Dressage South Africa
(Registration number 133-147 NPO)
Annual Financial Statements
for the year ended 31 December 2020

Dressage South Africa

(Registration number: 133-147 NPO)
Annual Financial Statements for the year ended 31 December 2020

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	The control of the equestrian discipline of dressage in South Africa
Registered office	477 Papenfus Drive Beaulieu Estate Kyalami 1684
Postal address	PO Box 30875 Kayalami 1684
Auditor	Nolands Jhb Inc. Chartered Accountants (SA) Registered Auditor Practice number: 905119
Company registration number	133-147 NPO
Tax reference number	9197655195
Level of assurance	These annual financial statements have been audited in compliance with the applicable requirements of the constitution of association.
Preparer	The annual financial statements were independently compiled by: Ryan Lee Smith CA(SA), RA

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

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Councils' Responsibilities and Approval

The Council is required by the constitution of association, 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 association 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 auditor is 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 judgements and estimates.

The Council acknowledge that they are ultimately responsible for the system of internal financial control established by the association and place considerable importance on maintaining a strong control environment. To enable the Council to meet these responsibilities, the Council set 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 association and all employees are required to maintain the highest ethical standards in ensuring the association's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the association is on identifying, assessing, managing and monitoring all known forms of risk across the association. While operating risk cannot be fully eliminated, the association endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Council 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 Council has reviewed the association's cash flow forecast for the 12 months from the date of this report, and in light of this review and the current financial position, they are satisfied that the association has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditor is responsible for independently auditing and reporting on the association's annual financial statements. The annual financial statements have been examined by the association's external auditor and their report is presented on pages 7 to 8.

The annual financial statements set out on pages 9 to 25, which have been prepared on the going concern basis, were approved and published by the Council and were signed on their behalf by:

D.L. Smith

Date: 7-5-2021.

C.E. Pickering

Council's Report

The Council have pleasure in submitting their report on the annual financial statements of Dressage South Africa for the year ended 31 December 2020.

1. Nature of business

Dressage South Africa was incorporated in South Africa on 1 August 2013 and is engaged in the control of the equestian discipline of dressage in South Africa.

There have been no material changes to the nature of the association's business from the prior year.

2. Review of financial results and activities

The annual financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the constitution of the association. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the association are set out in these annual financial statements.

3. Council

The Council members in office at the date of this report are as follows:

Council	Title	Association	Changes
P Hefer	President	Dressage South Africa	Resigned 14 October 2020
D Smith	Acting President	Dressage South Africa	
C Pickering	Treasurer	Dressage South Africa	
E Vuorinen	Technical portfolio	Dressage South Africa	
S Horne	Judges and officials portfolio	Dressage South Africa	
I Sanne	International affairs portfolio	Dressage South Africa	
C Engelbreght	Finance and admin portfolio	Dressage South Africa	
M Wilson	Development and transformation	Dressage South Africa	
B Sandwith	Co-opted Judicial Body Member	Dressage South Africa	
L Gerstle	Co-opted Judicial Body Member	Dressage South Africa	
O Sfigakis	Co-opted Judicial Body Member	Dressage South Africa	
R Bush	President	Eastern Cape Dressage	
R Balmer	President	Free State Dressage	
J Smith	President	Gauteng Dressage	Appointed 18 January 2020
S Records	Acting President	Gauteng Dressage	Resigned 18 January 2020
R Munro	President	KwaZulu-Natal Dressage	Resigned 14 October 2020
V Mostert	Acting president	KwaZulu-Natal Dressage	Appointed 14 October 2020
D Gray	President	Limpopo Dressage	
S Coetzee	President	Mpumalanga Dressage	
H Jacobs	President	Northern Cape Dressage	
A McLean	President	North West Dressage	
E Hopkins	President	Western Cape Dressage	

Council's Report

4. Council members' interests in contracts

During the financial year, no new contracts were entered into, in which the council or officials of the association had an interest and which significantly affected the business of the association. The IT support contract between S Horne and the association was however extended for the duration of the financial year.

