

THE SOUTH AFRICAN NATIONAL COUNCIL FOR THE BLIND
(Registration number NPO 001-422)
Annual financial statements
for the year ended 31 March 2015

The South African National Council for the Blind

(Registration number NPO 001-422)

Annual Financial Statements for the year ended 31 March 2015

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	The Council operates and raises funds to assist the blind and partially-sighted persons in the Republic of South Africa
Registered office	514 White Street Baileys Street Muckleneuk Pretoria 0028
Business address	514 White Street Baileys Street Muckleneuk Pretoria 0028
Postal address	P.O. Box 11149 Hatfield 0028
Bankers	The Standard Bank of South Africa
Auditors	Nexia SAB&T Chartered Accountants (S.A.) Registered Auditors
Company registration number	NPO 001-422
Level of assurance	These annual financial statements have been audited in compliance with the applicable requirements of the Constitution of the Council.

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Management Committee's Report

The National Management Committee have pleasure in submitting their report on the annual financial statements of The South African National Council for the Blind for the year ended 31 March 2015.

1. Nature of business

The South African National Council for the Blind was founded in 1929 and serves as the umbrella body, combining the work of the nine Provincial Executive Committees for the Blind and most blindness related organisations in South Africa. It operates and raises funds to assist the blind and partially-sighted persons in the Republic of South Africa.

There have been no material changes to the nature of the council's business from the prior year.

2. Review of activities

Main business and operations

The annual financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Constitution of the Council. The accounting policies have been applied consistently compared to the prior year.

The operating results and state of affairs of the company are fully set out in the attached annual financial statements and do not in our opinion require any further comment.

3. Going concern

The National Management Committee believes that the council has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The National Management Committee has satisfied themselves that the council is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The National Management Committee is not aware of any new material changes that may adversely impact the council. The National Management Committee is also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the council

4. Events after the reporting period

The National Management Committee are not aware of any matter or circumstance arising since the end of the financial year that has a material impact on the annual financial statements.

5. Non-current assets

There were no major changes in the nature of the non-current assets of the company during the year.

6. Auditors

In accordance with the constitution of the council, after every 3 years the council are required to solicit proposals from audit service providers for the provision of external audit services.

Nexia SAB&T will continue in office for the ensuing 3 years pending the outcome of the resolution made at the Board meeting regarding appointment of auditors

7. National Executive and National Management Committee Structure

National Executive Committee

The National Executive Committee members are nominated by the Provincial Plenary Councils and are appointed at provincial meetings of affiliates. Additional members are co-opted with various bodies each nominating a representative. The National Chairman, Deputy Chairman and Treasurer are elected from amongst its membership. The National Executive Committee is responsible for approving the policies and procedures of the organisation as prescribed in the constitution of the South African National Council for the Blind. The National Executive Committee meets twice a year to review the strategy and operations of the Council as well as its financial performance.

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Management Committee's Report

National Management Committee

The National Management Committee comprises members elected by the National Executive Committee from amongst its own membership to fulfil and discharge National Executive Committee responsibilities for the operational management of the South African National Council for the Blind. Key members of the Committee include the Chairman, Deputy Chairman and the Treasurer, while the Executive Director attends in an ex officio capacity and divisional national management by established practice.

The National Management Committee meets at least bi-annually to discharge its duties. In order for the Committee to discharge its responsibilities, management has developed and continue to maintain a system of internal control and review of its operations.

