

**CANOEING SOUTH AFRICA  
ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2016**

**R B & Company  
Registered Auditor**

# Canoeing South Africa

## Annual Financial Statements for the year ended 31 March 2016

### Index

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

<b>Index</b>	<b>Page</b>
Independent Auditor report	2
Board Of Directors' Responsibilities and Approval	3
Statement of Financial Position	4
Statement of Comprehensive Income	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Accounting Policies	8
Notes to the Annual Financial Statements	9 - 14

#### **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)

## Independent Auditor report

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### 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 2016, 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 14.

### 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 2016, 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.

# Canoeing South Africa

## Annual Financial Statements for the year ended 31 March 2016

### Board Of Directors' Responsibilities and Approval

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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 2016 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 14, which have been prepared on the going concern basis, were approved by the board of directors and were signed on the 31 August 2016 on its behalf by:

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**President**

**Secretary General**

# Canoeing South Africa

Annual Financial Statements for the year ended 31 March 2016

## Statement of Financial Position

Figures in Rand	Note(s)	2016	2015
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	2.	37,304	48,579
<b>Current Assets</b>			
Medal stock		22,291	26,536
Accounts receivable		683,042	240,239
Cash and cash equivalents		3,929,862	2,333,254
		<u>4,635,195</u>	<u>2,600,029</u>
<b>Total Assets</b>		<u>4,672,499</u>	<u>2,648,608</u>
<b>Equity and Liabilities</b>			
<b>Reserves</b>			
Available reserve		1,063,890	964,978
<b>Current Liabilities</b>			
Accounts payable		782,652	341,597
Department of Sport and Recreation funds carried forward	7.	39,843	118,239
National Lottery Distribution Trust funds carried forward			
- Project 7128 (Nagle Dam project)		51,734	51,734
- Project 32401	8.	-	370,617
- Project 62557	9.	164,136	801,443
- Project 80874	10.	1,563,220	-
- Project 81495	11.	1,007,024	-
		<u>3,608,609</u>	<u>1,683,630</u>
<b>Total Equity and Liabilities</b>		<u>4,672,499</u>	<u>2,648,608</u>

# Canoeing South Africa

Annual Financial Statements for the year ended 31 March 2016

## Statement of Comprehensive Income

Figures in Rand	Note(s)	2016	2015
<b>Income</b>			
Affiliation fees			
Sport development		456,030	389,310
Standard		631,290	644,965
Discounted memberships		(122,145)	(113,363)
Race levies		146,423	162,885
Grant funds utilised:			
Department of Sport and Recreation (SRSA)	7.	678,396	932,236
Lottery project 32401	8.	370,617	436,104
Lottery project 62557	9.	637,307	2,024,981
Lottery project 80874	10.	1,436,430	-
Lottery project 81495	11.	920,026	-
<b>Gross revenue</b>	<b>3.</b>	<b>5,154,374</b>	<b>4,477,118</b>
<b>Other income</b>			
Interest received on SRSA funds invested	7.	3,589	12,646
Interest received on Lottery funds invested	9, 10 & 11	72,752	410
Other interest received		97,256	63,985
ICF funds received		106,966	9,820
SA Paddler advertising		5,000	39,540
Recovery of expenses		21,092	38,524
		<b>306,655</b>	<b>164,925</b>
<b>Expenditure</b>			
<b>Utilisation of general funds</b>			
Auditors' remuneration	4.	(21,600)	(20,000)
Committee expenses		(38,393)	(62,652)
Discipline allocations	6.	(194,210)	(189,258)
ICF projects		(106,966)	(9,820)
Individual portfolios		(55,427)	(92,016)
International liaison ICF & CAC		(59,884)	(40,502)
Marketing and media		(141,584)	(308,440)
Other overheads	5.	(1,036,423)	(950,796)
		<b>(1,654,487)</b>	<b>(1,673,484)</b>
<b>Utilisation of grant funds</b>			
Department of Sport and Recreation (SRSA)	7.	(545,498)	(610,304)
Lottery project 32401	8.	(370,617)	(452,559)
Lottery project 62557	9.	(579,820)	(1,808,936)
Lottery project 80874	10.	(1,339,477)	-
Lottery project 81495	11.	(872,218)	-
		<b>(3,707,630)</b>	<b>(2,871,799)</b>
<b>Surplus</b>		<b>98,912</b>	<b>96,760</b>

