

**CANOEING SOUTH AFRICA
ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2017**

**R B & Company
Registered Auditor**

Canoeing South Africa

Annual Financial Statements for the year ended 31 March 2017

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Level of assurance

These financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.

Preparer

The financial statements were internally compiled by:
Walter Ulrich CA (SA)

R B & Company

Chartered Accountant (SA)

R G Bower CA(SA) RA

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Independent Auditor report

To the members of Canoeing South Africa

I have audited the annual financial statements of Canoeing South Africa, which comprise the statement of financial position as at 31 March 2017, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 4 to 13.

Board Of Directors' Responsibility for the Annual Financial Statements

The federation's board of directors are responsible for the preparation and fair presentation of these annual financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and in the manner required by the Companies Act of South Africa. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of annual 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.

Auditor's Responsibility

My responsibility is to express an opinion on these annual financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those standards require that I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the annual financial statements present fairly, in all material respects, the financial position of Canoeing South Africa as at 31 March 2017, and its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and in the manner required by the Companies Act of South Africa.



R B & Company
Registered Auditor

Per: R G Bower
Johannesburg
27 September 2017

Canoeing South Africa

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Board Of Directors' Responsibilities and Approval

The board of directors are required by the Companies Act of South Africa, 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 fairly present the state of affairs of the federation as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The board of directors acknowledge that they are ultimately responsible for the system of internal financial control established by the federation and place considerable importance on maintaining a strong control environment. To enable the board of directors to meet these responsibilities, the board of directors 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 federation and all employees are required to maintain the highest ethical standards in ensuring the federation's business is conducted in a manner that in all reasonable circumstances is above reproach.

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

The board of directors are 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 board of directors have reviewed the federation's cash flow forecast for the year to 31 March 2018 and, in the light of this review and the current financial position, they are satisfied that the federation has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditor is responsible for independently reviewing and reporting on the federation's annual financial statements. The annual financial statements have been examined by the federation's external auditor and their report is presented on page 2.

The annual financial statements set out on pages 4 to 13, which have been prepared on the going concern basis, were approved by the board of directors and were signed on the 27 September 2017 on its behalf by:



President



Secretary General

Canoeing South Africa

Annual Financial Statements for the year ended 31 March 2017

Statement of Financial Position

Figures in Rand	Note(s)	2017	2016
Assets			
Non-Current Assets			
Property, plant and equipment	2.	23,389	37,304
Current Assets			
Medal stock		18,205	22,291
Accounts receivable		184,846	683,042
Cash and cash equivalents		2,847,871	3,929,862
		<u>3,050,922</u>	<u>4,635,195</u>
Total Assets		<u>3,074,311</u>	<u>4,672,499</u>
Equity and Liabilities			
Reserves			
Available reserve		1,047,322	1,063,890
Current Liabilities			
Accounts payable		440,480	782,652
Department of Sport and Recreation funds carried forward	7.	33,209	39,843
National Lottery Distribution Trust funds carried forward			
- Project 7128 (Nagle Dam project)		51,734	51,734
- Project 62557	9.	20,346	164,136
- Project 80874	10.	1,016,700	1,563,220
- Project 81495	11.	464,520	1,007,024
		<u>2,026,989</u>	<u>3,608,609</u>
Total Equity and Liabilities		<u>3,074,311</u>	<u>4,672,499</u>



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Annual Financial Statements for the year ended 31 March 2017

Statement of Comprehensive Income

Figures in Rand	Note(s)	2017	2016
Income			
Affiliation fees			
Sport development		429,925	456,030
Standard		603,925	631,290
Discounted memberships		(119,370)	(122,145)
Race levies		168,940	146,423
Grant funds utilised:			
Department of Sport and Recreation (SRSA)	7.	606,634	678,396
Lottery project 32401	8.	-	370,617
Lottery project 62557	9.	143,790	637,307
Lottery project 80874	10.	546,520	1,436,430
Lottery project 81495	11.	542,504	920,026
Gross revenue	3.	<u>2,922,868</u>	<u>5,154,374</u>
Other income			
Interest received on SRSA funds invested	7.	2,685	3,589
Interest received on Lottery funds invested	9, 10 & 11	104,336	72,752
Other interest received		89,230	97,256
ICF funds received		14,840	106,966
SA Paddler advertising		-	5,000
Recovery of expenses and other sundry income		17,773	21,092
		<u>228,864</u>	<u>306,655</u>
Expenditure			
Utilisation of general funds			
Auditor's remuneration	4.	(23,000)	(21,600)
Committee expenses		(28,081)	(38,393)
Discipline allocations	6.	(190,175)	(194,210)
ICF projects		(13,345)	(106,966)
Individual portfolios		(18,817)	(55,427)
International liaison ICF & CAC		(39,386)	(59,884)
Marketing and media		(143,965)	(141,584)
Other overheads	5.	(1,000,062)	(1,036,423)
		<u>(1,456,831)</u>	<u>(1,654,487)</u>
Utilisation of grant funds			
Department of Sport and Recreation (SRSA)	7.	(509,319)	(545,498)
Lottery project 32401	8.	-	(370,617)
Lottery project 62557	9.	(127,099)	(579,820)
Lottery project 80874	10.	(553,868)	(1,339,477)
Lottery project 81495	11.	(521,183)	(872,218)
		<u>(1,711,469)</u>	<u>(3,707,630)</u>
(Deficit)/Surplus		<u>(16,568)</u>	<u>98,912</u>