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Statement of Financial Position as at 31 March 2015

	Note(s)	2015 R	2014 R
Assets			
Non-Current Assets			
Investment property	2	3 157 895	2 074 074
Property, plant and equipment	3	2 266 556	2 115 983
		<u>5 424 451</u>	<u>4 190 057</u>
Current Assets			
Inventories	6	2 264 729	1 472 299
Other financial assets	5	989 452	748 307
Trade and other receivables	7	1 777 297	1 591 087
Cash and cash equivalents	8	5 291 253	2 480 727
		<u>10 322 731</u>	<u>6 292 420</u>
Total Assets		<u>15 747 182</u>	<u>10 482 477</u>
Funds and Liabilities			
Funds			
Accumulated Funds		<u>9 544 692</u>	<u>4 780 318</u>
Liabilities			
Non-Current Liabilities			
Loans from Optima College	4	<u>1 401 048</u>	<u>1 000 160</u>
Current Liabilities			
Trade and other payables	10	1 227 106	3 045 872
Deferred income	9	3 574 336	1 656 127
		<u>4 801 442</u>	<u>4 701 999</u>
Total Liabilities		<u>6 202 490</u>	<u>5 702 159</u>
Total Funds and Liabilities		<u>15 747 182</u>	<u>10 482 477</u>

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Statement of Comprehensive Income

	Note(s)	2015 R	2014 R
Continuing operations			
Revenue	11	33 172 178	31 664 098
Cost of sales	12	(2 428 419)	(3 845 306)
Gross surplus		30 743 759	27 818 792
Other income		2 532 337	1 504 905
Operating expenses		(29 663 228)	(29 092 178)
Operating surplus	13	3 612 868	231 519
Investment revenue	14	18 837	14 752
Fair value adjustments	15	1 132 669	1 873 474
Surplus for the year from continuing operations		4 764 374	2 119 745
Distribution to Optima College		-	(800 000)
Surplus for the year		4 764 374	1 319 745
Other comprehensive income		-	-
Total comprehensive income for the year		4 764 374	1 319 745

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Statement of Changes in Funds

	Non-Distributable reserve - Unconditional grant R	Accumulated surplus R	Total funds R
Balance at 01 April 2013	1 995 191	3 460 573	5 455 764
Surplus for the year	-	1 319 745	1 319 745
Other comprehensive income	(1 995 191)	-	(1 995 191)
Total comprehensive income for the year	(1 995 191)	1 319 745	(675 446)
Balance at 01 April 2014	-	4 780 318	4 780 318
Surplus for the year	-	4 764 374	4 764 374
Total comprehensive income for the year	-	4 764 374	4 764 374
Balance at 31 March 2015	-	9 544 692	9 544 692

Note(s)

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Statement of Cash Flows

	Note(s)	2015 R	2014 R
Cash flows from operating activities			
Cash receipts from customers		31 322 587	30 122 324
Cash paid to suppliers and employees		(28 356 254)	(32 102 571)
Cash generated from (used in) operations	17	2 966 333	(1 980 247)
Interest income		18 837	14 752
Distribution to Optima		-	(800 000)
Net cash from operating activities		2 985 170	(2 765 495)
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(574 320)	(667 969)
Net proceeds on sale of property, plant and equipment	3	1 220	235 490
Loans to group companies repaid		400 888	1 000 160
Movement in financial assets		(2 432)	1 429 650
Net cash from investing activities		(174 644)	1 997 331
Total cash movement for the year		2 810 526	(768 164)
Cash at the beginning of the year		2 480 727	3 248 891
Total cash at end of the year	8	5 291 253	2 480 727

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Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Constitution of the Council. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make judgements, estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results in the future could differ from these estimates which may be material to the annual financial statements.

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations, that management have made in the process of applying the Council accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Key sources of estimation uncertainty

Financial assets measured at cost and amortised cost

The Council assesses its financial assets measured at cost and amortised cost for impairment at each reporting date. In determining whether an impairment loss should be recorded in the statement of comprehensive income, the Council makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for financial assets measured at cost and amortised cost is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting period that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

Allowance for slow moving, damaged and obsolete inventory

Management assesses whether inventory is impaired by comparing its cost to its estimated selling price less costs to complete and sell. Where an impairment is necessary, inventory items are written down to selling price less costs to complete and sell. The write down is included in cost of sales.

