

# LABRADOR RETRIEVER KENNEL CLUB

(Registration Number 930015033)

Annual Financial Statements  
for the year ended 31 December 2018



Technical Financial Services

**TFS Holdings**

Your **One Stop** Business Solution Specialists

# LABRADOR RETRIEVER KENNEL CLUB

(Registration Number 930015033)

Annual Financial Statements for the year ended 31 December 2018

## Index

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

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# LABRADOR RETRIEVER KENNEL CLUB

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## General Information

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**COUNTRY OF INCORPORATION AND DOMICILE**

South Africa

**NATURE OF BUSINESS AND PRINCIPAL ACTIVITIES**

Non-profit organisation, club  
organisation

**COMMITTEE**

Ms. MA Greathead (Secretary)  
Mr. D Malcolm (Chairman & Treasurer)  
Mrs. M van Tonder (Field Trial  
Secretary)  
Mr. G van Tonder (Vice-Chairman)  
Mrs. T Rowan (Membership Secretary)  
Dr. A Kloeck  
Mr. C Bosman  
Mrs. L Bosman  
Mrs. J Pott

**REGISTERED OFFICE**

2/58 Jupiter Avenue  
Crowthorne  
Midrand  
1685

**COMPILERS**

Technical Financial Services (Pty) Ltd  
2 of 58 Jupiter Avenue  
Crowthorne  
Midrand  
1685

# LABRADOR RETRIEVER KENNEL CLUB

(Registration Number 930015033)

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## Committee's Responsibilities and Approval

The committee is required to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements satisfy the financial reporting standards as to form and content in the presentation of the statement of financial position, results of operations and business of the club, and explain the transactions and financial position of the business of the club at the end of the financial year. The annual financial statements are based upon appropriate accounting policies consistently applied throughout the club and supported by reasonable and prudent judgements and estimates.

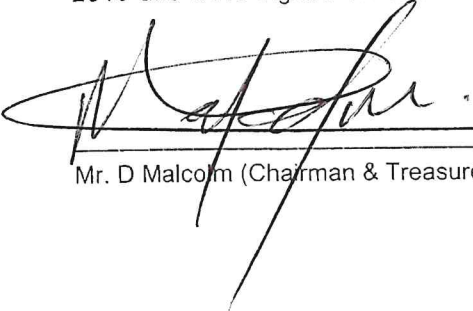
The committee acknowledges that they are ultimately responsible for the system of internal financial control established by the club and place considerable importance on maintaining a strong control environment. To enable the committee to meet these responsibilities, the Committee sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the club and all employees are required to maintain the highest ethical standards in ensuring the clubs business is conducted in a manner that in all reasonable circumstances is above reproach.

The focus of risk Management in the club is on identifying, assessing, managing and monitoring all known forms of risk across the club. While operating risk cannot be fully eliminated, the club endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

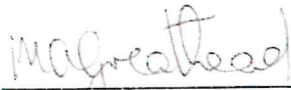
The committee is of the opinion, based on the information and explanations given by Management that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss. The going-concern basis has been adopted in preparing the financial statements. Based on forecasts and available cash resources the committee has no reason to believe that the club will not be a going concern in the foreseeable future. The financial statements support the viability of the club.

The professional accountants are responsible for reporting on the annual financial statements. The professional accountants' compilation report is presented on page 4.

The annual financial statements as set out on pages 6 to 11 were approved by the Committee on 16 March 2019 and were signed on its behalf by:



Mr. D Malcolm (Chairman & Treasurer)



Ms. MA Greathead (Secretary)

## INDEPENDENT AUDITOR'S REPORT

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### TO THE MEMBERS OF THE LABRADOR RETREIVER KENNEL CLUB

We have audited the annual financial statements for the year ended 31 December 2018 as set out on pages 4 to 11, which comprise the statement of financial position at 31 December 2018, the statement of comprehensive income, the statement of cash flows and the notes, comprising a summary of significant accounting policies and other explanatory information. We draw your attention to the fact that the supplementary information set out on pages 12 to 13 does not form part of the financial statements and is presented as additional information. We have not audited this information and accordingly do not express an opinion thereon.