# Canoeing South Africa

Annual Financial Statements for the year ended 31 March 2016

## Statement of Changes in Equity

<b>Figures in Rand</b>	<b>Available reserve</b>
<b>Balance at 1 April 2014</b>	868,218
Changes in equity	
Net surplus for the year	96,760
Total changes	<u>96,760</u>
<b>Balance at 31 March 2015</b>	<u><u>964,978</u></u>
<b>Balance at 1 April 2015</b>	964,978
Changes in equity	
Net surplus for the year	98,912
Total changes	<u>98,912</u>
<b>Balance at 31 March 2016</b>	<u><u>1,063,890</u></u>

**Canoeing South Africa**  
**Annual Financial Statements for the year ended 31 March 2016**

**Statement of Cash Flows**

<b>Figures in Rand</b>	<b>Note(s)</b>	<b>2016</b>	<b>2015</b>
<b>Cash flows from federation activities</b>			
Net surplus		98,912	96,760
Adjustments for:			
Investment income		(173,597)	(77,041)
Depreciation		20,625	43,611
Grant funds brought forward from prior year		(1,342,033)	(2,137,741)
Grant funds carried forward to cover future budgeted expenditure		2,825,957	1,342,033
		<u>1,429,864</u>	<u>(732,378)</u>
Movements in working capital			
Decrease/(Increase) in inventories		4,245	(18,826)
(Increase)/Decrease in accounts receivable		(442,803)	10,629
Increase in accounts payable		441,055	67,599
Cash generated from activities		<u>1,432,361</u>	<u>(672,976)</u>
Interest income		173,597	77,041
Property, plant and equipment acquired		(9,350)	(25,000)
<b>Total cash movement for the year</b>		<u>1,596,608</u>	<u>(620,935)</u>
Cash at the beginning of the year		2,333,254	2,954,189
<b>Total cash at end of the year</b>		<u><u>3,929,862</u></u>	<u><u>2,333,254</u></u>

# Canoeing South Africa

## Annual Financial Statements for the year ended 31 March 2016

### Accounting Policies

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#### 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 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.

# Canoeing South Africa

Annual Financial Statements for the year ended 31 March 2016

## Notes to the Annual Financial Statements

Figures in Rand	2016	2015	
<b>2. Property, plant and equipment</b>			
	<b>Cost / Valuation</b>	<b>Accumulated depreciation &amp; impairments</b>	<b>Accumulated depreciation &amp; impairments</b>
<b>2016</b>			
Developed Software	192,634	156,855	35,779
Office Equipment	8,274	8,269	5
Safety Equipment	9,120	7,600	1,520
	<u>210,028</u>	<u>172,724</u>	<u>37,304</u>
<b>2015</b>			
Developed Software	189,434	144,655	44,779
Office Equipment	2,124	2,124	-
Safety Equipment	9,120	5,320	3,800
	<u>200,678</u>	<u>152,099</u>	<u>48,579</u>
<b>3. Gross revenue</b>			
Gross revenue comprises affiliation fees, race fees and grants.			
<b>4. Auditor's remuneration</b>			
Fees		<u>21,600</u>	<u>20,000</u>
<b>5. Other overheads</b>			
Affiliation fees - ICF & CAC		11,728	8,380
Bank charges		9,032	7,837
Depreciation		18,346	41,330
Doubtful debts provision		21,906	-
Database and other computer expenses		102,180	54,370
Insurance		52,983	40,369
Medals and colours		35,653	30,443
Postage		3,543	2,638
Printing and stationery		6,144	7,768
Salaries and consulting fees		726,219	707,568
Telephone and cell		15,578	15,771
Travel local		33,111	34,322
		<u>1,036,423</u>	<u>950,796</u>

# Canoeing South Africa

## Annual Financial Statements for the year ended 31 March 2016

### Notes to the Annual Financial Statements

Figures in Rand	2016	2015
<b>6. Discipline allocations</b>		
Development	-	10,186
Marathon	157,398	169,698
Slalom	-	3,971
Sprints	33,812	5,404
Surfski	3,000	-
	<u>194,210</u>	<u>189,258</u>
<b>7. Utilisation of funding received from Department of Sport and Recreation (SRSA)</b>		
Funds brought forward from previous year	118,239	550,475
Guaranteed funding received - Administration	100,000	100,000
Conditional funding received - Programs & projects	500,000	400,000
	<u>718,239</u>	<u>1,050,475</u>
Less: Funds carried forward to cover future budgeted expenditure	<u>39,843</u>	<u>118,239</u>
Funds utilised	678,396	932,236
Add: Interest received	3,589	12,646
Less: Allocated to administration costs	100,000	100,000
Less: Allocated to federation direct expenses	36,487	234,578
Direct expenditure	<u>545,498</u>	<u>610,304</u>
Utilisation of funds:		
Development expenses	410,158	584,663
Tour costs	100,000	-
Equipment	35,340	25,641
Total funds utilised	<u>545,498</u>	<u>610,304</u>