Impairment testing

The Council reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indicators exist, management determine the recoverable amount by performing value in use and fair value calculations. These calculations require the use of estimates and assumptions. When it is not possible to determine the recoverable amount for an individual asset, management assesses the recoverable amount for the cash generating unit to which the asset belongs.

Expected future cash flows used to determine the value in use of goodwill and tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors, together with economic factors.

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Accounting Policies

1.2 Investment property

Investment property is land and buildings held to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business. In addition, only investment property whose fair value can be measured reliably without undue cost or effort on an ongoing basis is included in investment property. All other investment property is included in property, plant and equipment.

Investment property is initially recognised at cost.

Costs include costs incurred initially to acquire an investment property and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of investment property, the carrying amount of the replaced item is derecognised.

After initial recognition, investment property is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

1.3 Property, plant and equipment

Property, plant and equipment are tangible items that:

- are held for use in the production or supply of goods or services, for rental to others or for administrative purposes; and
- are expected to be used during more than one period.

Property, plant and equipment is carried at cost less accumulated depreciation and accumulated impairment losses.

Cost includes all costs incurred to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Costs include costs incurred initially to acquire an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Depreciation is provided using the straight-line method to write down the cost, less estimated residual value over the useful life of the property, plant and equipment, which is as follows:

Item	Average useful life
Land	Indefinite useful life
Buildings	44 years
Leasehold property	44 years
Furniture and fixtures	5 years
Motor vehicles	5 years
IT equipment	3 years

The residual value, depreciation method and useful life of each asset are reviewed at each annual reporting period if there are indicators present that there has been a significant change from the previous estimate.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss in the period.

1.4 Financial instruments

Financial instruments at amortised cost

Debt instruments, as defined in the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At the end of each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If so, an impairment loss is recognised

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Accounting Policies

1.4 Financial instruments (continued)

Financial instruments at cost

Commitments to receive a loan are measured at cost less impairment.

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably are measured at cost less impairment. This includes equity instruments held in unlisted investments.

Financial instruments at fair value

All other financial instruments are measured at fair value through profit and loss.

1.5 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Operating leases - lessor

Operating lease income is recognised as an income on a straight-line basis over the lease term except in cases where another systematic basis is representative of the time pattern of the benefit from the leased asset, even if the receipt of payments is not on that basis, or where the payments are structured to increase in line with expected general inflation.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term except in cases where another systematic basis is representative of the time pattern of the benefit from the leased asset, even if the receipt of payments is not on that basis, or where the payments are structured to increase in line with expected general inflation.

1.6 Inventories

Inventories are measured at the lower of cost and selling price less costs to complete and sell, on the weighted average cost basis.

1.7 Impairment of assets

The Council assesses at each reporting date whether there is any indication that an asset may be impaired.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of assets) in prior years. A reversal of impairment is recognised immediately in profit or loss.

1.8 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

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Accounting Policies

1.9 Provisions and contingencies

Provisions are recognised when:

- the Council has an obligation at the reporting date as a result of a past event;
- it is probable that the Council will be required to transfer economic benefits in settlement; and
- the amount of the obligation can be estimated reliably.

Contingent assets and contingent liabilities are not recognised.

1.10 Government grants

Grants that do not impose specified future performance conditions are recognised in income when the grant proceeds are receivable.

Grants that impose specified future performance conditions are recognised in income only when the performance conditions are met.

Grants received before the revenue recognition criteria are satisfied are recognised as a liability.

Grants are measured at the fair value of the asset received or receivable.

1.11 Revenue

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the Council has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Council retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Council; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Council;
- the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognised only to the extent of the expenses recognised that are recoverable.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

Interest is recognised, in profit or loss, using the effective interest rate method.

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Notes to the Annual Financial Statements

	2015 R	2014 R
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2. Investment property

Reconciliation of investment property - 2015

	Opening balance	Fair value adjustments	Total
Investment property	2 074 074	1 083 821	3 157 895

Reconciliation of investment property - 2014

	Opening balance	Transfer to Property plant and equipment	Fair value adjustments	Total
Investment property	-	255 494	1 818 580	2 074 074

Details of property

47 Nicholson Street, Baileys Muckleneuk

Deed of transfer number T41454/89.