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Statement of Changes in Equity

Figures in Rand	Available reserve
Balance at 1 April 2015	964,978
Changes in equity	
Net surplus for the year	98,912
Total changes	<u>98,912</u>
Balance at 31 March 2016	<u>1,063,890</u>
Balance at 1 April 2016	1,063,890
Changes in equity	
Net deficit for the year	(16,568)
Total changes	<u>(16,568)</u>
Balance at 31 March 2017	<u>1,047,322</u>



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Statement of Cash Flows

Figures in Rand	Note(s)	2017	2016
Cash flows from federation activities			
Net (deficit)/surplus		(16,568)	98,912
Adjustments for:			
Investment income		(196,251)	(173,597)
Depreciation		13,915	20,625
Grant funds brought forward from prior year		(2,825,957)	(1,342,033)
Grant funds carried forward to cover future budgeted expenditure		1,586,509	2,825,957
		<u>(1,438,352)</u>	<u>1,429,864</u>
Movements in working capital			
Decrease in inventories		4,086	4,245
Decrease/(Increase) in accounts receivable		498,196	(442,803)
(Decrease)/Increase in accounts payable		(342,172)	441,055
Cash generated from activities		<u>(1,278,242)</u>	<u>1,432,361</u>
Interest income		196,251	173,597
Property, plant and equipment acquired		-	(9,350)
Total cash movement for the year		<u>(1,081,991)</u>	<u>1,596,608</u>
Cash at the beginning of the year		3,929,862	2,333,254
Total cash at end of the year		<u><u>2,847,871</u></u>	<u><u>3,929,862</u></u>

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Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 Property, plant and equipment

Property, plant and equipment are tangible items that are held for use in the production or supply of goods or services, for rental to others or for administrative purposes, and are expected to be used during more than one period.

Property, plant and equipment is carried at cost less accumulated depreciation and any 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:

- Developed Software	6 years
- Office Equipment	3.5 years
- Safety Equipment	4 years

The residual value, depreciation method and the useful life of each asset are reviewed at each annual reporting period if there are indicators present that there is a change from the previous estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item and have significantly different patterns of consumption of economical benefits is depreciated separately over its useful life. Property, plant and equipment with a cost below R7,000 are written off in the year of acquisition.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss in the period.

1.2 Grants received

Grants received are recognised in revenue to the extent that expenditure, in accordance with the conditions attaching to the grants, has been incurred.

Grants to be utilised in future periods are reflected under liabilities in the statement of financial position.

1.3 Revenue from other sources

Revenue from other sources is recognised to the extent that it is probable that the economic benefits will flow to the federation and the revenue can be reliably measured.

1.4 Medal stock

Medal stock is stated at the lower of cost or net realisable value. Cost is determined on a first in, first out basis.



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Notes to the Annual Financial Statements

Figures in Rand	2017	2016
2. Property, plant and equipment		
	Cost / Valuation	Accumulated depreciation & impairments
		Carrying Value
2017		
Developed Software	192,634	169,250
Office Equipment	8,274	8,269
Safety Equipment	9,120	9,120
	<u>210,028</u>	<u>186,639</u>
2016		
Developed Software	192,634	156,855
Office Equipment	8,274	8,269
Safety Equipment	9,120	7,600
	<u>210,028</u>	<u>172,724</u>
3. Gross revenue		
Gross revenue comprises affiliation fees, race fees and grants.		
4. Auditor's remuneration		
Fees	<u>23,000</u>	<u>21,600</u>
5. Other overheads		
Affiliation fees - ICF & CAC	24,438	11,728
Bank charges	7,953	9,032
Depreciation	12,395	18,346
Doubtful debts provision	-	21,906
Database and other computer expenses	100,615	102,180
Insurance	54,080	52,983
Medals and colours	6,167	35,653
Meetings and other sundry expenses	2,110	-
Postage	969	3,543
Printing and stationery	7,267	6,144
Salaries and consulting fees	714,353	726,219
Telephone and cell	14,676	15,578
Travel local	55,039	33,111
	<u>1,000,062</u>	<u>1,036,423</u>



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Notes to the Annual Financial Statements