5. Property, plant and equipment

There was no change in the nature of the property, plant and equipment of the association or in the policy regarding their use.

6. Events after the reporting period

The council is aware of the COVID-19 pandemic as well as the country's downgrade to sub-investment grade. There is no immediate concern around going concern. Management has established high-level task teams that are continually assessing and monitoring developments with regard to the disease and have implemented business interruption and continuity management strategies to mitigate the adverse effects caused by the pandemic. At the time of finalising the report, the council are confident that their responses are adequate and the crisis is being continuously monitored to assess the impact on the association.

The pandemic related events are considered to be adjusting events after the reporting period but the council believes that there are no adjustments required to the annual financial statements due to this event.

7. Going concern

The Council believe that the association has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The Council has satisfied themselves that the association is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The Council is not aware of any new material changes that may adversely impact the association. The Council is also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the association.

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

The Council would in addition want to report that the full General Reserve as stipulated in clause 8.20 of the Constitution of the Association has been fully provided for during this financial year.

8. Litigation statement

The association becomes involved from time to time in various claims and lawsuits incidental to the ordinary course of business. A High Court application was opposed by KwaZulu-Natal which was settled on an agreed cost, in order to avoid a higher litigation expense. An additional, immaterial, legal expense is expected to be paid out in 2021.

Council's Report

9. Auditors

Nolands Jhb Inc. continued in office as auditors for the association for 2020.

At the AGM, the Council will be requested to reappoint Nolands Jhb Inc. as the independent external auditors of the association and to confirm DW Fordham (CA)SA, RA as the designated lead audit partner for the 2021 financial year.

10. Date of authorisation for issue of annual financial statements

The annual financial statements have been authorised for issue by the council on the date of this report. No authority was given to anyone to amend the annual financial statements after the date of being published.

Nolands
NOT YOUR ORDINARY AUDITORS
Building 1 | Ground Floor | 152 Bryanston Drive | Bryanston | Sandton | 2191 | South Africa
P O Box 2971 | Pinegowrie | 2123 | South Africa
T (+27) 11 789 4966 | F (+27) 11 787 8136 | E enquiries@nolandsjhb.co.za
W www.nolands.co.za Offices Nationwide

Independent Auditor's Report

To the Members of Dressage South Africa

Opinion

We have audited the annual financial statements of Dressage South Africa (the association) set out on pages 9 to 25, which comprise the statement of financial position as at 31 December 2020, 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, the annual financial statements present fairly, in all material respects, the financial position of Dressage South Africa as at 31 December 2020, and its financial performance and cash flows for the year then ended in accordance with the the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the constitution of association.

Basis for Opinion

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 opinion.

Other Information

The Council is responsible for the other information. The other information comprises the information included in the document titled "Dressage South Africa annual financial statements for the year ended 31 December 2020", which includes the Council's Report as required by the constitution of association and the supplementary information as set out on pages 26 to 27, which we obtained prior to the date of this report, and the Annual Report, which is expected to be made available to us after that date. 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 and will 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 on the other information obtained prior to the date of this auditor's report, 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.

CHIEF EXECUTIVE OFFICER: DARRYL FORDHAM CA (SA) DIRECTORS: RYAN SMITH CA (SA), ANTONIO CIANFANELLI CA (SA), ROMY COPE CA (SA), PORTIA NTLATLENG CA (SA) SENIOR ASSOCIATE: DAVE O'SHRY CA (SA)

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Independent Auditor's Report

Responsibilities of the Council for the Annual Financial Statements

The Council is responsible for the preparation and fair presentation of the annual financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the constitution of association, and for such internal control as the Council 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, the Council 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 Council either intend to liquidate the association or to cease operations, or have 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- Conclude on the appropriateness of the Councils' 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.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Council 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.