- Purchase price: 1 December 2005

- Additions since purchase or valuation

- Capitalised expenditure

163 043

163 043

286 957

286 957

174 541

174 541

624 541

624 541

During the period ending 2014, property valued at the cost of R 624 541 was transferred to Investment property at its carry amount of R 255 494.

The property has since been re-valued to R 3 157 895 (2014; R 2 074 074).

The discounted cash-flow method of valuation will be used to determine the value as well as reference to prevailing market values for similar properties on the market in the area.

3. Property, plant and equipment

	2015			2014		
	Cost / Valuation	Accumulated depreciation and impairments	Carrying value	Cost / Valuation	Accumulated depreciation and impairments	Carrying value
Land	163 043	-	163 043	163 043	-	163 043
Buildings	3 560 673	(2 504 306)	1 056 367	3 560 673	(2 423 381)	1 137 292
Furniture and fixtures	2 226 037	(1 652 086)	573 951	1 662 137	(1 523 969)	138 168
Motor vehicles	2 894 005	(2 426 488)	467 517	2 894 005	(2 227 310)	666 695
IT equipment	792 452	(786 774)	5 678	792 452	(781 667)	10 785
Total	9 636 210	(7 369 654)	2 266 556	9 072 310	(6 956 327)	2 115 983

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Notes to the Annual Financial Statements

	2015 R	2014 R
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3. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2015

	Opening balance	Additions	Depreciation	Total
Land	163 043	-	-	163 043
Buildings	1 137 292	-	(80 925)	1 056 367
Furniture and fixtures	138 168	574 320	(138 537)	573 951
Motor vehicles	666 695	-	(199 178)	467 517
IT equipment	10 785	-	(5 107)	5 678
	2 115 983	574 320	(423 747)	2 266 556

Reconciliation of property, plant and equipment - 2014

	Opening balance	Additions	Disposals	Transfer to Investment Property	Depreciation	Total
Land	163 043	-	-	-	-	163 043
Buildings	1 487 904	-	-	(255 494)	(95 118)	1 137 292
Furniture and fixtures	154 204	56 967	-	-	(73 003)	138 168
Motor vehicles	527 181	602 992	(7)	-	(463 471)	666 695
IT equipment	119 300	8 010	-	-	(116 525)	10 785
	2 451 632	667 969	(7)	(255 494)	(748 117)	2 115 983

Details of properties

Buildings situated at Erf 846, Muckleneuk, Pretoria

The land is leased from the Pretoria City Council at an annual rent of R 48 per year.

Buildings situated on this land were erected at the expense of the South African National Council for the Blind.

As at 31 March 2015 the remaining lease period is 10 years

- Erection price: 11 July 1986

- Additions since erection

3 535 528	3 535 528
25 145	25 145
3 560 673	3 560 673

4. Loans to (from) related entities

Subsidiaries

SANCB Optima College

The loan account relates to expenses borne on behalf of SANCB Optima College and income received through the South African National Council for the Blind (SANCB). The loan is interest free.

(1 401 048)	(1 000 160)
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Notes to the Annual Financial Statements

	2015 R	2014 R
5. Other financial assets		
At fair value		
Listed Investment portfolio	989 452	748 307
During the year under review, the organisation sold its shares held in Sibanye Gold Limited. Proceeds from the sale of these shares were reinvested in other equity investments currently held.		
Current assets		
At fair value	989 452	748 307
Details of investments		
Listed - at fair value		
Sibanye Gold Limited	-	49 524
Asset Swap Gbl Prop Class (USD)	287 100	218 123
Asset Swap Pan Asian Class (USD)	208 904	163 290
MD Global Equity Fund (USD)	381 578	317 370
Unlisted - at cost		
Money Market Account	111 870	-
	989 452	748 307
6. Inventories		
Merchandise	2 264 729	1 472 299
7. Trade and other receivables		
Trade receivables	1 448 102	435 986
Deposits	78 442	74 492
South African Revenue Services - VAT	250 753	396 609
Accrued income	-	684 000
	1 777 297	1 591 087
8. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	5 350	5 350
Bank balances	5 236 819	2 426 293
Money Market Account - Bequest	49 084	49 084
	5 291 253	2 480 727

Cash and bank earns interest at floating rates based on a daily bank deposit rate.