# Canoeing South Africa

Annual Financial Statements for the year ended 31 March 2016

## Notes to the Annual Financial Statements

Figures in Rand	2016	2015
<b>8. Utilisation of funding received from the National Lottery Distribution Trust Fund - Project 32401</b>		
Funds brought forward from previous year	370,617	806,721
Grants received	-	-
	<u>370,617</u>	<u>806,721</u>
Less: Funds carried forward to cover future budgeted expenditure	-	370,617
Funds utilised	<u>370,617</u>	<u>436,104</u>
Less: Allocated to administration costs	-	-
	<u>370,617</u>	<u>436,104</u>
Add: Interest received	-	16,455
Direct expenditure	<u>370,617</u>	<u>452,559</u>
Utilisation of funds:		
High performance program	-	47,814
Coaching expenses	-	160,000
Marathon	-	243,251
Slalom	-	1,494
Equipment	<u>370,617</u>	-
	<u>370,617</u>	<u>452,559</u>

The above grant was made up of a total of six tranches amounting to R24,192,765, and was used to fund coaches and paddlers through high performance programmes and international participation, as well as fund development programmes.

# Canoeing South Africa

## Annual Financial Statements for the year ended 31 March 2016

### Notes to the Annual Financial Statements

Figures in Rand	2016	2015
<b>9. Utilisation of funding received from the National Lottery Distribution Trust Fund - Project 62557</b>		
Funds brought forward from previous year	801,443	728,811
Grants received	-	2,097,613
	<u>801,443</u>	<u>2,826,424</u>
Less: Funds carried forward to cover future budgeted expenditure	164,136	801,443
Funds utilised	637,307	2,024,981
Less: Allocated to administration costs	75,000	200,000
	<u>562,307</u>	<u>1,824,981</u>
Add: Interest received/(paid)	17,513	(16,045)
Direct expenditure	<u>579,820</u>	<u>1,808,936</u>
Utilisation of funds:		
Development	482,222	817,514
High performance program	45,268	70,000
Coaching expenses	27,282	466,524
Sprints	25,048	927,678
Less expenses recovered:		
SASCOC	-	(55,414)
ICF	-	(13,959)
Athletes & coaches	-	(403,407)
	<u>579,820</u>	<u>1,808,936</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.

# Canoeing South Africa

Annual Financial Statements for the year ended 31 March 2016

## Notes to the Annual Financial Statements

Figures in Rand	2016	2015
<b>10. Utilisation of funding received from the National Lottery Distribution Trust Fund - Project 80874</b>		
Funds brought forward from previous year	-	-
Grants received	2,999,650	-
	<u>2,999,650</u>	<u>-</u>
Less: Funds carried forward to cover future budgeted expenditure	1,563,220	-
Funds utilised	1,436,430	-
Less: Allocated to administration costs	120,000	-
	<u>1,316,430</u>	<u>-</u>
Add: Interest received	23,047	-
Direct expenditure	1,339,477	-
	<u><u>1,339,477</u></u>	<u><u>-</u></u>
Utilisation of funds:		
Development	284,333	-
High performance program	47,736	-
Coaching expenses	240,000	-
Sprints	712,713	-
Marathon	231,740	-
Surf-Ski	138,835	-
Slalom	42,370	-
Equipment	3,415	-
Less expenses recovered:		
Athletes & coaches	(361,665)	-
	<u><u>1,339,477</u></u>	<u><u>-</u></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.

# Canoeing South Africa

## Annual Financial Statements for the year ended 31 March 2016

### Notes to the Annual Financial Statements

Figures in Rand	2016	2015
<b>11. Utilisation of funding received from the National Lottery Distribution Trust Fund - Project 81495</b>		
Funds brought forward from previous year	-	-
Grants received	1,927,050	-
	<u>1,927,050</u>	<u>-</u>
Less: Funds carried forward to cover future budgeted expenditure	1,007,024	-
Funds utilised	920,026	-
Less: Allocated to administration costs	80,000	-
	<u>840,026</u>	<u>-</u>
Add: Interest received	32,192	-
Direct expenditure	872,218	-
	<u>872,218</u>	<u>-</u>
Utilisation of funds:		
High performance program	168,797	-
Sprints	649,083	-
Slalom	42,776	-
Equipment	291,088	-
Less expenses recovered:		
Athletes & coaches	(279,526)	-
	<u>872,218</u>	<u>-</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 & newsletter

35,700

33,600