Kennel Union of Southern Africa
Annual Financial Statements
for the year ended 31 August 2022

Sprigg Abbott Incorporated
Chartered Accountants (SA)
Registered Auditor
Issued 02 December 2022

Kennel Union of Southern Africa

Annual Financial Statements for the year ended 31 August 2022

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The annual financial statements set out on pages 4 to 13, which have been prepared on the going concern basis, were approved by the Federal Council on 02 December 2022 and were signed on its behalf by:

Chairman - Federal Council
Mrs JM Hubbard

Secretary - KUSA
Mrs PLE Midgley

SPRIGG ABBOTT INCORPORATED

CHARTERED ACCOUNTANTS (SA)
REGISTERED AUDITORS

Independent Auditor's Report

To the Members of Kennel Union of Southern Africa

Qualified Opinion

We have audited the annual financial statements of Kennel Union of Southern Africa (the company) set out on pages 4 to 10, which comprise the statement of financial position as at 31 August 2022, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effect of the matter described in the Basis for Qualified Opinion section of our report, the annual financial statements of Kennel Union of Southern Africa for the year ended 31 August 2022 are prepared, in all material respects, in accordance with the basis of accounting described in note 1 to the annual financial statements.

Basis for Qualified Opinion

In common with other similar organisations, it is not feasible for Kennel Union of Southern Africa to institute accounting cnotrols over income prior to the initial entry in the accounting records. Accordingly our audit on receipts has been limited to satisfying ourselves that all recorded income has been accounted for.

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Annual Financial Statements section of our report. We are independent of the company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of annual financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Other Information

Management is responsible for the other information. The other information comprises the information included in the document titled "Kennel Union of Southern Africa annual financial statements for the year ended 31 August 2022", which includes the KUSA Income Statement and the Classic Income Statement which we obtained prior to the date of this report. The other information does not include the annual financial statements and our auditor's report thereon.

Our opinion on the annual financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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Directors: DM Barnes CA(SA); M Mulder B Acc, B Compt(Hons), CA(SA)
Consultant: PJ Chong B Com(Hons), CA(SA)
Assisted by: RE Norman B Com, CTA; JJ Smith B Econ Registration Number: 2003/023087/21

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Independent Auditor's Report

Management's Responsibility for the Annual Financial Statements

Management is responsible for the preparation and fair representation of the annual financial statements in accordance with the basis of accounting described in note 1 to the annual financial statements, for determining that the basis of preparation is acceptable in the circumstance and for such internal control as management determines is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the director.
- Conclude on the appropriateness of the director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

We communicate with the director regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Sprigg Abbott Incorporated

Sprigg Abbott Incorporated
Director: Marike Mulder
Chartered Accountant (SA)
Registered Auditor

02 December 2022
Milnerton

Kennel Union of Southern Africa

Annual Financial Statements for the year ended 31 August 2022

Statement of Financial Position as at 31 August 2022

Figures in Rand	Note(s)	2022	2021
Assets			
Non-Current Assets			
Property, plant and equipment	2	511 559	566 540
Current Assets			
Trade and other receivables	3	175 074	134 962
Cash and cash equivalents	4	6 503 511	4 840 596
		6 678 585	**4 975 558**
Total Assets		**7 190 144**	**5 542 098**
Equity and Liabilities			
Equity			
Special purposes fund		64 143	64 143
Accumulated funds - Classic		371 963	275 271
Accumulated funds - KUSA		5 611 263	4 099 495
		6 047 369	**4 438 909**
Liabilities			
Current Liabilities			
Trade and other payables	5	1 142 775	968 323
Deferred income	6	-	134 866
		1 142 775	**1 103 189**
Total Equity and Liabilities		**7 190 144**	**5 542 098**

Statement of Comprehensive Income

Figures in Rand	Note(s)	2022	2021
Revenue		7 879 643	7 443 200
KUSA Classic Expenses		(460 136)	(12 963)
Gross surplus		**7 419 507**	**7 430 237**
Other income and KUSA Classic income		694 946	204 482
KUSA Expenses		(6 668 366)	(5 719 357)
Operating surplus		**1 446 087**	**1 915 362**
Investment revenue KUSA		162 373	77 960
Surplus for the year		**1 608 460**	**1 993 322**
Other comprehensive income		-	-
Total comprehensive surplus for the year		**1 608 460**	**1 993 322**