#### **Management Committee's Responsibility for the Financial Statements**

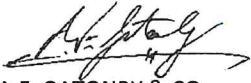
The management committee are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in the manner required by the Companies Act 2008 of South Africa, as amended. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

#### **Auditors' Responsibility**

We have determined that the financial statements are in agreement with the accounting records and have done so by adopting such procedures and conducting such enquiries in relation to the books of account, as we considered necessary in the circumstances, and we are of the opinion that they fairly represent the financial position of the association as at 31 December 2018.

#### **Accounting and Secretarial Duties**

Without qualifying our opinion, we draw your attention to the fact that with the consent of committee, we have performed certain accounting and secretarial duties.



A.F. GATONBY & CO  
CHARTERED ACCOUNTANTS (SA)  
Practice Number 930997  
25 March 2019

# LABRADOR RETRIEVER KENNEL CLUB

(Registration Number 930015033)

Annual Financial Statements for the year ended 31 December 2018

## Management's Report

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The Committee present their report for the year ended 31 December 2018.

### 1. Review of activities

#### Main business and operations

The principal activity of the club is non-profit organisation, club organisation and there were no major changes herein during the year.

The operating results and statement of financial position of the club are fully set out in the attached financial statements and do not in our opinion require any further comment.

### 2. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

### 3. Events after reporting date

All events subsequent to the date of the annual financial statements and for which the applicable financial reporting framework require adjustment or disclosure have been adjusted or disclosed.

### 4. Committee's interest in contracts

To our knowledge none of the directors had any interest in contracts entered into during the year under review.

### 5. Committee

The committee of the club during the year and to the date of this report are as follows:

Ms. MA Greathead (Secretary)  
Mr. D Malcolm (Chairman & Treasurer)  
Mrs. M van Tonder (Field Trial Secretary)  
Mr. G van Tonder (Vice-Chairman)  
Mrs. T Rowan (Membership Secretary)  
Dr. A Kloeck  
Mr. C Bosman  
Mrs. L Bosman  
Mrs. J Pott

### 6. Compilers

Technical Financial Services (Pty) Ltd were the compilers for the year under review.

# LABRADOR RETRIEVER KENNEL CLUB

(Registration Number 930015033)

Financial Statements for the year ended 31 December 2018

## Statement of Financial Position

Figures in R	Notes	2018	2017
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	3	<u>5</u>	<u>5</u>
<b>Current Assets</b>			
Inventories	4	5 297	7 172
Trade and other receivables	5	19 812	30 487
Cash and cash equivalents	6	<u>47 113</u>	<u>36 776</u>
		<b><u>72 222</u></b>	<b><u>74 435</u></b>
<b>Total Assets</b>		<b><u>72 227</u></b>	<b><u>74 440</u></b>
<b>Reserves and Liabilities</b>			
<b>Reserves</b>			
Retained earnings		<u>61 617</u>	<u>58 874</u>
<b>Current Liabilities</b>			
Trade and other payables	7	<u>10 610</u>	<u>15 566</u>
<b>Total Reserves and Liabilities</b>		<b><u>72 227</u></b>	<b><u>74 440</u></b>

# LABRADOR RETRIEVER KENNEL CLUB

(Registration Number 930015033)

Financial Statements for the year ended 31 December 2018

## Statement of Comprehensive Income

Figures in R	2018	2017
<b>Revenue</b>	125 489	119 438
Operating costs	(123 472)	(123 406)
<b>Operating surplus/(deficit)</b>	<b>2 017</b>	<b>(3 968)</b>
Finance income	726	712
<b>Surplus/(deficit) for the year</b>	<b>2 743</b>	<b>(3 256)</b>
Retained income at 1 January 2018	58 874	62 130
Surplus/(loss) for the year	2 743	(3 256)
Retained income at 31 December 2018	<b>61 617</b>	<b>58 874</b>



# LABRADOR RETRIEVER KENNEL CLUB

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Financial Statements for the year ended 31 December 2018