Included in the bank balances are funds held on behalf of Optima College as it did not maintain a bank account during the period.

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	2015 R	2014 R
9. Deferred income		
Deferred income arose from unutilised Government grants provided to the council during the period as part of government assistance to benefit the entity.		
The grants are recognised subject to fulfillment of the terms and conditions and other contingencies attached to the grant agreement.		
Unutilised conditional funds	2 626 163	807 034
Prepaid receipts from resource centre sales	948 173	849 095
	3 574 336	1 656 129
Income received in advance arose as a result of the following transactions:		
1. Money received from customers for goods which were not yet invoiced and delivered at year end.		
2. Government grants recognised in the annual financial statements and any other forms of government assistance from which the entity has directly benefited; for which a portion remains unutilised at financial year end. The terms of the agreements stipulate that the Council shall recognise such portion of grant funding to the extent the condition is fulfilled.		
10. Trade and other payables		
Trade payables	541 692	1 117 120
Amounts received in advance	75 000	21 000
Other payables	42 039	42 044
Leave pay	469 330	841 678
Accruals	99 045	290 118
Salaries	-	553 801
Subsidies	-	180 111
	1 227 106	3 045 872

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	2015 R	2014 R
11. Revenue		
Sales - Resource Centre	5 580 760	5 339 820
Sales - Other activities	4 180 885	1 075 695
Donations and fundraising	19 159 682	19 101 625
Distributions from SANCB Trust	900 000	1 321 000
Government grants	3 350 851	4 825 958
	33 172 178	31 664 098
Analysis of Revenue		
Consol	45 000	-
EPWEP - EC	413 143	-
EPWEP - NC	359 662	-
Mutual & Federal Ikemiseng Project	45 580	-
Sasix	53 575	-
SASOL	29 975	-
SIB	401 044	-
Foundation of Human Rights	13 990	-
Allergan - National	208 000	-
Life Healthcare Group	622 800	-
Lafarge	364 800	-
Lions International Gauteng	26 760	-
MTN	200 000	-
DEC Trust	800 867	883 350
DG Murray Trust	-	366 712
Direct mail	4 657 505	4 897 294
Independent Electoral Commission	500 674	1 895 140
Discovery Trust Free State	300 000	206 436
Distributions from SANCB Trust	900 000	1 321 000
Donations and fundraising	3 556 663	2 651 041
FHC Foundation	-	662 702
Income - Bequests	3 872 499	1 642 843
Ivy Kross	23 133	255 123
John and Esther Ellerman	14 403	53 844
Mphalane Trust	-	146 504
National Lottery Distribution Trust Fund	740 169	355 654
O & M Mpumalanga	1 950 267	1 285 702
Other Fund Income	3 680 936	4 102 013
IDP Workshops	-	278 083
Sales - Resource Centre	5 580 760	5 339 820
Vodacom	482 256	750 000
Subsidies - Department of Health		
Free State	-	1 129 879
Mpumalanga	757 745	904 956
National	718 000	684 000
North West	1 851 972	1 444 000
Limpopo	-	408 000
	33 172 178	31 664 096
12. Cost of sales		
Sale of goods		
Cost of goods sold	2 428 419	3 845 306

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Notes to the Annual Financial Statements

