

**Kennel Union of Southern Africa
Annual Financial Statements
for the year ended 31 August 2015**

Sprigg Abbott Incorporated
Chartered Accountants (S.A.)
Registered Auditors
Issued 04 December 2015

Kennel Union of Southern Africa

Annual Financial Statements for the year ended 31 August 2015

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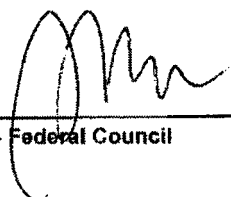
The reports and statements set out below comprise the annual financial statements presented to the Federal Council:

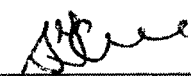
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The following supplementary information does not form part of the annual financial statements and is unaudited:

KUSA Income Statement	10 - 11
Classic Income Statement	12

The annual financial statements set out on pages 4 to 12, which have been prepared on the going concern basis, were approved by the Chariman of the Federal Council on 04 December 2015 and were signed by:



Chairman - Federal Council

Secretary - KUSA

SPRIGG ABBOTT INCORPORATED

CHARTERED ACCOUNTANTS (SA)
REGISTERED AUDITORS

Independent Auditor's Report

To the members of Kennel Union of Southern Africa

We have audited the annual financial statements of Kennel Union of Southern Africa, as set out on pages 4 to 9, which comprise the statement of financial position as at 31 August 2015, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Annual Financial Statements

Management are responsible for the preparation and of the annual financial statements in accordance with entity specific accounting policies, and generally accepted accounting practices, and for such internal control as the management determines is necessary to enable the preparation of annual financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these annual financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the annual financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the annual 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 annual 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 annual 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

In common with other similar organisations, it is not feasible for Kennel Union of Southern Africa to institute accounting controls 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.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the annual financial statements of Kennel Union of Southern Africa for the year then ended 31 August 2015 are prepared, in all material respects, in accordance with the basis of accounting described in note 1 to the annual financial statements.

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Consultants: PJ Chong B Com(Hons), CA(SA); LE Norman B Com, CA(SA)
Assisted by: RE Norman B Com, CTA, Member of SAIPA; JJ Smith B Econ Registration Number: 2003/023087/21



Other matter

Without qualifying our opinion, we draw attention to the fact that supplementary information set out on pages 10 to 12 does not form part of the annual financial statements and is presented as additional information. We have not audited this information and accordingly do not express an opinion thereon.

Sprigg Abbott Incorporated

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

**04 December 2015
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Kennel Union of Southern Africa

Annual Financial Statements for the year ended 31 August 2015

Statement of Financial Position as at 31 August 2015

Figures in Rand	Note(s)	2015	2014
Assets			
Non-Current Assets			
Property, plant and equipment	2	196 697	20
Current Assets			
Loans to employees		1 300	5 422
Trade and other receivables	3	186 823	160 519
Cash and cash equivalents	4	2 766 223	2 617 998
		2 954 346	2 783 939
Total Assets		3 151 043	2 783 959
Equity and Liabilities			
Equity			
Special purposes fund		64 143	64 143
Accumulated funds - Classic		151 585	202 676
Accumulated funds - KUSA		2 183 701	1 967 015
		2 399 429	2 233 834
Liabilities			
Current Liabilities			
Trade and other payables	5	751 614	550 125
Total Equity and Liabilities		3 151 043	2 783 959

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Statement of Profit or Loss and Other Comprehensive Income

Figures in Rand	Note(s)	2015	2014
Revenue		5 923 328	5 720 482
Other income and KUSA Classic income		500 884	366 315
KUSA Expenses		(6 052 891)	(5 788 472)
KUSA Classic Expenses		(298 569)	(245 377)
Operating surplus		72 752	52 948
Investment revenue		92 843	76 043
Surplus for the year		165 595	128 991
Other comprehensive income		-	-
Total comprehensive income for the year		165 595	128 991

Kennel Union of Southern Africa

Annual Financial Statements for the year ended 31 August 2015

Statement of Changes in Equity

Figures in Rand	Special purpose reserve	Accumulated funds - Classic	Accumulated funds - KUSA	Total accumulated funds
Balance at 01 September 2013	64 143	246 516	1 794 183	2 104 842
Total comprehensive income for the year	-	(43 840)	172 832	128 992
Balance at 01 September 2014	64 143	202 676	1 967 015	2 233 834
(Deficit)/Surplus for the year	-	(51 091)	216 686	165 595
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	(51 091)	216 686	165 595
Balance at 31 August 2015	64 143	151 585	2 183 701	2 399 429

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Annual Financial Statements for the year ended 31 August 2015

Statement of Cash Flows

Figures in Rand	Note(s)	2015	2014
Cash flows from operating activities			
Cash generated from operations	7	346 261	100 365
Interest income		92 843	76 043
Net cash from operating activities		439 104	176 408
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(295 001)	-
Cash flows from financing activities			
Movement in loans to employees		4 122	(5 422)
Total cash movement for the year		148 225	170 986
Cash at the beginning of the year		2 617 998	2 447 012
Total cash at end of the year	4	2 766 223	2 617 998

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Annual Financial Statements for the year ended 31 August 2015

Notes to the Annual Financial Statements

Figures in Rand	2015	2014
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1. Accounting Policies

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

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

Fixed assets were written off to the income statement in prior years but the accounting policy changed during the year under review in that assets are now capitalised and depreciated.

