (168 953) |
| Disposals | – | (62 865) | (1 360) | – | (64 225) |
| At end of year | 2 | 288 054 | 100 774 | 29 051 | 417 881 |
| 2011 | | | | | |
| 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 | 2 | 463 977 | 127 414 | 42 411 | 633 804 |

In 1993, Erf 5582 Eldorado Park Ext 7 was donated to The Association for the Physically Disabled by the City Council of Johannesburg. The contractual terms of the donation was that the Association should use the property for purposes of assisting the physically disabled or the property will revert to the donor. The Association currently uses this property for purposes as stipulated in the agreement.

Association for the Physically Disabled – Greater Johannesburg

Notes to the financial statements for the year ended 31 March 2012 (continued)

| | 2012 R | 2011 R |
|---------------------------------------|------------------|------------------|
| 6. Investments | | |
| <i>Held for trading</i> | | |
| Listed investments | | |
| – ordinary shares | 1 453 513 | 1 798 037 |
| – offshore investments | <u>1 171 482</u> | <u>1 251 030</u> |
| | <u>2 624 995</u> | <u>3 049 067</u> |
| 7. Deposits on call | | |
| Settlement account for investments | <u>48 547</u> | <u>923 721</u> |
| 8. Interest bearing borrowings | | |
| Finance lease liabilities | <u>51 756</u> | <u>70 816</u> |
| Reflected as | | |
| Non-current liabilities | 39 972 | 62 437 |
| Current liabilities | <u>11 784</u> | <u>8 379</u> |

Finance lease liabilities are payable as follows –

| | Future minimum lease payments 2012 R'000 | Interest expense 2012 R'000 | Present value of future minimum lease payments 2012 R'000 |
|----------------------------|---|--------------------------------------|--|
| Less than one year | 18 759 | 6 975 | 11 784 |
| Between one and five years | 48 462 | 8 490 | 39 972 |
| More than five years | | | |
| | <u>67 221</u> | <u>15 465</u> | <u>51 756</u> |





Association for the Physically Disabled – Greater Johannesburg

Notes to the financial statements for the year ended 31 March 2012 (continued)

| | 2012 | 2011 |
|---|------------------|------------------|
| | R | R |
| 9. Donations and funds for specific purposes | | |
| Balance at beginning of year | 297 330 | 816 985 |
| Receipts during the year | 15 000 | 7 000 |
| Utilised during the year | <u>(211 078)</u> | <u>(526 655)</u> |
| Balance at end of year | <u>101 252</u> | <u>297 330</u> |
| 10. Operating loss | | |
| Operating loss is arrived at after taking into account - | | |
| Audit fees | 65 000 | 65 000 |
| Depreciation | 168 953 | 154 447 |
| (Loss)/profit on disposal of property, equipment and vehicles | 923 | (6 005) |
| Rent paid | 30 123 | 22 546 |
| Salaries and wages | <u>3 452 196</u> | <u>3 533 803</u> |
| 11. Taxation | | |
| The Association is exempt from income tax in terms of Section 10(1)(cN) of the Income Tax Act. | | |
| 12. 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. | | |
| | 2012 | 2011 |
| | R | R |
| Contributions paid | <u>428 460</u> | <u>415 363</u> |
| 13. Risk management | | |
| 13.1 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 | |
| | 2012 | 2011 |
| | R | R |
| Trade and other receivables | 72 330 | 208 012 |
| Cash and cash equivalents | 135 749 | 965 278 |
| Held for trading financial assets | <u>2 624 995</u> | <u>3 049 067</u> |
| | <u>2 833 074</u> | <u>4 222 357</u> |

Association for the Physically Disabled – Greater Johannesburg

Notes to the financial statements for the year ended 31 March 2012 (continued)

13. Financial instruments (continued)

13.2 Liquidity risk

The following are the contractual maturities of financial liabilities agreements –

| 2012 | Carrying amount R | Contractual cash flows R | Within 1 year R | 2 to 5 years R |
|---|----------------------|-----------------------------|--------------------|-------------------|
| Non-derivative financial liabilities | | | | |
| Interest bearing borrowings | 51 756 | 67 221 | 18 759 | 48 462 |
| Trade and other payables | 427 378 | 427 378 | 427 378 | – |
| | 479 133 | 494 598 | 446 137 | 48 462 |
| 2011 | | | | |
| Non-derivative financial liabilities | | | | |
| Interest bearing borrowings | 70 816 | 124 988 | 20 869 | 104 119 |
| Trade and other payables | 323 111 | 323 111 | 323 111 | – |
| | 393 927 | 448 099 | 343 980 | 104 119 |

