

**Kennel Union of Southern Africa
Annual Financial Statements
for the year ended 31 August 2024**

Sprigg Abbott Incorporated
Chartered Accountants (SA)
Registered Auditors
Issued 30 November 2024

Kennel Union of Southern Africa

(Registration number: 9072/930/16/8)

Annual Financial Statements for the year ended 31 August 2024

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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 - 13, which have been prepared on the going concern basis, were approved by the Federal Council on 30 November 2024 and were signed on its behalf by:



Chairman - Federal Council
Mrs JM Hubbard



Secretary - KUSA
Mr BG Robinson



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 2024, 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 2024 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 association 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

The 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 2024", 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.

Director: David Barnes CA(SA) | RA
Director: Marike Mulder CA(SA) | RA
Director: Altru de Klerk CA(SA) | RA

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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, 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.

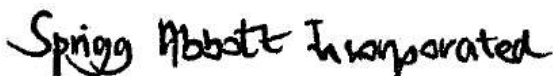
Auditor's Responsibilities for the Audit of the Annual Financial Statements

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
Director: Marike Mulder
Chartered Accountant (SA)
Registered Auditor

30 November 2024
Plattekloof

Kennel Union of Southern Africa

(Registration number: 9072/930/16/8)

Annual Financial Statements for the year ended 31 August 2024

Statement of Financial Position as at 31 August 2024

Figures in Rand	Note(s)	2024	2023
Assets			
Non-Current Assets			
Property, plant and equipment	2	674 342	413 631
Current Assets			
Trade and other receivables	3	225 964	220 887
Cash and cash equivalents	4	9 188 154	8 526 261
		9 414 118	8 747 148
Total Assets		10 088 460	9 160 779
Equity and Liabilities			
Equity			
Special purposes fund		64 143	64 143
Accumulated funds - Classic		222 870	351 223
Accumulated - KUSA		8 198 672	7 460 403
		8 485 685	7 875 769
Liabilities			
Current Liabilities			
Trade and other payables	5	1 602 775	1 285 010
Total Equity and Liabilities		10 088 460	9 160 779

Kennel Union of Southern Africa

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Annual Financial Statements for the year ended 31 August 2024

Statement of Comprehensive Income

Figures in Rand	Note(s)	2024	2023
Revenue		7 628 391	8 059 212
KUSA Classic Expenses		(549 778)	(402 430)
Gross surplus		7 078 613	7 656 782
Other income and KUSA Classic income		924 839	499 110
KUSA Expenses		(8 065 230)	(6 790 720)
Operating (deficit) / surplus		(61 778)	1 365 172
Investment revenue KUSA		671 694	463 228
Surplus for the year		609 916	1 828 400
Other comprehensive income		-	-
Total comprehensive surplus for the year		609 916	1 828 400

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Annual Financial Statements for the year ended 31 August 2024

Statement of Changes in Equity

Figures in Rand	Special purpose reserve	Accumulated funds - Classic	Accumulated - KUSA	Total equity
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 01 September 2023	64 143	351 223	7 460 403	7 875 769
(Deficit) / Surplus for the year	-	(128 353)	738 269	609 916
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	(128 353)	738 269	609 916
Balance at 31 August 2024	64 143	222 870	8 198 672	8 485 685

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Annual Financial Statements for the year ended 31 August 2024

Statement of Cash Flows

Figures in Rand	Note(s)	2024	2023
Cash flows from operating activities			
Cash generated from operations	7	309 569	1 877 522
Interest income		671 694	463 228
Net cash from operating activities		981 263	2 340 750
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(319 370)	(318 000)
Total cash movement for the year		661 893	2 022 750
Cash and cash equivalents at the beginning of the year		8 526 261	6 503 511
Total cash at end of the year	4	9 188 154	8 526 261

Kennel Union of Southern Africa

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Annual Financial Statements for the year ended 31 August 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
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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

Change in accounting policy

During the year there was a change in the accounting policy with respect to the Thomas McQueen Trophy. The trophy, which had previously been written down to a value of R10, has been revalued to R350 000 after attaining a valuation of the trophy for insurance purposes.

The Federal Council made the decision that the Thomas McQueen Trophy should be insured for its full value and that the full fair value should be declared in the Annual Financial Statements. The change in value provides reliable and more relevant information. There were no tax effects on the change in value.

2. Property, plant and equipment

	2024			2023		
	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	566 456	(524 135)	42 321	511 087	(438 986)	72 101
Computer software	1 961 995	(1 679 984)	282 011	1 697 995	(1 356 485)	341 510
The Thomas McQueen Trophy	350 000	-	350 000	10	-	10
Total	2 878 461	(2 204 119)	674 342	2 209 102	(1 795 471)	413 631

Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Fair value adjustment	Depreciation	Closing balance
Office equipment	10	-	-	-	10
Computer hardware	72 101	55 369	-	(85 150)	42 321
Computer software	341 510	264 000	-	(323 499)	282 011
The Thomas McQueen Trophy	10	-	349 990	-	350 000
	413 631	319 369	349 990	(408 649)	674 342

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Annual Financial Statements for the year ended 31 August 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
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2. Property, plant and equipment (continued)

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

3. Trade and other receivables

Trade receivables	171 603	212 215
Prepayments	48 643	-
Staff loans	5 718	8 672
	225 964	220 887

4. Cash and cash equivalents

Cash and cash equivalents consist of:

Petty cash	53	67
Call account	12 075	11 486
FNB - KUSA cheque account	578 383	586 138
FNB - KUSA Classic cheque account	243 680	369 318
Money Market account	8 353 963	7 559 252
	9 188 154	8 526 261

5. Trade and other payables

Audit and accounting fees	62 000	62 000
Federation of Boxer Clubs of South Africa Breed Council	72 577	62 436
Flyball OWC Control account	5 756	5 756
German Shepherd Dog Liason Council Control Account	57 371	46 723
JEC Control Account	70 072	57 674
Rosemary Elliot Memorial Fund	11 569	6 581
Rottweiler Breed Council	214 929	195 890
SA Championship Agility Control Account	198 484	111 873
Trade payables - KUSA	857 519	623 523
Trade payables - KUSA Classic	5 855	3 151
VAT	46 643	109 403
	1 602 775	1 285 010

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.

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Annual Financial Statements for the year ended 31 August 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
7. Cash generated from operations		
Net profit before taxation	609 916	1 828 400
Adjustments for:		
Depreciation and amortisation	408 649	415 928
Fair value (gains) losses	(349 990)	-
Investment income	(671 694)	(463 228)
Changes in working capital:		
Trade and other receivables	(5 077)	(45 817)
Trade and other payables	317 765	142 235
	309 569	1 877 518

8. Commitments

Operating leases – as lessee (expense)

Minimum lease payments due

- within one year	314 932	503 390
- in second to fifth year inclusive	23 432	57 185
	338 364	560 575

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.

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Annual Financial Statements for the year ended 31 August 2024

KUSA Income Statement

Figures in Rand	Note(s)	2024	2023
Revenue			
Affixes		294 753	278 029
Club affiliations		262 924	251 846
Membership		1 961 878	1 956 763
Registrations		4 110 997	4 320 224
Show entries		680 534	730 272
Show licenses and penalties		243 145	458 494
Transfers		74 160	63 584
		7 628 391	8 059 212
Gross surplus		7 628 391	8 059 212
Other income			
CGC and Litter Stats		57 104	52 476
Donation Income		-	1 318
Fair value gains		349 990	-
Sundries		96 320	63 622
		503 414	117 416
Expenses (Refer to page 12)		(8 065 230)	(6 790 720)
Operating surplus		66 575	1 385 908
Investment income		671 694	463 228
Surplus for the year		738 269	1 849 136

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KUSA Income Statement

Figures in Rand	Note(s)	2024	2023
Operating expenses			
Auditors remuneration		(65 500)	(62 500)
Bad debts		-	(4 100)
Bank charges		(52 298)	(53 448)
Clean up Inc/Exp 2022/23		-	(71)
Computer expenses		(274 024)	(242 304)
Depreciation - current year		(408 649)	(415 928)
Employee costs		(5 933 712)	(4 734 616)
FCI A20 Levies		(10 821)	-
FCI Membership Fees		(18 741)	(16 628)
FCI Show Levies		(33 004)	(35 105)
Fedco Admin Costs		(88 294)	(81 753)
Field Trial Liason Council & Judges Education Council		(35 310)	(20 300)
In house catering		(8 816)	(6 300)
Insurance		(47 162)	(31 090)
Lease services		(29 591)	(29 102)
Legal expenses		(124 765)	(145 926)
Postage		(4 187)	(12 289)
Printing		(21 772)	(26 706)
Promotions & Marketing		(147 768)	(121 211)
Provincial Councils		(83 446)	(83 396)
Rent and electricity		(528 020)	(398 341)
Repairs and maintenance		-	(18 336)
Stationery		(62 015)	(63 540)
Telephone/Wifi/Fibre		(39 822)	(37 354)
Training		-	(5 911)
Travel		(5 170)	(106 353)
Website hosting		(42 343)	(38 112)
		(8 065 230)	(6 790 720)

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Classic Income Statement

Figures in Rand	Note(s)	2024	2023
Classic revenue			
Bank Interest		4 578	-
KUSA Classic 2023 Sponsorship		-	140 000
KUSA Classic 2024 Sponsorship		163 152	-
Misc Income/Refund		-	1 050
Show entries 2023		1 304	238 717
Show entries 2024		235 087	-
Sundry income		17 304	1 927
		421 425	381 694
Expenses			
Bank charges		(3 268)	(3 071)
Catering		(53 126)	(47 988)
Equipment hire		(28 720)	(42 500)
FCI A2O Show Levies		(9 931)	-
FCI Show Levies		(7 221)	(51 516)
Handler Jackets		(15 960)	-
Helper Transport		(1 200)	-
Judges		(259 280)	-
Judges 2022		-	(650)
Judges 2023		-	(155 276)
Judges Education Council Webinars		-	(44 480)
KUSA Levies		(32 052)	-
KUSA Nat DD		(1 500)	-
KUSA Nat TT & WUD		(3 000)	-
Officials & Helpers		(29 480)	-
Photography 2023		-	(2 500)
Prizes, Rosettes & Medals		(74 003)	-
Prizes, Rosettes & Medals 2023		-	(34 045)
ShowAssist		(7 292)	-
Stationery		(7 526)	-
Sundry Expenses		(588)	(904)
Venue hire		(8 696)	-
Venue hire 2023		-	(16 500)
Working Trials National 2024		(6 935)	(3 000)
		(549 778)	(402 430)
Classic Operating deficit		(128 353)	(20 736)