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:
 IT equipment 3 years
 Computer software 3 years

2. Property, plant and equipment

	2015			2014		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Office furniture	10	-	10	10	-	10
Computer hardware	167 503	(55 829)	111 674	-	-	-
Computer software	127 498	(42 495)	85 003	-	-	-
The Thomas McQueen Trophy	10	-	10	10	-	10
Total	295 021	(98 324)	196 697	20	-	20

Reconciliation of property, plant and equipment - 2015

	Opening balance	Additions	Depreciation	Total
Office furniture	10	-	-	10
Computer hardware	-	167 503	(55 829)	111 674
Computer software	-	127 498	(42 495)	85 003
The Thomas McQueen Trophy	10	-	-	10
	20	295 001	(98 324)	196 697

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.

3. Trade and other receivables

Accounts receivable - KUSA	183 330	119 557
Accounts receivable - KUSA classic	3 493	37 620
KUSA classic loan account	-	3 342
	186 823	160 519

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Notes to the Annual Financial Statements

Figures in Rand	2015	2014
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4. Cash and cash equivalents

Cash and cash equivalents consist of:

Petty cash	1 697	1 367
Call account	745 046	282 600
FNB - KUSA cheque account	148 530	549 036
FNB - KUSA Classic cheque account	161 259	155 224
32 day notice deposit account	1 709 690	1 629 770
	2 766 222	2 617 997

5. Trade and other payables

Audit and accounting fees	53 000	49 500
Rottweiler council	43 223	46 963
SA Boxer	2 597	1 107
SA Championship Agility account	116 405	2 292
Trade payables - KUSA	408 035	405 959
Trade payables - KUSA classic	3 459	4 691
VAT	78 149	39 613
Funds held for a Junior handler to compete at Crufts	46 746	-
	751 614	550 125

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	165 595	128 991
Adjustments for:		
Depreciation and amortisation	98 324	-
Interest received - investment	(92 843)	(76 043)
Changes in working capital:		
Trade and other receivables	(26 304)	(53 921)
Trade and other payables	201 489	101 338
	346 261	100 365

8. Commitments

Operating leases – as lessee (expense)

Minimum lease payments due		
- within one year	288 191	271 878
- in second to fifth year inclusive	48 489	336 680
	336 680	608 558

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

Kennel Union of Southern Africa

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KUSA Income Statement

Figures in Rand	Note(s)	2015	2014
Revenue			
Show entries		562 860	462 268
Transfers		60 804	71 940
Club affiliations		157 418	144 760
Registrations		3 469 756	3 319 837
Affixes		217 895	238 792
Membership		1 301 451	1 341 621
Show licences and penalties		153 143	141 265
Other income			
Stationery sold		44 132	48 819
Sundries		136 934	95 044
Donation Income		72 369	20 916
Interest received		92 815	76 043
		6 269 577	5 961 305
Expenses (Refer to page 11)		(6 052 891)	(5 788 473)
Surplus for the year		216 686	172 832

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KUSA Income Statement

Figures in Rand	Note(s)	2015	2014
Operating expenses			
Accounting fees		(3 824)	(2 775)
Administration expense: National Sub-committees		(75 376)	(132 212)
Auditors remuneration		(53 000)	(49 500)
Bad debts		(3 204)	(2 039)
Bank charges		(57 102)	(74 422)
Computer expenses		(325 186)	(260 516)
Depreciation		(98 324)	-
Employee costs		(3 980 548)	(3 753 844)
FCI Membership fees		(12 224)	(13 953)
FCI show levies		(26 234)	(6 091)
In house catering		(19 032)	(19 243)
Insurance		(28 703)	(27 611)
Lease services		(133 916)	(125 970)
Legal expenses		(6 181)	-
Other expenses		(695)	(5 130)
Postage		(111 440)	(93 599)
Printing		(57 388)	(50 242)
Promotions & Marketing		(89 623)	(173 253)
Provincial council		(144 741)	(143 368)
Refunds		(17 042)	(30 468)
Rent and electricity		(356 758)	(359 832)
Repairs and maintenance		(30 394)	(44 720)
Staff welfare		-	(25)
Stationery		(63 511)	(75 008)
Subscriptions		(2 723)	(3 604)
Telephone and fax		(75 109)	(106 265)
Training		(21 166)	(1 300)
Travel and accommodation		(177 401)	(129 510)
Website hosting		(82 046)	(103 973)
		(6 052 891)	(5 788 473)

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Classic Income Statement

Figures in Rand	Note(s)	2015	2014
Classic revenue			
Sundry income		1 316	-
Show entries		136 133	132 258
Sponsorships		110 000	75 000
Interest received		28	-
		247 477	207 258
Expenses			
Bank charges		2 232	2 946
Bad debts		34 200	-
Computer expenses		-	6 894
FCI Show(s) expenses		5 095	5 499
KUSA Classic weekend		201 306	143 567
KUSA Disciplines and Nationals		33 964	36 329
Petz expo		-	28 070
Printing, stationery and postage		3 307	5 460
Prizes and gifts		13 552	13 027
Public relations and marketing		-	2 215
Storage and trailer		4 912	1 370
		298 568	245 377
KUSA Classic (deficit)		(51 091)	(43 840)