Figures in Rand	2017	2016
6. Discipline allocations		
Canoe Polo	4,984	-
Marathon	178,766	157,398
Sprints	1,425	33,812
Surfski	5,000	3,000
	<u>190,175</u>	<u>194,210</u>
7. Utilisation of funding received from Department of Sport and Recreation (SRSA)		
Funds brought forward from previous year	39,843	118,239
Guaranteed funding received - Administration	100,000	100,000
Conditional funding received - Programs & projects	500,000	500,000
	<u>639,843</u>	<u>718,239</u>
Less: Funds carried forward to cover future budgeted expenditure	33,209	39,843
Funds utilised	<u>606,634</u>	<u>678,396</u>
Add: Interest received	2,685	3,589
Less: Allocated to administration costs	100,000	100,000
Less: Allocated to federation direct expenses	-	36,487
Direct expenditure	<u>509,319</u>	<u>545,498</u>
Utilisation of funds:		
Development expenses	409,319	410,158
Tour costs	100,000	100,000
Equipment	-	35,340
Total funds utilised	<u>509,319</u>	<u>545,498</u>
8. Utilisation of funding received from the National Lottery Distribution Trust Fund - Project 32401		
Funds brought forward from previous year	-	370,617
Grants received	-	-
	<u>-</u>	<u>370,617</u>
Less: Funds carried forward to cover future budgeted expenditure	-	-
Funds utilised	<u>-</u>	<u>370,617</u>
Less: Allocated to administration costs	-	-
	<u>-</u>	<u>370,617</u>
Add: Interest received	-	-
Direct expenditure	<u>-</u>	<u>370,617</u>
Utilisation of funds:		
Equipment	<u>-</u>	<u>370,617</u>
	<u>-</u>	<u>370,617</u>



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Notes to the Annual Financial Statements

Figures in Rand	2017	2016
9. Utilisation of funding received from the National Lottery Distribution Trust Fund - Project 62557		
Funds brought forward from previous year	164,136	801,443
Grants received	-	-
	<u>164,136</u>	<u>801,443</u>
Less: Funds carried forward to cover future budgeted expenditure	20,346	164,136
Funds utilised	143,790	637,307
Less: Allocated to administration costs	20,000	75,000
	<u>123,790</u>	<u>562,307</u>
Add: Interest received	3,309	17,513
Direct expenditure	<u>127,099</u>	<u>579,820</u>
Utilisation of funds:		
Development	58,606	482,222
High performance program	-	45,268
Coaching expenses	68,493	27,282
Sprints	-	25,048
	<u>127,099</u>	<u>579,820</u>

The grant was made up of two tranches of a total grant of R4,026,738 to fund coaches and paddlers through high performance programmes and international participation, as well as fund development programmes.



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Notes to the Annual Financial Statements

Figures in Rand	2017	2016
10. Utilisation of funding received from the National Lottery Distribution Trust Fund - Project 80874		
Funds brought forward from previous year	1,563,220	-
Grants received	-	2,999,650
	<u>1,563,220</u>	<u>2,999,650</u>
Less: Funds carried forward to cover future budgeted expenditure	1,016,700	1,563,220
Funds utilised	546,520	1,436,430
Less: Allocated to administration costs	60,000	120,000
	<u>486,520</u>	<u>1,316,430</u>
Add: Interest received	67,348	23,047
Direct expenditure	<u>553,868</u>	<u>1,339,477</u>
Utilisation of funds:		
Development	493,935	284,333
High performance program	35,802	47,736
Coaching expenses	-	240,000
Sprints	194,241	712,713
Marathon	-	231,740
Surf-Ski	-	138,835
Slalom	11,500	42,370
Equipment	8,472	3,415
Less expenses recovered:		
Athletes & coaches	(190,082)	(361,665)
	<u>553,868</u>	<u>1,339,477</u>

The grant received is the single tranche of a total grant of R2,999,650 to fund coaches and paddlers through high performance programmes and international participation, as well as fund development programmes.

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Notes to the Annual Financial Statements

Figures in Rand	2017	2016
11. Utilisation of funding received from the National Lottery Distribution Trust Fund - Project 81495		
Funds brought forward from previous year	1,007,024	-
Grants received	-	1,927,050
	<u>1,007,024</u>	<u>1,927,050</u>
Less: Funds carried forward to cover future budgeted expenditure	464,520	1,007,024
Funds utilised	542,504	920,026
Less: Allocated to administration costs	55,000	80,000
	<u>487,504</u>	<u>840,026</u>
Add: Interest received	33,679	32,192
Direct expenditure	<u>521,183</u>	<u>872,218</u>
Utilisation of funds:		
High performance program	170,260	168,797
Sprints	405,173	649,083
Slalom	27,170	42,776
Equipment	73,371	291,088
Less expenses recovered:		
SASCOC	(6,357)	-
Athletes & coaches	<u>(148,434)</u>	<u>(279,526)</u>
	<u>521,183</u>	<u>872,218</u>

The grant received is a single tranche of a total grant of R1,927,050 to fund coaches and paddlers through high performance programmes and international participation.

12. Related parties

Relationships

A member of key management J Oliver - Independent Director

Related party balances

There are no related party balances at the year end

Related party transactions

Fees paid to (received from) related parties		
J Oliver - Membership database management	37,500	35,700