Nolands

Nolands Jhb Inc.
Practice number: 905119
Per: Darryl Wayne Fordham (CA)SA, RA
Director
Registered Auditor

Date: Jun 23, 2021
Johannesburg

Statement of Financial Position as at 31 December 2020

	Note	2020 R	2019 R
Assets			
Non-Current Assets			
Property, plant and equipment	2	36 619	68 010
Current Assets			
Trade and other receivables	3	90 468	117 384
Cash and cash equivalents	4	2 236 775	2 787 691
		2 327 243	**2 905 075**
Total Assets		**2 363 862**	**2 973 085**
Reserves and Liabilities			
Reserves			
Specific reserves	5	1 430 166	1 619 113
Accumulated surplus		526 237	291 633
		1 956 403	**1 910 746**
Liabilities			
Current Liabilities			
Trade and other payables	6	405 539	1 062 339
Credit card	4	1 920	-
		407 459	**1 062 339**
Total Reserves and Liabilities		**2 363 862**	**2 973 085**

Statement of Comprehensive Income

	Notes	2020 R	2019 R
Revenue	7	1 477 380	1 769 424
Specific venture cost recovery	8	67 311	246 350
Operating expenses		(1 600 458)	(1 772 421)
Operating (deficit)/surplus	11	**(55 767)**	**243 353**
Finance income	12	101 424	149 812
Surplus for the year		**45 657**	**393 165**
Other comprehensive income:			
Transfers (to)/from reserves			
Funds transferred from/(to) specific reserves		277 387	(344 676)
Funds transferred to ringfenced reserves		(38 440)	(10 416)
Total transfers for the year		**238 947**	**(355 092)**
Surplus for the year		**284 604**	**38 073**

Statement of Changes in Reserves

	Specific reserves R	Accumulated surplus R	Total R
Balance at 01 January 2019	**1 264 021**	**253 560**	**1 517 581**
Surplus for the year	-	393 165	393 165
Total changes	**-**	**393 165**	**393 165**
Transfers between reserves	344 676	(344 676)	-
Transfer to ringfenced reserves	10 416	(10 416)	-
Total changes	**355 092**	**(355 092)**	**-**
Balance at 01 January 2020	**1 619 113**	**291 633**	**1 910 746**
Surplus for the year	-	45 657	45 657
Other comprehensive income	-	-	-
Total changes	**-**	**45 657**	**45 657**
Transfer between reserves	(227 387)	227 387	-
Transfer to ringfenced reserves	38 440	(38 440)	-
Total changes	**(188 947)**	**188 947**	**-**
Balance at 31 December 2020	**1 430 166**	**526 237**	**1 956 403**
Note	5		

Statement of Cash Flows

	Notes	2020 R	2019 R
Cash flows (used in)/from operating activities			
Cash (used in)/from generated from operations	15	(673 320)	447 049
Finance income		101 424	149 812
Net cash (used in)/from operating activities		**(571 896)**	**596 861**
Cash flows from/(used in) investing activities			
Purchase of property, plant and equipment	2	(1 564)	(52 380)
Disposal of property, plant and equipment	2	20 624	-
Net cash from/(used in) investing activities		**19 060**	**(52 380)**
Total cash movement for the year		**(552 836)**	**544 481**
Cash at the beginning of the year		2 787 691	2 243 210
Total cash at end of the year	4	**2 234 855**	**2 787 691**

Accounting Policies

1. Basis of preparation and summary of significant accounting policies

The annual financial statements have been prepared on a going concern basis in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the constitution of association. The annual financial statements incorporate the accounting principles and policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make judgements, estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results in the future could differ from these estimates which may be material to the annual financial statement.

Critical judgements in applying accounting policies

Management did not make critical judgements in the application of accounting policies.

Key sources of estimation uncertainty

Useful lives and residual values of property, plant and equipment

The association reviews the estimated useful lives of property, plant and equipment when changing circumstances indicate that they may have changed since the most recent reporting date.

1.2 Property, plant and equipment

Property, plant and equipment are tangible assets which the association holds for its own use or for rental to others and which are expected to be used for more than one period.

Property, plant and equipment is initially measured at cost.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the association.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Computer equipment	Straight line	5 years
Furniture and fixtures	Straight line	10 years
Office equipment	Straight line	6 years

The residual value, depreciation method and useful life of each asset are reviewed only where there is an indication that there has been a significant change from the previous estimate.