## Statement of Cash Flows

Figures in R	Note	2018	2017
<b>Cash flows from / (used in) operating activities</b>			
Surplus / (deficit) for the year		2 743	(3 256)
<i>Adjustments for:</i>			
Depreciation of tangible assets		-	700
Investment income		(726)	(712)
<b>Operating cash flow before working capital changes</b>		<b>2 017</b>	<b>(3 268)</b>
<i>Working capital changes</i>			
Decrease / (increase) in inventories		1 875	(1 842)
Decrease / (increase) in trade and other receivables		10 675	(1 314)
(Decrease) / increase in trade and other payables		(4 956)	1 150
<b>Net cash flows from / (used in) operations</b>		<b>9 611</b>	<b>(5 274)</b>
Investment income		726	712
<b>Net cash flows from / (used in) operating activities</b>		<b>10 337</b>	<b>(4 562)</b>
Property, plant and equipment acquired	3	-	(700)
Net increase / (decrease) in cash and cash equivalents		10 337	(5 262)
Cash and cash equivalents at beginning of the year		36 776	42 038
<b>Cash and cash equivalents at end of the year</b>	6	<b>47 113</b>	<b>36 776</b>

# LABRADOR RETRIEVER KENNEL CLUB

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Financial Statements for the year ended 31 December 2018

## Accounting Policies

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### 1. General information

Labrador Retriever Kennel Club is a non-profit organisation.

### 2. Summary of significant accounting policies

These annual financial statements have been prepared in accordance with the accounting policies as set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

These financial statements have been prepared under the historical cost convention and are presented in South African Rands.

#### 2.1 Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Costs include costs incurred initially to acquire or construct 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 charged so as to allocate the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The following rates are used for the depreciation of property, plant and equipment:

Crates	100.00%
Show trophies	100.00%

#### 2.2 Inventories

Inventories are stated at the lower of cost and selling price less costs to complete and sell. Cost is calculated using the first-in, first-out (FIFO) method.

#### 2.3 Trade and other receivables

Trade receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the club will not be able to collect all amounts due according to the original terms of the receivables.

#### 2.4 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown in current liabilities on the statement of financial position.

#### 2.5 Trade payables

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest rate method.

# LABRADOR RETRIEVER KENNEL CLUB

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Financial Statements for the year ended 31 December 2018

## Notes to the Annual Financial Statements

Figures in R 2018 2017

### 3. Property, plant and equipment

	Cost	Accumulated depreciation	2018 Carrying value	Cost	Accumulated depreciation	2017 Carrying value
<i>Owned assets</i>						
Bird cages	6 488	6 487	1	6 488	6 487	1
Office equipment	2 015	2 014	1	2 015	2 014	1
Camping equipment	2 091	2 090	1	2 091	2 090	1
Crates	4 218	4 217	1	4 218	4 217	1
Show trophies	479 570	479 569	1	479 570	479 569	1
	<u>494 382</u>	<u>494 377</u>	<u>5</u>	<u>494 382</u>	<u>494 377</u>	<u>5</u>

	Carrying value at beginning of year	Additions	Disposals	Depreciation	2017 Carrying value at end of year
<i>Owned assets</i>					
Bird cages	1	-	-	-	1
Office equipment	1	-	-	-	1
Camping equipment	1	-	-	-	1
Crates	1	-	-	-	1
Show trophies	1	700	-	(700)	1
	<u>5</u>	<u>700</u>	<u>-</u>	<u>(700)</u>	<u>5</u>

### 4. Inventories

Inventories comprise:

Other stock	<u>5 297</u>	<u>7 172</u>
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### 5. Trade and other receivables

Trade debtors	13 422	21 547
Prepaid expenses	<u>6 390</u>	<u>8 940</u>
	<u>19 812</u>	<u>30 487</u>

### 6. Cash and cash equivalents

#### Favourable cash balances

Cash on hand	500	570
32 day account	22 005	21 279
Call account	100	100
Field trail account	-	100
Current account	<u>24 508</u>	<u>14 727</u>
	<u>47 113</u>	<u>36 776</u>