	2015 R	2014 R
13. Operating surplus		
Operating surplus for the year is stated after accounting for the following:		
Operating lease charges		
Premises		
• Contractual amounts	443 291	328 368
Profit on sale of property, plant and equipment	1 220	235 483
Profit on sale of other financial assets	189 865	118 345
Depreciation on property, plant and equipment	427 648	748 117
Employee costs	11 578 789	11 885 211
14. Investment revenue		
Interest revenue		
Unlisted financial assets	-	(7 096)
Bank	18 837	21 848
	18 837	14 752
15. Fair value adjustments		
Investment property (Fair value model)	1 083 821	1 818 580
Other financial assets	48 848	54 894
	1 132 669	1 873 474
16. Auditors' remuneration		
Fees	399 843	311 632
17. Cash generated from (used in) operations		
Surplus before taxation	4 764 374	2 119 745
Adjustments for:		
Depreciation and amortisation	427 648	748 117
Profit on sale of financial assets	(191 085)	(353 828)
Interest received	(18 837)	(14 752)
Fair value adjustments	(1 132 669)	(1 873 474)
Unutilised Portion of Grants received during the year.	-	(1 995 191)
Other non-cash items	(3 901)	-
Changes in working capital:		
Inventories	(792 430)	(161 013)
Trade and other receivables	(186 210)	(341 509)
Trade and other payables	(1 818 766)	(400 687)
Deferred income	1 918 209	292 345
	2 966 333	(1 980 247)

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Notes to the Annual Financial Statements

	2015 R	2014 R
18. Related parties		
Relationships		
Sharing common key management personnel		SANCB Trust SANCB Optima College
Related party balances and transactions		
Related party balances		
Loan accounts - Owing (to) by related parties		
SANCB Optima College	(1 401 048)	(1 000 160)
Related party transactions		
Distributions received from (paid to) related parties		
SANCB Trust	900 000	1 321 000
SANCB Optima College	-	(800 000)
Rent (paid to) received from related parties		
SANCB Optima College	240 000	540 000
Compensation to directors and other key management		
Short-term employee benefits	518 661	466 711
Long-term benefits - incentive scheme	-	25 796
	518 661	492 507

19. Comparative figures

Certain comparative figures have been reclassified.

The were no material effects of the reclassification that require disclosure.

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Detailed Income Statement

	Note(s)	2015 R	2014 R
Revenue			
Sale - Resource Centre Sales		5 580 760	5 339 820
National Lottery Distribution Trust Fund		4 180 885	1 075 695
Donations and Fundraising		19 159 682	19 101 625
Distributions from the Trust		900 000	1 321 000
Government grants		3 350 851	4 825 958
	11	33 172 178	31 664 098
Cost of sales			
Opening stock		1 472 299	1 311 286
Purchases		3 220 849	4 006 319
Closing stock		(2 264 729)	(1 472 299)
	12	2 428 419	3 845 306
Gross surplus			
		30 743 759	27 818 792
Other income			
Rental income		492 183	816 000
Recoveries		1 849 069	335 077
Interest received	14	18 837	14 752
Gains on disposal of assets		191 085	353 828
Fair value adjustments	15	1 132 669	1 873 474
		3 683 843	3 393 131
Expenses (Refer to page 24)			
		(29 663 228)	(29 092 178)
Distribution to Optima		-	(800 000)
Surplus for the year			
		4 764 374	1 319 745
Other comprehensive income		-	-
Total comprehensive income for the year			
		4 764 374	1 319 745