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.

Accounting Policies

1.3 Financial instruments

Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial instruments at amortised cost

These include loans, trade receivables and trade payables. Those debt instruments which meet the criteria in section 11.8(b) of the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

Financial instruments at cost

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably without undue cost or effort are measured at cost less impairment.

1.4 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. All other leases are operating leases.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term unless:

- another systematic basis is representative of the time pattern of the benefit from the leased asset, even if the payments are not on that basis, or
- the payments are structured to increase in line with expected general inflation (based on published indexes or statistics) to compensate for the lessor's expected inflationary cost increases.

Any contingent rents are expensed in the period they are incurred.

Accounting Policies

1.5 Impairment of assets

The association assesses at each reporting date whether there is any indication that property, plant and equipment may be impaired.

If there is any such indication, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of assets) in prior years. A reversal of impairment is recognised immediately in profit or loss.

1.6 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as leave pay and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

1.7 Government grants

Grants that do not impose specified future performance conditions are recognised in income when the grant proceeds are receivable.

Grants are measured at the fair value of the asset received or receivable.

1.8 Revenue

Revenue is recognised to the extent that the association has transferred the significant risks and rewards of ownership of goods to the buyer, or has rendered services under an agreement provided the amount of revenue can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the association. Revenue is measured at the fair value of the consideration received or receivable, excluding sales taxes and discounts.

Revenue from show levies, levies on prize money andmembership fees are recognised in profit or loss when the associations right to receive payment has been established.

Accounting Policies

1.9 Specific reserves

Provincial Reserves

In the 2019 financial year 60% of membership fees and show levies were transferred to the National Reserve and 40% to the Provincial Reserve for each province that can be spent by the various provinces for the advancement of the discipline of dressage. However in 2020, there was a change in the allocation of Provincial funds to financially assist the smaller provinces. A National base cost was calculated and all provinces were given an options of 3 pricing levels for the membership fees. The base cost per member was transferred to the National reserve and therefore the spending of the provinces was dependent on the membership fee level chosen. Due to Covid 19 and the lack of shows and levy income, the council has reverted to the 60%/40% split for the 2021 financial year. Included in the province reserves are other income items specifically approved by the Council which the association may collect from time to time on behalf of each province and expenses incurred on behalf of each province. The income is reflected in the statement of comprehensive income and transferred to specific reserves. The related expenditure from each province is recorded directly to each reserve and the surplus/ deficit for the year for all provinces is shown as a separate line item on the Statement of Changes in Reserves.

Equestrian Development Scheme (EDS) Levies Reserve

EDS levies are amounts retained for future use. The EDS levies are received from show entries and form part of the FEI Solidarity Program set up to provide the National Sports Federation with the tools to develop equestrian sport in their own country in a sustainable, structured, progressive and professional manner. EDS levies income is reflected in the statement of comprehensive income and transferred to specific reserves. The related expense is recorded directly to the reserve and the surplus/deficit for the year is shown as a separate line item on the Statement of Changes in Reserves.

The Adriaan Van Wyk Fund

Adriaan Van Wyk raised money on behalf of Dressage SA, to subsidise the funding of high level dressage events. The surplus after paying expenses was used to create a perpetual fund for the purpose of facilitating and subsidising essential high level FEI Dressage events that are limited due to economic considerations. The funds received and expenses incurred are recognised directly in reserves.

Judges Training Reserve

This fund was established from the surplus derived from the hosting of the Dressage SA 2016 Stephen Clarke Seminar. The main purpose of purchasing an airline ticket for the equivalent 2017 seminar. Subsequent and related funds received and expenses incurred are recognised directly in reserves.

Riders Fund Reserve

Riders Fund are amounts retained for future use for riders. The funds are received from prize money received by riders at certain status level shows, as well as any income specifically approved by the Council to be designated as such. These funds are utilised in such a fashion as may be determined by the DSA council for the benefit of the discipline and the athletes. Riders Fund income is reflected in the statement of comprehensive income and transferred to specific reserves. The related expense is recorded directly to reserves and the surplus/deficit for the year is shown as a separate line item on the Statement of Changes in Reserves.