# LABRADOR RETRIEVER KENNEL CLUB

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Financial Statements for the year ended 31 December 2018

## Notes to the Annual Financial Statements

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Figures in R	2018	2017
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### 7. Trade and other payables

Trade creditors	-	3 377
Income received in advance	10 610	12 189
	<u>10 610</u>	<u>15 566</u>

# LABRADOR RETRIEVER KENNEL CLUB

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## Detailed Income Statement

Figures in R	2018	2017
<b>Gross Revenue</b>		
Membership fees	14 727	15 208
Donations received	8 757	6 645
Field trial income	71 363	54 550
Show income	23 442	25 285
Website advertising	7 200	17 750
	<u>125 489</u>	<u>119 438</u>
<b>Cost of Sales</b>		
Opening stock	7 172	-
Purchases	(1 875)	7 172
Closing stock	(5 297)	(7 172)
	<u></u>	<u></u>
<b>Other Income</b>		
Investment income	726	712
	<u>726</u>	<u>712</u>
	<u><b>126 215</b></u>	<u><b>120 150</b></u>
<b>Expenditure</b>		
Club administration expenses	13 762	18 081
Depreciation - Tangible assets	-	700
Field trial expenses	85 741	75 188
Show expenses	23 969	29 437
	<u>123 472</u>	<u>123 406</u>
<b>Surplus/(deficit) for the year</b>	<u><b>2 743</b></u>	<u><b>(3 256)</b></u>

# LABRADOR RETRIEVER KENNEL CLUB

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## Schedules

Figures in R	2018	2017
<b>Field trial</b>		
<b>Income</b>		
Field Trial Income:Advertising/Sponsorship	4 290	6 561
Field Trial Income:Camping Income	3 900	1 500
Field Trial Income:Catering and Refreshments	27 956	22 229
Field Trial Income:Entry Fees	27 502	21 300
Field Trial Income:Fund Raising Activities	7 715	2 960
	<b>71 363</b>	<b>54 550</b>
<b>Expenses</b>		
Field Trial Expenses:Administration Fees	(8 110)	(2 118)
Field Trial Expenses:Ammunition	(2 300)	(6 775)
Field Trial Expenses:Catalogues	(1 306)	(1 264)
Field Trial Expenses:Catering and Refreshment Costs	(35 900)	(31 871)
Field Trial Expenses:Fuel	(2 308)	(816)
Field Trial Expenses:Game Expenses	(19 623)	(14 810)
Field Trial Expenses:Gifts and related	(2 144)	(3 070)
Field Trial Expenses:Rosettes	-	(509)
Field Trial Expenses:Trailer Hire	(2 450)	(2 660)
Field Trial Expenses:Venue Hire	(6 250)	(5 000)
Field Trial Expenses:Wages	(5 350)	(6 295)
	<b>(85 741)</b>	<b>(75 188)</b>
Net profit/(Loss) - Field trial	<b>(14 378)</b>	<b>(20 638)</b>
<b>Shows</b>		
<b>Income</b>		
Show Income:Entry Fees	12 615	9 335
Show Income:Fund Raising Activities	9 327	11 415
Show Income:Sponsorships	-	4 080
Show Income:Trophy Income	1 500	455
	<b>23 442</b>	<b>25 285</b>
<b>Expenses</b>		
Show Expenses:Administration Costs	(4 769)	(2 751)
Show Expenses:Catalogue	-	(2 306)
Show Expenses:Gifts	(1 600)	-
Show Expenses:Judges Fees and Related	(3 631)	(3 527)
Show Expenses:Refreshments	(3 536)	(1 860)
Show Expenses:Rosettes	(1 936)	(2 553)
Show Expenses:Show Presentation Expenses	-	(1 900)
Show Expenses:Show memorabilia	(3 597)	(9 520)
Show Expenses:Trophy costs	(3 370)	(3 035)
Show Expenses:Venue Hire	(1 530)	(1 985)
	<b>(23 969)</b>	<b>(29 437)</b>
Net profit/(Loss) - Shows	<b>(527)</b>	<b>(4 152)</b>