

**Kennel Union of Southern Africa
Annual Financial Statements
for the year ended 31 August 2023**

Sprigg Abbott Incorporated
Chartered Accountants (SA)
Registered Auditors
Issued 20 November 2023

Kennel Union of Southern Africa

Annual Financial Statements for the year ended 31 August 2023

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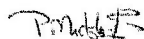
The reports and statements set out below comprise the annual financial statements presented to the Federal Council:

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The following supplementary information does not form part of the annual financial statements and is unaudited:	
KUSA Income Statement	11 - 12
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The annual financial statements set out on pages 2 to 13, which have been prepared on the going concern basis, were approved by the Federal Council on 1 December 2023 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 2023, 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 2023 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 controls over income prior to 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 2023", which includes the KUSA Income Statement and the Classic Income Statement as required by the the basis of accounting as described in note 1 to the annual financial statements, 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)
Manager: AJ de Klerk B Acc(Hons), CA(SA)
Assisted by: RE Norman B Com, CTA; JJ Smith B Econ Registration Number: 2003/023087/21



Independent Auditor's Report

Responsibilities of the members 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 the 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, the management is responsible for assessing the association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the association or to cease operations, or has 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 association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the members.
- Conclude on the appropriateness of the members' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 association to cease to continue as a going concern.

We communicate with the members 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

1 December 2023
Milnerton

Kennel Union of Southern Africa

Annual Financial Statements for the year ended 31 August 2023

Statement of Financial Position as at 31 August 2023

Figures in Rand	Note(s)	2023	2022
Assets			
Non-Current Assets			
Property, plant and equipment	2	413 631	511 559
Current Assets			
Trade and other receivables	3	220 887	175 074
Cash and cash equivalents	4	8 526 261	6 503 511
		8 747 148	6 678 585
Total Assets		9 160 779	7 190 144
Equity and Liabilities			
Equity			
Special purposes fund		64 143	64 143
Accumulated funds - Classic		351 223	371 959
Accumulated - KUSA		7 460 403	5 611 267
		7 875 769	6 047 369
Liabilities			
Current Liabilities			
Trade and other payables	5	1 285 010	1 142 775
Total Equity and Liabilities		9 160 779	7 190 144

Kennel Union of Southern Africa

Annual Financial Statements for the year ended 31 August 2023

Statement of Comprehensive Income

Figures in Rand	Note(s)	2023	2022
Revenue		8 059 212	7 879 642
KUSA Classic Expenses		(402 430)	(460 138)
Gross surplus		7 656 782	7 419 504
Other income and KUSA Classic income		499 110	694 950
KUSA Expenses		(6 790 720)	(6 668 370)
Operating surplus		1 365 172	1 446 084
Investment revenue KUSA		463 228	162 373
Surplus for the year		1 828 400	1 608 457
Other comprehensive income		-	-
Total comprehensive surplus for the year		1 828 400	1 608 457

Kennel Union of Southern Africa

Annual Financial Statements for the year ended 31 August 2023

Statement of Changes in Equity

Figures in Rand	Special purpose reserve	Accumulated funds - Classic	Accumulated - KUSA	Total equity
Balance at 01 September 2021	64 143	275 271	4 099 498	4 438 912
Surplus for the year	-	96 688	1 511 769	1 608 457
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	96 688	1 511 769	1 608 457
Balance at 01 September 2022	64 143	371 959	5 611 267	6 047 369
(Deficit) / Surplus for the year	-	(20 736)	1 849 136	1 828 400
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	(20 736)	1 849 136	1 828 400
Balance at 31 August 2023	64 143	351 223	7 460 403	7 875 769

Kennel Union of Southern Africa

Annual Financial Statements for the year ended 31 August 2023

Statement of Cash Flows

Figures in Rand	Note(s)	2023	2022
Cash flows from operating activities			
Cash generated from operations	7	1 877 522	2 105 336
Interest income		463 228	162 373
Net cash from operating activities		2 340 750	2 267 709
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(318 000)	(604 794)
Total cash movement for the year		2 022 750	1 662 915
Cash at the beginning of the year		6 503 511	4 840 596
Total cash at end of the year	4	8 526 261	6 503 511

Kennel Union of Southern Africa

Annual Financial Statements for the year ended 31 August 2023

Notes to the Annual Financial Statements

Figures in Rand	2023	2022
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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

	2023			2022		
	Cost or revaluation	Accumulated depreciation and impairment	Carrying value	Cost or revaluation	Accumulated depreciation and impairment	Carrying value
Office equipment	10	-	10	10	-	10
IT equipment	511 087	(438 986)	72 101	511 087	(366 888)	144 199
Computer software	1 697 995	(1 356 485)	341 510	1 379 995	(1 012 655)	367 340
The Thomas McQueen Trophy	10	-	10	10	-	10
Total	2 209 102	(1 795 471)	413 631	1 891 102	(1 379 543)	511 559

Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Depreciation	Closing balance
Office equipment	10	-	-	10
Computer hardware	144 199	-	(72 098)	72 101
Computer software	367 340	318 000	(343 830)	341 510
The Thomas McQueen Trophy	10	-	-	10
	511 559	318 000	(415 928)	413 631

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

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.