All transactions in foreign currencies are initially recorded in Rand, using the spot rate at the date of the transaction. Foreign currency monetary items at the reporting date are translated using the closing rate. All exchange differences arising on settlement or translation are recognised in profit or loss.

Accounting Policies

1.10 Finance income and finance expenses

Finance income comprises interest income on funds invested, that is recognised in profit or loss. Interest income is recognised as it accrues, using the effective interest rate method.

Finance expenses comprise interest expense on borrowings, that is recognised in profit or loss. All borrowing costs are recognised in profit or loss in the period they are incurred, using the effective interest rate method.

Notes to the Annual Financial Statements

	2020 R	2019 R

2. Property, plant and equipment

	2020			2019		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Computer equipment	33 509	(27 636)	5 873	33 509	(23 503)	10 006
Furniture and fixtures	31 614	(12 707)	18 907	52 238	(6 939)	45 299
Office equipment	17 306	(5 467)	11 839	15 741	(3 036)	12 705
Total	**82 429**	**(45 810)**	**36 619**	**101 488**	**(33 478)**	**68 010**

Reconciliation of property, plant and equipment - 2020

	Opening balance	Additions	Disposals	Depreciation	Closing balance
Computer equipment	10 006	-	-	(4 133)	5 873
Furniture and fixtures	45 299	-	(20 624)	(5 768)	18 907
Office equipment	12 705	1 564	-	(2 430)	11 839
	68 010	**1 564**	**(20 624)**	**(12 331)**	**36 619**

Reconciliation of property, plant and equipment - 2019

	Opening balance	Additions	Depreciation	Closing balance
Computer equipment	8 185	6 255	(4 434)	10 006
Furniture and fixtures	3 272	43 515	(1 488)	45 299
Office equipment	12 417	2 610	(2 322)	12 705
	23 874	**52 380**	**(8 244)**	**68 010**

Registers with details of property, plant and equipment are available for inspection by the council members or their duly authorised representatives at the registered office of the association.

3. Trade and other receivables

Trade receivables	73 294	109 384
Prepayments	6 674	-
Deposits	10 500	8 000
	90 468	**117 384**

As the terms and conditions relating to trade and other receivables fall within industry norms as well as normal business practice, discounting of the trade and other receivables is not material.

Notes to the Annual Financial Statements

	2020 R	2019 R
4. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	57	2 647
Bank balances	2 236 718	2 785 044
Credit card	(1 920)	-
	2 234 855	**2 787 691**
Current assets	2 236 775	2 787 691
Current liabilities	(1 920)	-
	2 234 855	**2 787 691**
5. Specific Reserves		
Movement in reserves		
Balance at the beginning of the year	1 619 112	1 264 021
Funds transferred to ringfenced reserves	38 440	10 415
Funds transferred (from)/to provincial reserves	(227 386)	344 677
	1 430 166	**1 619 113**

Notes to the Annual Financial Statements

	2020 R	2019 R
5. Specific Reserves (continued)		
Provincial reserves		
Gauteng Province	229 948	254 567
KwaZulu-Natal Province	55 170	241 638
Western Cape Province	97 786	92 757
Eastern Cape Province	45 819	52 148
Free State Province	10 920	20 526
Mpumalanga Province	14 985	17 925
Limpopo Province	4 350	5 734
Northern Cape Province	26 069	21 507
North West Province	51 291	56 925
Ringfenced reserves		
Equestrian Development Scheme (EDS)	380 309	341 907
The Adriaan Van Wyk Fund	33 835	33 835
Judges Training Reserve	49 699	49 699
Riders Fund	4 285	4 245
General reserves		
Limpopo Province	2 000	2 000
Northern Cape Province	3 600	3 600
National General Reserve	280 000	280 000
North West Province	1 600	1 600
Gauteng Province	76 000	76 000
KwaZulu-Natal Province	15 000	15 000
Western Cape Province	35 000	35 000
Eastern Cape Province	6 000	6 000
Free State Province	3 000	3 000
Mpumalanga Province	3 500	3 500
	1 430 166	**1 619 113**
6. Trade and other payables		
Trade payables	187 828	156 440
Amounts received in advance	107 200	665 535
VAT	6 118	92 676
Accrued expenses	104 393	147 688
	405 539	**1 062 339**

As the terms and conditions relating to trade and other payables fall within industry norms as well as normal business practice, discounting of the trade and other payables is not material.