Statement of Changes in Equity

Figures in Rand	Special purpose reserve	Accumulated funds - Classic	Accumulated funds - KUSA	Total equity
Balance at 01 September 2020	**64 143**	**222 591**	**2 158 853**	**2 445 587**
Surplus for the year	-	52 680	1 940 642	1 993 322
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	**-**	**52 680**	**1 940 642**	**1 993 322**
Balance at 01 September 2021	**64 143**	**275 271**	**4 099 495**	**4 438 909**
Surplus for the year	-	96 692	1 511 768	1 608 460
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	**-**	**96 692**	**1 511 768**	**1 608 460**
Balance at 31 August 2022	**64 143**	**371 963**	**5 611 263**	**6 047 369**

Statement of Cash Flows

Figures in Rand	Note(s)	2022	2021
Cash flows from operating activities			
Cash generated from operations	8	2 105 336	2 291 443
Interest income		162 373	77 960
Net cash from operating activities		**2 267 709**	**2 369 403**
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(604 794)	(260 000)
Total cash movement for the year		**1 662 915**	**2 109 403**
Cash at the beginning of the year		4 840 596	2 731 193
Total cash at end of the year	4	**6 503 511**	**4 840 596**

Figures in Rand	2022	2021

1. Accounting policies

The principal accounting policies which have been consistently applied throughout the year are as follows:

The Annual Financial Statements have been prepared on an historical cost basis.

Cash resources are measured at cost which is the fair value of consideration received.

Income is accounted for as and when received.

Payments are accounted for as and when made except at year end when accruals are brought into account.

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

Computer hardware	3 years
Computer software	3 years

2. Property, plant and equipment

	2022			2021		
	Cost or revaluation	**Accumulated depreciation**	**Carrying value**	**Cost or revaluation**	**Accumulated depreciation**	**Carrying value**
Office equipment	10	-	10	10	-	10
Computer hardware	511 087	(366 888)	144 199	294 793	(276 614)	18 179
Computer software	1 379 995	(1 012 655)	367 340	991 495	(443 154)	548 341
The Thomas McQueen Trophy	10	-	10	10	-	10
Total	**1 891 102**	**(1 379 543)**	**511 559**	**1 286 308**	**(719 768)**	**566 540**

Reconciliation of property, plant and equipment - 2022

	Opening balance	**Additions**	**Depreciation**	**Closing balance**
Office equipment	10	-	-	10
Computer hardware	18 179	216 294	(90 274)	144 199
Computer software	548 341	388 500	(569 501)	367 340
The Thomas McQueen Trophy	10	-	-	10
	566 540	**604 794**	**(659 775)**	**511 559**

Reconciliation of property, plant and equipment - 2021

	Opening balance	**Additions**	**Depreciation**	**Closing balance**
Office equipment	10	-	-	10
Computer hardware	43 810	-	(25 631)	18 179
Computer software	467 630	260 000	(179 289)	548 341
The Thomas McQueen Trophy	10	-	-	10
	511 460	**260 000**	**(204 920)**	**566 540**

The Thomas McQueen Trophy is insured for a value of R22,000, written down to a value of R10.
The office furniture and equipment is written down to a nominal value of R10.

Notes to the Annual Financial Statements

Figures in Rand	2022	2021

3. Trade and other receivables

Accounts receivable - KUSA	167 407	129 165
Accounts receivable - Classic	120	-
Staff loans	7 547	5 797
	175 074	**134 962**

4. Cash and cash equivalents

Cash and cash equivalents consist of:

Petty cash	257	820
Call account	11 034	10 932
FNB - KUSA cheque account	527 575	795 904
FNB - KUSA Classic cheque account	386 792	426 656
Money Market account	5 577 853	3 606 284
	6 503 511	**4 840 596**

5. Trade and other payables

Flyball OWC Control account	5 756	5 756
Audit and accounting fees	62 000	57 500
German Shepherd Dog Liason Council Control Account	37 233	19 859
Federation of Boxer Clubs of South Africa Breed Council	57 224	57 452
Rosemary Elliot Memorial Fund	21 591	10 325
Rottweiler Breed Council	164 340	152 180
SA Championship Agility Control Account	96 999	61 098
Trade payables - KUSA	564 406	524 746
Trade payables - KUSA Classic	41 525	1
VAT	91 701	79 406
	1 142 775	**968 323**

6. Deferred income

KUSA Classic Breed Event cancelled 2021	-	134 866

7. Taxation

Provision has not been made for the taxation for the current year as the association has been approved as a public benefit organisation in terms of section 30 of the Income Tax Act, and the receipts and accruals are exempt from SA normal taxation in terms of section 10(1)(cN) of the Income Tax Act.