13.3 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 -

| | 2012 | | 2011 | |
|-----------------------------|----------------------|------------------|----------------------|------------------|
| | Carrying amount R | Fair value R | Carrying amount R | Fair value R |
| Trade and other receivables | 72 330 | 72 330 | 208 012 | 208 012 |
| Investments | 2 624 995 | 2 624 995 | 3 049 067 | 3 049 067 |
| Cash and cash equivalents | 135 749 | 135 749 | 965 278 | 965 278 |
| Trade and other payables | (427 378) | (427 378) | (323 111) | (323 111) |
| Interest bearing borrowings | (51 756) | (51 756) | (70 816) | (70 816) |
| | 2 281 611 | 2 281 611 | 3 828 430 | 3 828 430 |



Association for the Physically Disabled – Greater Johannesburg

Notes to the financial statements

for the year ended 31 March 2012 (continued)

13. Financial instruments (continued)

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.

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 –

| | 2012 Level 1 | 2011 Level 1 |
|-------------|------------------|------------------|
| Investments | <u>2 624 995</u> | <u>3 049 067</u> |



Association for the Physically Disabled – Greater Johannesburg

Notes to the financial statements for the year ended 31 March 2012 (continued)

| | 2012 R | 2011 R |
|---|--------------------|------------------|
| 14. Notes to the cash flow statement | | |
| 14.1 Cash utilised in operations | | |
| Operating loss | (1 937 330) | (226 039) |
| Adjustments for | | |
| – loss/(profit) on disposal of equipment and vehicles | 923 | (6 005) |
| – interest received from cash and cash equivalents | (1 412) | (8 549) |
| – depreciation | 168 953 | 154 447 |
| Working capital changes | | |
| – increase in inventories | 8 774 | (48 736) |
| – increase in trade and other receivables | 135 682 | (67 898) |
| – decrease in trust funds | – | 1 221 |
| – increase in trade and other payables | 104 267 | 61 638 |
| | <u>(1 520 143)</u> | <u>(139 921)</u> |
| 14.2 Cash and cash equivalents | | |
| Cash and cash equivalents comprise - | | |
| Deposits on call | 48 547 | 923 721 |
| Cash and cash equivalents | 87 202 | 41 557 |
| | <u>135 749</u> | <u>965 278</u> |
| 15. Going concern | | |

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

Subsequent to year end the Association received R604 200 from the National Lottery Distribution Trust Fund.

16. Contingent liability

Erf 5582 Eldorado Park Ext 7 is currently occupied by St Raphael Workshop for the Physically Disabled, who is responsible for the municipal charges related to this property. Should the Association dispose of this property to a third party, APD would be liable for all unsettled municipal charges related to that property. At 31 March 2012 the unsettled municipal charges amounted to R154 268.

Association for the Physically Disabled – Greater Johannesburg

Notes to the financial statements

for the year ended 31 March 2012 (continued)

16. 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 2012, the following applicable Standards and Interpretations were in issue but not yet effective –

| Standard/Interpretation | | Effective date |
|-------------------------|--|--|
| IAS 1 amendment | <i>Presentation of Financial Statements: Presentation of Items of Other Comprehensive Income</i> | Annual periods beginning on or after 1 July 2012* |

* 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 2012

| 2012 | Social work R | Attendant care R | Workshops R | Commercial services R | Governance R | Support Services R | Total R |
|--|------------------|------------------------|----------------|-----------------------------|-----------------|--------------------------|------------------|
| Subsidies | 578 962 | | 31 500 | 20 698 | | | 610 462 |
| Grants – DOSD/DOH/Anglo/ De Beers | | 854 382 | | | | | 875 080 |
| Dividends | | | | | | 52 569 | 52 569 |
| Interest | | | | | | 33 603 | 33 603 |
| Profit on disposal of held for trading investments | | | | | | 382 382 | 382 382 |
| Fair value of held for trading investments | | | | | | (32 921) | (32 921) |
| Loss on disposal of fixed assets | | | | | | (923) | (923) |
| Fees for services | | 50 760 | | 2 400 | | | 53 160 |
| Donations | | | | 182 681 | | | 182 681 |
| Street collections | | | | 4 710 | | | 4 710 |
| Events | | | | 60 386 | | | 60 386 |
| Sales | | | | 38 558 | | | 38 558 |
| Appeals– Corporate | | | | 22 500 | | | 22 500 |
| Legacies | | | | 84 482 | | | 84 482 |
| Business Ventures | | | | 937 466 | | | 937 466 |
| New projects | | | | 319 234 | | | 319 234 |
| Total income | 578 962 | 905 142 | 31 500 | 1 673 114 | - | 434 710 | 3 623 428 |