7. Revenue		
Membership fees	1 174 830	1 281 674
Show levies	302 550	487 750
	1 477 380	**1 769 424**

Notes to the Annual Financial Statements

	2020 R	2019 R
8. Specific venture cost recovery		
Fines levied	-	217
Net income on ringfenced reserves	38 440	10 416
Other income	10 918	13 027
Cost recoveries for events	15 673	51 881
Donation income	-	170 809
Bad debts recovered	2 280	-
	67 311	**246 350**
Please refer to Note 9 and Note 10 for additional detail on the income/(expenses) on specific reserves and cost recoveries.		
9. Income/(expenses) on ringfenced reserves		
Judges Training Reserve		
Income	-	9 201
Expenses	-	(8 603)
Net income	**-**	**598**
AVW Fund Reserve		
Expenses	-	(26 511)
EDS Levies Reserve		
Income	38 401	57 890
Expenses	-	(12 938)
Net income	**38 401**	**44 952**
Riders Fund Reserve		
Income	39	1 007
Expenses	-	(9 630)
Net income/expenses	**39**	**(8 623)**
Total income/(transfers) relating to ringfenced reserves		
Income	38 440	10 416
Total income to reserves	**38 440**	**10 416**
10. Cost recoveries/ under recoveries		
Lotto Funds		
Income	-	115 425
Expenses	-	(133 044)
	-	**(17 619)**

Notes to the Annual Financial Statements

	2020 R	2019 R
10. Cost recoveries/ under recoveries (continued)		
First Aid Program		
Income	-	479
Expenses	-	(6 000)
	-	**(5 521)**
Seminar Fees		
Income	-	8 130
Expenses	-	(7 360)
	-	**770**
Organising Fees		
Income	-	19 843
Expenses	(1 362)	(8 588)
	(1 362)	**11 255**
Event Costs		
Income	40 415	101 419
Expenses	(24 741)	(104 323)
	15 674	**(2 904)**
FEI Solidarity Funds		
Income	-	180 305
Expenses	(22 285)	(151 966)
	(22 285)	**28 339**
WEG Fees		
Income	-	7 999
Provincial Awards		
Income	-	50 526
Expenses	(41 254)	(50 784)
	(41 254)	**(258)**
	(49 225)	25 580
Total cost (under recoveries)/over recoveries	**(49 225)**	**25 580**

Notes to the Annual Financial Statements

	2020 R	2019 R
11. Operating (deficit)/surplus		
Operating surplus for the year is stated after accounting for the following:		
Operating lease charges		
Lease rentals		
• Contractual amounts	115 024	98 390
Depreciation on property, plant and equipment	12 332	8 245
Employee costs	607 520	612 591
12. Finance income		
Interest revenue		
Bank	101 424	149 812
13. Taxation		
The association is a public benefit organisation in terms of Section 30 of the Income Tax Act and the receipts and accruals are exempt from tax in terms of Section 10 (1)(cN) of the Income Tax Act.		
14. Bad debts		
The association has addressed an average debtors exposure and have raised a provision for bad debts which is a realistic yet conservative figure for the year.		
15. Cash (used in)/generated from operations		
Surplus before taxation	45 657	393 165
Adjustments for:		
Depreciation	12 332	8 245
Finance income	(101 424)	(149 812)
Changes in working capital:		
Trade and other receivables	26 900	(52 277)
Trade and other payables	(656 785)	247 728
	(673 320)	**447 049**
16. Commitments		
Operating leases - as lessee (expense)		
Minimum lease payments due		
- within one year	84 000	66 600
Operating lease payments represent rentals payable by the association for certain of its office premises. Leases are negotiated for an average of one year. No contingent rent is payable.		