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Detailed Income Statement

	Note(s)	2015 R	2014 R
Operating expenses			
ABSA Fund - Student		(220 500)	-
Administration and management fees		(706)	(6 606)
Advertising		(38 742)	(9 112)
Allergan		(209 379)	-
Art & Crafts Project - Lottery		(175 317)	(1 176 376)
Auditors' remuneration	16	(399 843)	(311 632)
Bad debts		(64 734)	(900 798)
Bank charges		(156 527)	(147 911)
Biennial conference expenses		(7 459)	(540 296)
Black Mountain Mines		-	(687 902)
Cleaning		(37 538)	(51 486)
Committees and conferences		(335 953)	(151 696)
Computer expenses		(92 578)	(177 910)
Consulting and professional fees		(368 831)	(255 136)
Depreciation, amortisation and impairments		(427 648)	(748 117)
Direct & Indirect Mail Appeals		(2 495 049)	(1 826 970)
Discovery Trust - Free State Project expenses		(359 778)	(206 436)
Donations		(798 049)	(395 747)
Drugs & Dressings		(2 292 785)	(1 186 967)
Employee costs		(11 578 789)	(11 885 211)
FHC Foundation		(200 000)	(662 357)
General expenses		(128 136)	(179 607)
IDP Project expenses		-	(230 864)
Independent Electoral Commission (IEC)		(492 310)	(1 019 499)
Insurance		(336 913)	(216 898)
Ivy Kross fund - social development		(23 133)	(255 123)
John & Esther Ellerman Memorial Trust		(14 403)	(53 844)
Lafarge		(364 800)	(269 671)
Lease rentals on operating lease		(443 291)	(328 368)
Donor Functions		(7 195)	-
Mpumalanga O & M Project		(1 950 267)	(1 285 702)
Mutual & Federal Ikemiseng Project		(14 910)	(34 693)
Postage		(46 670)	(38 443)
Printing and stationery		(141 831)	(123 524)
Project running costs		(1 839 219)	(499 655)
Repairs and maintenance		(201 575)	(43 838)
Security		(167 363)	(98 588)
Small assets purchased		(25 693)	-
Staff welfare		(41 644)	(16 372)
Telephone and fax		(456 107)	(362 712)
Training		(36 470)	(12 915)
Transport and freight		(429 079)	(506 327)
Travel - local		(1 258 074)	(906 949)
Travel - overseas		(5 889)	-
Utilities		(495 795)	(521 667)
Vodacom Project Costs		(482 256)	(758 253)
		(29 663 228)	(29 092 178)

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Annual Financial Statements for the year ended 31 March 2015

Supplementary Information

1. DONOR FUND BALANCE RECONCILIATIONS 2014 -2015

Funder	Opening Balances	Funds received during the year *	Contributions to/(from) SANCB	Expenditure during the year	Closing Balances
Marga Schultze Bursary Fund	2 962	-	-	-	2 962
CBM Fund	1 258	-	-	-	1 258
Ivy Kross Fund	-	23 133	-	(23 133)	-
Free State Marketlink - MTN	1 167	912 000	-	(200 000)	713 167
Allergen	1 508	208 000	-	(209 379)	129
Black Mountain	-	405 135	-	(873 993)	(468 858)
Discovery	-	300 000	59 778	(359 778)	-
Life Health	-	359 778	-	(575 055)	(215 277)
SIB	-	540 068	-	(401 044)	139 024
Vodacom	-	750 000	-	(482 256)	267 744
National Lottery *	5 018	1 891 395	(319 265)	(420 904)	1 156 244
FHC Foundation *	359 056	1 921	200 000	(349 052)	211 925
O & M Mpumalanga Fund *	639 306	1 615 084	(316 605)	(1 632 508)	305 277
John and Esther Ellerman	-	14 403	-	(14 403)	-
Lafarge-Winter school	-	364 800	-	(364 800)	-
Mutual & Federal	-	45 580	-	(14 910)	30 670
Consol	-	45 000	-	(10 652)	34 348
	1 010 275	7 476 297	(376 092)	(5 931 867)	2 178 613

The table above shows the reconciliation of amounts per funder for the financial period ending 31 March 2015. The figures are not traceable to the financial statements in the above order due to the different reporting requirements of the financial reporting framework. The closing balance shows the balance after utilisation of donor funds.

* Funds received during the year includes interest revenue earned during the period for the following donors; National Lottery, FHC Foundation and O & M Mpumalanga Fund. The interest earned amounted to R 9 980.93, R 1 921.30 and R 15 084.27 respectively.