Association for the Physically Disabled – Greater Johannesburg

Schedule of expenses

for the year ended 31 March 2012

| Expenses | Social work R | Attendant care R | Protective Workshops R | Commercial services R | Governance R | Support services R | Total R |
|---|------------------|------------------------|------------------------------|-----------------------------|-----------------|--------------------------|------------|
| Uniforms and clothing | | 9 300 | | | | | 9 300 |
| Salaries and wages– VIP | 414 686 | 597 744 | | 1 227 127 | | 1 182 962 | 3 422 520 |
| Salaries and wages – casual | | 23 411 | | | | 6 265 | 29 676 |
| Salaries and wages – merit bonus | 6 310 | 41 579 | | | | | 47 889 |
| Long service awards | | 1 000 | | | | 2 000 | 3 000 |
| Service awards | | 1 000 | | 500 | | 500 | 2 000 |
| Medical aid | 8 136 | 5 100 | | 5 001 | | 17 226 | 35 463 |
| Staff welfare | 1 832 | 3 625 | | 7 913 | | 9 828 | 23 197 |
| Staff training | 1 650 | | | 7 612 | | 19 939 | 29 201 |
| Workmens compensation | | | | | | 12 033 | 12 033 |
| Depreciation | | | | | | 168 882 | 168 953 |
| Motor vehicle expenses– fuel and oil | 2 952 | | | 12 702 | | 37 987 | 56 715 |
| Motor vehicle expenses– repairs and maintenance | 90 | 3 074 | | 9 038 | | 24 856 | 33 984 |
| Travel allowance | | | | 17 600 | | 3 200 | 20 800 |
| Travelling expenses | 5 689 | 116 508 | | 202 | | 15 050 | 137 448 |
| Courier and postage | 135 | | | 1 397 | | 1 649 | 3 180 |
| Telephone and fax | 22 307 | 21 162 | | 28 919 | | 30 552 | 102 940 |
| Web costs | 436 | | | 6 454 | | 5 710 | 12 600 |
| Affiliation fees | | | | | | 650 | 650 |

Association for the Physically Disabled – Greater Johannesburg

Schedule of expenses

for the year ended 31 March 2012

2012

| Expenses | Social work R | Attendant care R | Protective Workshops R | Commercial services R | Governance R | Support services R | Total R |
|-----------------------------|------------------|------------------------|------------------------------|-----------------------------|-----------------|--------------------------|------------|
| Audit fees | | | | | 65 000 | | 65 000 |
| Legal fees | | | | | | 831 | 831 |
| Professional fees | | 1 606 | | 978 | | 6 708 | 10 075 |
| Shop tin collections | 784 | | | 260 | | | 260 |
| Golf day | | | | 38 008 | | | 38 008 |
| Casual day | | | | 58 851 | | | 58 851 |
| Christmas cards | | | | 15 730 | | | 15 730 |
| Business ventures | | | | 258 387 | | | 258 387 |
| Sales – projects | | | | 37 660 | | | 37 660 |
| APD products | | | | 7 135 | | | 7 135 |
| Annual report | | | | | | 8 054 | 8 054 |
| Annual general meeting | | | | | | 8 565 | 8 565 |
| Bank charges | 2 277 | 8 745 | | 6 576 | | 7 667 | 25 265 |
| Interest paid | 467 | | | 4 029 | | 15 172 | 19 668 |
| Management fees investments | | | | | | 10 657 | 10 657 |
| PR/marketing | | | | 2 969 | | 2 186 | 5 155 |
| Cleaning | 1 987 | 2 351 | | | | 300 | 4 638 |
| Donation CSD | | | | 150 | | | 150 |