8. Cash generated from operations

Surplus before taxation	1 608 460	1 993 322
Adjustments for:		
Depreciation and amortisation	659 775	204 920
Interest received	(162 373)	(77 960)
Changes in working capital:		
Trade and other receivables	(406 371)	(21 095)
Trade and other payables	540 711	192 256
Deferred income	(134 866)	-
	2 105 336	**2 291 443**

Notes to the Annual Financial Statements

Figures in Rand	2022	2021

9. Commitments

Operating leases – as lessee (expense)

Minimum lease payments due		
- within one year	357 675	313 500
- in second to fifth year inclusive	29 925	28 500
	387 600	**342 000**

Operating lease payments represents rentals payable by the Kennel Union of Southern Africa for its business premises.

KUSA Income Statement

Figures in Rand	Note(s)	2022	2021
Revenue			
Affixes		306 466	320 290
Club affiliations		244 340	240 811
Membership		1 874 083	1 822 808
Registrations		4 565 864	4 655 197
Show entries		584 152	267 058
Show licences and penalties		234 334	70 421
Transfers		70 404	66 615
		7 879 643	**7 443 200**
Other income			
CGC and Litter Stats		40 344	34 272
Donation Income		34 385	65 165
Sundries		63 391	39 402
		138 120	**138 839**
Expenses (Refer to page 12)		**(6 668 366)**	**(5 719 357)**
Operating surplus		**1 349 397**	**1 862 682**
Investment income		162 373	77 960
Surplus for the year		**1 511 770**	**1 940 642**

The supplementary information presented does not form part of the annual financial statements and is unaudited

KUSA Income Statement

Figures in Rand	Note(s)	2022	2021
Operating expenses			
Administration expense: Field Trial Liason Council & Judges Education Council		(19 888)	(30 230)
Auditors remuneration - current		(62 000)	(57 500)
Auditors remuneration - prior year under provision		(1 000)	-
Bank charges		(54 056)	(59 661)
Computer expenses		(229 243)	(130 771)
Depreciation - current		(483 108)	(204 920)
Depreciation - adjustment to prior years		(176 667)	-
Employee costs		(4 467 629)	(3 917 541)
FCI Membership fees		(16 129)	(16 984)
FCI show levies		(537)	(8 268)
In house catering		(8 451)	(10 992)
Insurance		(40 456)	(23 075)
Lease services		(35 096)	(49 114)
Legal expenses		(71 886)	(142 213)
Postage		-	(66 809)
Printing		(29 461)	(40 488)
Promotions & Marketing		(84 619)	(9 411)
Provincial Councils		(60 250)	(38 501)
Rent and electricity		(520 811)	(603 311)
Repairs and maintenance		(93 363)	(23 485)
Stationery		(93 733)	(72 743)
Telephone/Wifi/Fibre		(46 910)	(98 945)
Training		(635)	(3 899)
Travel		(47 170)	-
Website hosting		(25 268)	(110 496)
		(6 668 366)	**(5 719 357)**

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Classic Income Statement

Figures in Rand	Note(s)	2022	2021
Classic revenue			
KUSA Classic 2021 Sponsorship		134 866	-
KUSA Classic 2022 Sponsorship		140 000	-
Show Entries 2021		48 339	11 773
Show Entries 2022		226 309	-
Sponsorships		-	50 000
Sundry income		7 313	3 870
		556 827	**65 643**
Expenses			
Bank charges		(3 800)	(1 409)
Catering		(43 221)	-
Courier		(778)	-
Equipment Hire		(44 721)	-
FCI Show Levies		(41 979)	(1 369)
Judges 2022		(173 937)	(2 000)
Judges Education Council Webinars		(3 600)	(5 400)
KUSA CH/NAT/CACIB Shows 2021		(55 061)	-
Officials & Helpers		(34 765)	-
Photography		(5 000)	-
Prizes, Rosettes & Medals		(13 318)	(2 785)
Stationery		(3 986)	-
Venue hire		(16 900)	-
Working Disciplines 2021		(19 069)	-
		(460 135)	**(12 963)**
Classic Operating surplus for the year		96 692	52 680

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