Kennel Union of Southern Africa

Annual Financial Statements for the year ended 31 August 2023

Notes to the Annual Financial Statements

Figures in Rand	2023	2022
3. Trade and other receivables		
Accounts receivable - KUSA	212 215	167 407
Accounts receivable - Classic	-	120
Staff loans	8 672	7 547
	220 887	175 074
4. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Petty cash	67	257
Call account	11 486	11 034
FNB - KUSA cheque account	586 138	527 575
FNB - KUSA Classic cheque account	369 318	386 792
Money Market account	7 559 252	5 577 853
	8 526 261	6 503 511
5. Trade and other payables		
Trade payables - KUSA	623 523	564 406
Flyball OWC Control account	5 756	5 756
Rosemary Elliot Memorial Fund	6 581	21 591
Trade payables - KUSA Classic	60 825	41 525
SA Championship Agility Control Account	111 873	96 999
Federation of Boxer Clubs of South Africa Breed Council	62 436	57 224
Audit and accounting fees	62 000	62 000
German Shepherd Dog Liason Council Control Account	46 723	37 233
VAT	109 403	91 701
Rottweiler Breed Council	195 890	164 340
	1 285 010	1 142 775
6. 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.		
7. Cash generated from operations		
Surplus before taxation	1 828 400	1 608 457
Adjustments for:		
Depreciation and amortisation	415 928	659 775
Investment income	(463 228)	(162 373)
Changes in working capital:		
Trade and other receivables	(45 817)	(406 371)
Trade and other payables	142 235	540 714
Deferred income	-	(134 866)
	1 877 518	2 105 336

Notes to the Annual Financial Statements

Figures in Rand	2023	2022
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8. Commitments

Operating leases – as lessee (expense)

Minimum lease payments due

- within one year	503 390	386 777
- in second to fifth year inclusive	57 185	74 311
	560 575	461 088

Operating lease payments represent rentals payable by the Kennel Union of Southern Africa for its business premises, parking bays, and the use of a printer.

The initial period for the lease of the printer is 36 months. The agreement shall thereafter continue indefinitely in 12-month periods, after the initial period of rental, subject to the conditions contained therein, until terminated by either of the parties. The lease of the printer has been calculated above based on the initial 36 month commitment.

Kennel Union of Southern Africa

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KUSA Income Statement

Figures in Rand	Note(s)	2023	2022
Revenue			
Affixes		278 029	306 466
Club affiliations		251 846	244 340
Membership		1 956 763	1 874 083
Registrations		4 320 224	4 565 864
Show entries		730 272	584 152
Show licences and penalties		458 494	234 334
Transfers		63 584	70 403
		8 059 212	7 879 642
Gross surplus		8 059 212	7 879 642
Other income			
CGC and Litter Stats		52 476	40 346
Donation Income		1 318	34 386
Sundries		63 622	63 392
		117 416	138 124
Expenses (Refer to page 12)		(6 790 720)	(6 668 370)
Operating surplus		1 385 908	1 349 396
Investment income		463 228	162 373
Surplus for the year		1 849 136	1 511 769

Kennel Union of Southern Africa

Annual Financial Statements for the year ended 31 August 2023

KUSA Income Statement

Figures in Rand	Note(s)	2023	2022
Operating expenses			
Auditors remuneration		(62 500)	(63 000)
Bad debts		(4 100)	-
Bank charges		(53 448)	(54 056)
Clean up Inc/Exp 2022/23		(71)	-
Computer expenses		(242 304)	(229 243)
Depreciation - current year		(415 928)	(483 108)
Depreciation - adjustment to prior years		-	(176 667)
Employee costs		(4 734 616)	(4 467 629)
FCI Membership Fees		(16 628)	(16 129)
FCI Show Levies		(35 105)	(538)
Fedco Admin Costs		(81 753)	-
Field Trial Liason Council & Judges Education Council		(20 300)	(19 888)
In house catering		(6 300)	(8 451)
Insurance		(31 090)	(40 457)
Lease services		(29 102)	(35 096)
Legal expenses		(145 926)	(71 886)
Postage		(12 289)	-
Printing		(26 706)	(29 461)
Promotions & Marketing		(121 211)	(84 619)
Provincial councils		(83 396)	(60 250)
Rent and electricity		(398 341)	(520 811)
Repairs and maintenance		(18 336)	(93 364)
Stationery		(63 540)	(93 733)
Telephone/Wifi/Fibre		(37 354)	(46 911)
Training		(5 911)	(635)
Travel		(106 353)	(47 170)
Website hosting		(38 112)	(25 268)
		(6 790 720)	(6 668 370)

Kennel Union of Southern Africa

Annual Financial Statements for the year ended 31 August 2023

Classic Income Statement

Figures in Rand	Note(s)	2023	2022
Classic revenue			
KUSA Classic 2021 Sponsorship		-	134 866
KUSA Classic 2022 Sponsorship		-	140 000
KUSA Classic 2023 Sponsorship		140 000	-
Misc Income/Refund		1 050	-
Show entries 2021		-	48 338
Show entries 2022		-	226 309
Show entries 2023		238 717	-
Sundry income		1 927	7 313
		381 694	556 826
Expenses			
Bank charges		(3 071)	(3 802)
Catering		(47 988)	(43 221)
Courier		-	(778)
Equipment hire		(42 500)	(44 722)
FCI Show Levies		(51 516)	(41 979)
Judges 2022		(650)	(173 937)
Judges 2023		(155 276)	-
Judges Education Council Webinars		-	(3 600)
KUSA CH/NAT/CACIB Shows 2021		-	(55 061)
Officials & Helpers		-	(34 765)
Officials & Helpers 2023		(44 480)	-
Photography		-	(5 000)
Photography 2023		(2 500)	-
Prizes, Rosettes & Medals		-	(13 318)
Prizes, Rosettes & Medals 2023		(34 045)	-
Stationery		-	(3 986)
Sundry Expenses		(904)	-
Venue hire		-	(16 900)
Venue hire 2023		(16 500)	-
Working Disciplines 2021		-	(19 069)
Working Trials National 2022		(3 000)	-
		(402 430)	(460 138)
Classic Operating (deficit) / surplus for the year		(20 736)	96 688