Association for the Physically Disabled – Greater Johannesburg

Schedule of expenses

for the year ended 31 March 2012

2012

| Expenses | Social work R | Attendant care R | Protective Workshops R | Commercial services R | Governance R | Support services R | Total R |
|---------------------------------------|------------------|------------------------|------------------------------|-----------------------------|-----------------|--------------------------|------------------|
| Computer expenses | 6 733 | 3 367 | | 26 934 | | 33 106 | 70 140 |
| Entertainment | | | | 660 | | 371 | 1 031 |
| Electricity and water | 1 286 | 1 096 | 77 138 | 8 702 | | 10 491 | 98 712 |
| Insurance and licences | 765 | 4 842 | | 756 | | 67 076 | 73 439 |
| Printing and stationery | 2 497 | 4 318 | | 26 325 | | 6 647 | 39 787 |
| Rent paid | 8 863 | 4 028 | | 11 803 | | 5 429 | 30 123 |
| Rental of equipment | | | | | | (12 506) | (12 506) |
| Repairs and maintenance – buildings | | 337 | | 105 | | 441 | 883 |
| Repairs and maintenance – equipment | | | | 2 151 | | 1 408 | 3 559 |
| Security | 783 | | | 10 013 | | 12 841 | 23 637 |
| Subscriptions | 743 | 2 794 | | 1 431 | | 3 822 | 8 789 |
| Donation – SAPD | | | | | | 63 374 | 63 374 |
| Expenses | 491 406 | 856 986 | 77 138 | 1 844 079 | 65 000 | 1 791 928 | 5 126 537 |
| Re-allocation for distribution | 270 322 | 471 427 | | 1 014 424 | 35 756 | (1 791 928) | |
| Total expenses | 761 729 | 1 328 413 | 77 138 | 2 858 501 | 100 756 | - | 5 126 537 |

Association for the Physically Disabled – Greater Johannesburg

Schedule of income *(continued)* for the year ended 31 March 2012

2011

| Income | Social work R | Attendant care R | Workshops R | Commercial services R | Governance R | Support Services R | Transformation R | Total R |
|------------------------------------|------------------|------------------------|----------------|-----------------------------|-----------------|--------------------------|---------------------|------------------|
| Subsidies | 516 560 | | 112 500 | 15 524 | | 57 469 | | 629 060 |
| Grants – DOSD,/DOH/Anglo/ De Beers | | 883 629 | | | | 46 460 | | 956 622 |
| Dividends | | | | | | 63 879 | | 46 460 |
| Interest | | | | | | 481 724 | | 63 879 |
| P & L Sale of shares | | | | | | (342 099) | | 481 724 |
| FV adjustment | | | | | | 6 005 | | (342 099) |
| Profit on disposal of fixed assets | | 122 972 | | | | 1 800 | | 6 005 |
| Fees for services | 3 300 | | | | | | | 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 |
| NLDTF – 2010 | 295 633 | 493 697 | | 549 607 | | | 171 711 | 1 510 648 |
| Total income | 894 645 | 1 500 298 | 112 500 | 2 421 388 | | 315 238 | 171 711 | 5 415 780 |

Association for the Physically Disabled – Greater Johannesburg

Schedule of expenses (continued) for the year ended 31 March 2012

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 | | | | 45 696 | | 98 425 |
| Motor vehicle expenses– repairs and maintenance | 3 408 | 3 180 | | 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 | | 25 826 | 4 531 | 41 553 | | 19 931 | | 124 800 |
| Web costs | 32 959 | | | | | 12 481 | | 12 481 |
| Affiliation fees | | | | | | 500 | | 500 |

Association for the Physically Disabled – Greater Johannesburg

Schedule of expenses

for the year ended 31 March 2012 (continued)

| 2011 | Social work R | Attendant care R | Protective Workshops R | Commercial services R | Governance R | Support services R | Transformation R | Total R |
|-----------------------------|------------------|------------------------|------------------------------|-----------------------------|-----------------|--------------------------|---------------------|------------|
| Expenses | | | | | | | | |
| 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 2012 (continued)

2011

| Expenses | Social work R | Attendant care R | Protective Workshops R | Commercial services R | Governance R | Support services R | Transformation 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 | 1 354 | 28 | 10 394 | 12 160 | | 62 266 | | 86 202 |
| General | | | | | | | | |
| Office renovations | | | | | | 19 797 | | 19 797 |
| Printing and stationery | 4 754 | 3 709 | 3 758 | 21 904 | | 57 469 | | 57 469 |
| Rent paid | 1 514 | 9 230 | | 11 803 | | 18 434 | | 52 559 |
| Rental of equipment | 4 168 | | | 4 165 | | 4 170 | | 22 547 |
| Repairs and maintenance – buildings | | 1 705 | 272 | | | 1 717 | | 12 503 |
| Repairs and maintenance – equipment | | 73 | 4 192 | 13 978 | | 1 332 | | 3 694 |
| Security | 2 538 | | | | | 6 647 | | 1 332 |
| Subscriptions | 150 | 100 | | | | 4 291 | | 27 428 |
| Expenses | 587 081 | 987 203 | 259 948 | 1 745 263 | 78 880 | 1 570 319 | 171 711 | 5 400 405 |
| Re-allocation for distribution | 251 998 | 483 744 | 111 581 | 689 137 | 33 859 | (1 570 319) | - | - |
| Total expenses | 839 079 | 1 470 947 | 371 529 | 2 434 400 | 112 739 | - | 171 711 | 5 400 405 |