

KZN BREEDERS CLUB NPC
(Registration No. 1999/000209/08)

ANNUAL FINANCIAL STATEMENTS
31 July 2015

KZN BREEDERS CLUB NPC

(Registration No. 1999/000209/08)

ANNUAL FINANCIAL STATEMENTS

31 JULY 2015

These annual financial statements include statements which have been audited in compliance with the Companies Act and are presented as follows:

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Approval

The annual financial statements set out on pages 6 to 13 are the responsibility of the directors and have been approved and are signed by:

Chairman

Date

KZN BREEDERS CLUB NPC

GENERAL INFORMATION

Company name	KZN Breeders Club NPC
Registration number	1999/000209/08
Country of incorporation and domicile	Republic of South Africa
Nature of business and principal activities	Club
Directors	Jacobus Harmes De Klerk Keith Sidney Russon Timothy Peter Blyth Chockalingam Moodley Anthony Wilfred Procter Bruce le Roux Emma Nicola Jane Coppez Linda Susan Norval Stuart Ross Crawford Leandro Francesco Scribante
Registered office	Yellow Star Stud Farm Mooi River 3300
Business address	Yellow Star Stud Farm Mooi River 3300
Postal address	P O Box 517 Mooi River 3300
Bankers	Standard Bank Limited
Auditors	Colenbrander Incorporated
Registration numbers	
Income tax	9070/315/20/6

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF KZN BREEDERS CLUB NPC

Report on the financial statements

We have audited the financial statements of KZN Breeders Club NPC set out on pages 8 to 13, which comprise the statement of financial position as at 31 July 2015, the detailed statement of profit and loss, the statement of changes in equity and the statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the financial statements

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Compilation of the financial statements

These financial statements were compiled by an independent accounting professional whose compilation report is presented on page 5.

Auditor's responsibility

Our responsibility is to express an opinion on these 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 about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of KZN Breeders Club NPC at 31 July 2015, and its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa.

Other reports required by the Companies Act

As part of our audit of the financial statements for the year ended 31 July 2015, we have read the Directors' Report for the purpose of identifying whether there are material inconsistencies between this report and the audited financial statements. The Directors' Report is the responsibility of the directors. Based on reading the Directors' Report we have not identified material inconsistencies between this report and the audited financial statements. However, we have not audited the Directors' Report and accordingly do not express an opinion thereon.

Colenbrander Incorporated**Per: G L Banfield**

Registered Auditors

Chartered Accountants (S.A.)

Hilton

Date: _____

**COMPILER'S REPORT TO THE SHAREHOLDERS OF
KZN BREEDERS CLUB NPC**

Report on the financial statements

We have compiled the financial statements of KZN Breeders Club NPC based on information provided by management. These financial statements are presented in accordance with the International Financial Reporting Standards for Small and Medium-sized Entities, and the requirements of the Companies Act of South Africa. They comprise the statement of financial position as at 31 July 2015, the detailed statement of profit and loss, the statement of changes in equity and statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory notes, as set out on pages 8 to 13.

Management responsibility for the financial statements

The company's management are responsible for these financial statements, including adoption of the applicable reporting framework, and the accuracy and completeness of the information used to compile the financial statements.

Compiler's responsibility

We performed this compilation engagement in accordance with the International Standard on Related Services 4410 (Revised), Compilation Engagements.

We have applied our expertise in accounting and financial reporting to assist management in the preparation and presentation of these financial statements in accordance with International Financial Reporting Standards for Small and Medium-sized Entities. We have complied with relevant ethical requirements, including principles of integrity, objectivity, professional competence and due care.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these financial statements are prepared in accordance with International Financial Reporting Standards for Small and Medium-sized Entities.

Colenbrander Incorporated

Per: G L Banfield

Registered Auditors

Chartered Accountants (S.A.)

Hilton

Date: _____

KZN BREEDERS CLUB NPC

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JULY 2015

The directors have pleasure in submitting their report together with the annual financial statements for the year ended 31 July 2015.

General review

KZN Breeders Club NPC is a company incorporated in the Republic of South Africa. The principal activities of the company are of breeding.

No matter which is material to the financial affairs of the company has occurred between 31 July 2015 and the date of approval of the financial statements.

Statements of responsibility

The directors are responsible for the maintenance of adequate accounting records and the preparation and integrity of the financial statements and related information.

The auditors are responsible to report on the fair presentation of the financial statements. The financial statements have been prepared in accordance with the International Financial Reporting Standards for Small and Medium-sized Entities, and in the manner required by the Companies Act, 2008.

The directors are also responsible for the company's system of internal financial controls. This is designed to provide reasonable, but not absolute, assurance as to the reliability of the financial statements, and to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect misstatement and loss. Nothing has come to the attention of the directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The financial statements have been prepared on the going concern basis, since the directors have every reason to believe that the company has adequate resources in place to continue in operation for the foreseeable future.

These financial statements will be presented at the company annual general meeting for the approval of shareholders. It is possible that amendments may be required prior to shareholder approval being given.