Notes to the Annual Financial Statements

		2020 R	2019 R

17. Related parties

Relationships

Members of key management	D Smith C Pickering S Horne M Wilson E Vuorinen I Sanne C Engelbreght B Sandwith L Gerstle O Sfigakis R Bush R Balmer J Smith V Mostert D Gray S Coetzee H Jacobs E Hopkins A McLean

Related party transactions

IT support expenses paid to related parties		
S Horne	72 320	70 781

18. Council members' remuneration

No emoluments were paid to the Council members or any individuals holding a prescribed office during the year

Notes to the Annual Financial Statements

	2020 R	2019 R

19. Going concern

The Council believe that the association has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The Council has satisfied themselves that the association is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The Council is not aware of any new material changes that may adversely impact the association. The Council is also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the association

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

The Council would in addition want to report that the full General Reserve as stipulated in clause 8.20 of the Constitution of the Association has been fully provided for during this financial year.

20. Events after the reporting period

The council is aware of the COVID-19 pandemic as well as the country's downgrade to sub-investment grade. There is no immediate concern around going concern. Management has established high-level task teams that are continually assessing and monitoring developments with regard to the disease and have implemented business interruption and continuity management strategies to mitigate the adverse effects caused by the pandemic. At the time of finalising the report, the council are confident that their responses are adequate and the crisis is being continuously monitored to assess the impact on the association.

The pandemic related events are considered to be adjusting events after the reporting period but the council believes that there are no adjustments required to the annual financial statements due to this event.

The council is not aware of any other material events which occurred after the reporting date and up to the date of the report.

Detailed Income Statement

	Notes	2020 R	2019 R
Revenue			
Membership fees		1 174 830	1 281 674
Show levies		302 550	487 750
	7	**1 477 380**	**1 769 424**
Other income			
Bad debts recovered		2 280	-
Cost recoveries		15 673	51 881
Donation income		-	170 809
Fees earned		-	217
Ringfenced reserves recoveries		38 440	10 416
Sundry income		10 918	13 027
		67 311	**246 350**
Operating expenses (Refer to page 27)		**(1 600 458)**	**(1 772 421)**
Operating (deficit)/surplus	11	**(55 767)**	**243 353**
Finance income	12	101 424	149 812
Surplus for the year		**45 657**	**393 165**

The supplementary information presented does not form part of the annual financial statements and is unaudited

Detailed Income Statement

	Notes	2020 R	2019 R
Operating expenses			
Accounting fees		(18 340)	(132 654)
Advertising		(2 750)	(2 609)
Auditor's remuneration		(56 500)	(56 500)
Bad debts		(46)	(10)
Bank charges		(29 368)	(39 928)
Big show expenses		(18 996)	(24 615)
Calendar fees		-	(13 985)
Computer expenses		(210 860)	(114 468)
Cost under recoveries		(65 510)	(26 302)
DSA challenge expenses		(93 662)	(89 398)
Depreciation		(12 332)	(8 245)
Development expenses		(6 557)	(19 890)
Employee costs		(607 520)	(612 591)
Insurance		(12 737)	(31 912)
Judges Promotions and recruitment		-	(3 495)
Lease rentals on operating lease		(115 024)	(98 390)
Legal expenses		(203 875)	(66 000)
Medication control and drug testing		2 100	(21 250)
Meeting expenses		(1 400)	(2 684)
Other expenses		-	(500)
Printing and stationery		(1 827)	(8 055)
Repairs and maintenance		(56 985)	(9 429)
Show expenses		-	(7 040)
Staff welfare		(6 751)	(4 646)
Team expenses		(870)	(159 948)
Telephone and fax		(8 241)	(28 572)
Training of Officials and athletes		(34 616)	(75 217)
Travel - local		(4 061)	(28 697)
Travel - overseas		-	(32 760)
Trophies and engraving		(33 730)	(52 631)
		1 600 458	**1 772 421**