Financial results

The results of the company for the year under review are fully set out in the attached financial statements and require no further comment.

Events after the end of the reporting period

No material fact or circumstance, which requires comment, has occurred between the reporting date and the date of this report.

Dividends

No dividends were declared or proposed during the year under review.

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DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2015

Share capital

There were no changes in the authorised and issued share capital of the company during the year under review.

Directors and secretary

The directors of the company during the accounting period and up to the date of this report were as follows:

Jacobus Harmes De Klerk
Keith Sidney Russon
Timothy Peter Blyth
Chockalingam Moodley
Anthony Wilfred Procter
Bruce le Roux
Emma Nicola Jane Coppez
Linda Susan Norval
Stuart Ross Crawford
Leandro Francesco Scribante

Auditors

Colenbrander Inc will continue in office in accordance with the Companies Act, 2008.

KZN BREEDERS CLUB NPC

STATEMENT OF FINANCIAL POSITION

AT 31 JULY 2015

	Notes	2015 R	2014 R
Current assets		264 746	248 799
Trade and other receivables	2	75 446	71 150
Bank and cash equivalents	3	189 300	177 649
Total assets		<u>264 746</u>	<u>248 799</u>
Equity and liabilities			
Equity		245 319	229 374
Retained earnings		245 319	229 374
Current liabilities		19 427	19 425
Trade and other payables	4	19 427	19 425
Total equity and liabilities		<u>264 746</u>	<u>248 799</u>

KZN BREEDERS CLUB NPC

DETAILED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 JULY 2015

	Note	2015 R	2014 R
Revenue		277 890	234 185
Awards dinner income and sponsorship		133 500	106 210
Breeders race day and golf day		81 590	30 925
Subscription and entrance fees		57 600	91 100
Website advertisement		5 200	5 950
Other income		4 093	3 851
Interest received	5	4 093	3 851
Total income		281 983	238 036
Operating expenses		(266 038)	(217 779)
Accounting fees - current services		-	8 858
Accounting fees - other services		32 627	32 611
Administration		52 083	41 389
Advertising		6 846	2 166
Awards dinner		165 754	100 409
Breeders race day and gold day		3 926	8 379
Donations and sponsorship		1 021	21 867
Entertainment		400	-
Website design		-	2 100
Net profit for the year		15 945	20 257

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STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 JULY 2015

	Retained earnings	Total
	R	R
Balance at 31 July 2013	209 117	209 117
Net profit for the year	20 257	20 257
Balance at 31 July 2014	<hr/> 229 374	<hr/> 229 374
Net profit for the year	15 945	15 945
Balance at 31 July 2015	<hr/> <hr/> 245 319	<hr/> <hr/> 245 319

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STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 JULY 2015

		2015	2014
	Notes	R	R
Net cash retained in operating activities		11 651	12 125
Cash generated from operating activities	6.1	11 651	12 125
Net increase in cash and cash equivalents		11 651	12 125
Cash and cash equivalents at beginning of year		177 649	165 524
Cash and cash equivalents at end of year	6.2	189 300	177 649

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2015

1. Basis of preparation and accounting policies

The basis of preparation and principal accounting policies of the company, are consistent in all material respects with those applied in the previous year, except as otherwise indicated.

Basis of preparation

The financial statements have been prepared in accordance with the International Financial Reporting Standards for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa. They are presented in South African Rands.

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.

Revenue

Revenue comprises subscriptions and entrance fees and income from ticket sales, sponsorships and fundraising.

Cash flows

For the purposes of the cash flow statement, cash includes cash on hand, deposits held on call with banks, and investments in money market instruments.

Comparative figures

Where necessary, comparative figures have been reclassified to conform with changes in presentation for the current year.

	2015	2014
	R	R
2. Trade and other receivables		
Trade debtors	<u>75 446</u>	<u>71 150</u>
3. Bank and cash equivalents		
Bank and cash balances at year end comprise:		
Standard Bank Limited - current account	102 857	95 300
Standard Bank Limited - money market	86 443	82 349
	<u>189 300</u>	<u>177 649</u>

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2015

	2015 R	2014 R
4. Trade and other payables		
Trade creditors	5 427	5 425
Other payables	14 000	14 000
	<u>19 427</u>	<u>19 425</u>
5. Interest received		
Standard Bank Limited - money market account	<u>4 093</u>	<u>3 851</u>
6. Notes to the cash flow statement		
6.1 Reconciliation of net profit before taxation to cashflows from operations		
Net profit before taxation	15 945	20 257
Working capital changes		
Increase in trade receivables	(4 296)	(6 008)
Increase / (decrease) in trade and other payables	2	(2 124)
Cash generated from operating activities	<u>11 651</u>	<u>12 125</u>
6.2 Cash and cash equivalents		
Cash and cash equivalents consist of cash on hand and balances with banks and investments in money market instruments. Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:		
Bank and cash equivalents	<u>189 300</u>	<u>177 649</u>