

SOUTH AFRICA SHOW JUMPING
(REGISTRATION NUMBER 136-781 NPO)
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

LSG Integrated
Registered Auditors
Issued 16 May 2022

South Africa Show Jumping

(Registration number: 136-781 NPO)

Annual Financial Statements for the year ended 31 December 2021

Index

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

	Page
Councils' Responsibilities and Approval	2
Councils' Report	3 - 4
Independent Auditor's Report	5 - 7
Statement of Financial Position	8
Statement of Comprehensive Income	9
Statement of Changes in Equity	10
Statement of Cash Flows	11
Accounting Policies	12 - 16
Notes to the Annual Financial Statements	17 - 22
The following supplementary information does not form part of the annual financial statements and is unaudited:	
Statement of Financial Performance	23 - 24

Level of assurance

These annual financial statements have been audited in compliance with the applicable requirements of the constitution of the association.

Preparer

SP Swanepoel
Registered Auditor

South Africa Show Jumping

(Registration number: 136-781 NPO)

Annual Financial Statements for the year ended 31 December 2021

Councils' Responsibilities and Approval

The Council are required by the constitution of the 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 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 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 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 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 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 Council have reviewed the association's cash flow forecast for the year to 31 December 2022 and, in the 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 auditors are 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 auditors and their report is presented on pages 5 to 7.

The annual financial statements set out on pages 3 to 24, which have been prepared on the going concern basis, were approved by the Council on 16 May 2022 and were signed on their behalf by:



M White (President)


C Fourie (Treasurer)

South Africa Show Jumping

(Registration number: 136-781 NPO)

Annual Financial Statements for the year ended 31 December 2021

Councils' Report

The Council has pleasure in submitting their report on the annual financial statements of South Africa Show Jumping for the year ended 31 December 2021.

1. Nature of business

South Africa Show Jumping was incorporated in South Africa with interests in the sports and recreation industry. The association operates in South Africa.

The association holds the status of a constituent member under the SAEF Constitution with jurisdiction over the equestrian sport of show jumping 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 International Financial Reporting Standards for Small and Medium-sized Entities and the requirements of the constitution of the association.

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

Council	Changes
M White (President)	
L Williams (Vice President)	
C Foure (Treasurer)	
C van Der Merwe (National Athletes Commission)	
C Cunningham (Coaching)	Resigned 01 October 2021
D Baxter (KZN President and Officials)	Resigned 12 April 2021
N Hawley (KZN President and Officials)	Appointed 12 April 2021
S Miller (EXCO Co-opted)	Appointed 9 November 2020
E Platt (Marketing)	
P Morrison (International)	
A Bosman (Western Cape)	
T Glicksman (EXCO Co-opted)	Appointed 7 February 2022
G Langley (EXCO Co-opted)	Appointed 9 November 2020
R Ros (Northern Cape)	
NS Riley (Development & Transformation)	
L van der Merwe (Limpopo)	
H Pretorius (National Venues)	
B Taylor (EXCO Co-opted)	
T Greyling (EXCO Technical)	
S Greyling (Mpumalanga)	
T Siciliano (Legal)	
B Martin (Gauteng)	
M Uren (North West)	
C Newton (Eastern Cape)	
R Hobbs (Officials)	

South Africa Show Jumping

(Registration number: 136-781 NPO)

Annual Financial Statements for the year ended 31 December 2021

Councils' Report

4. 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.

5. Events after the reporting period

The Council are not aware of any material event which occurred after the reporting date and up to the date of this report.

6. Going concern

The World Health Organisation declared a global pandemic in March 2020. This Covid - 19 pandemic has since rapidly spread throughout the world with South Africa not being an exception. As a result, the South African government announced a nationwide lockdown which has caused a rapid decline in business operations throughout South Africa. Businesses are set to face consequences related to the Covid - 19 pandemic including but not limited to a general reduction in sales, closure of operations, supply chain disruptions, or an inability of customers to pay, among others. Due to this, the entity had less shows during the year which resulted in less revenue, but given the financial position of the Association, the Council is of the opinion that the going concern assumption has been appropriately applied.

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.

7. Auditors

LSG Integrated continued in office as auditors for the association for 2021.

8. Secretary

The association had no company secretary during the year.

LSG INTEGRATED

REGISTERED AUDITORS

Entrepreneurial Specialists for SMME

Integrated value added financial services

Divisions:

Accounting and Bookkeeping Services
Auditing and Assurance Services
Company Secretariat Services
Trusts and Estate Planning
Taxation Services

Address: East Wing
6 Kikuyu Road
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Independent Auditor's Report

To the council of South Africa Show Jumping

Qualified opinion

We have audited the annual financial statements of South Africa Show Jumping set out on pages 8 to 22, which comprise the statement of financial position as at 31 December 2021, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effect of the matter described in the basis for qualified opinion section of our report, the annual financial statements present fairly, in all material respects, the financial position of South Africa Show Jumping as at 31 December 2021, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the constitution of the association.

Basis for qualified opinion

As with similar organisations, it is not feasible for the association to institute accounting controls over other income prior to the initial entry in the accounting records. Accordingly, it was impractical for us to extend our examination beyond the income actually recorded. Consequently, we were unable to express an opinion on the completeness of other income.

Emphasis of matter

Without qualifying our opinion, we draw attention to the fact that the organisation did not appoint a president for the Free State Council in terms of its constitution.

Other information

The Council is responsible for the other information. The other information comprises the Councils' Report as required by the constitution of the association, which we obtained prior to the date of this report. 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 express an audit opinion or any form of assurance conclusion thereon.

Independent Auditor's Report

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, 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.

Furthermore, without qualifying our opinion, we draw attention to the fact that supplementary information set out on pages 23 to 24 does not form part of the annual financial statements and is presented as additional information. We have not audited this information and accordingly do not express an opinion thereon.

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 International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the constitution of the association, and for such internal control as the Council determine 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 association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.

Independent Auditor's Report

- 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.

LSG Integrated
B Gordon
Partner
Registered auditor

16 May 2022
Sunninghill

South Africa Show Jumping

(Registration number: 136-781 NPO)

Annual Financial Statements for the year ended 31 December 2021

Statement of Financial Position as at 31 December 2021

	Note(s)	2021 R	2020 R
Assets			
Non-Current Assets			
Property, plant and equipment	2	63 613	11 947
Intangible assets	3	1	1
		63 614	11 948
Current Assets			
Inventories	4	57 180	59 745
Trade and other receivables	5	701 321	310 756
Current tax receivable		5 534	26 988
Cash and cash equivalents	6	8 820 889	6 847 518
		9 584 924	7 245 007
Total Assets		9 648 538	7 256 955
Equity and Liabilities			
Equity			
Reserves	12	5 788 718	5 278 568
Accumulated surplus		3 452 362	1 716 827
		9 241 080	6 995 395
Liabilities			
Current Liabilities			
Trade and other payables	7	392 187	255 449
Current tax payable		15 271	6 111
		407 458	261 560
Total Equity and Liabilities		9 648 538	7 256 955

South Africa Show Jumping

(Registration number: 136-781 NPO)

Annual Financial Statements for the year ended 31 December 2021

Statement of Comprehensive Income

	Note(s)	2021 R	2020 R
Revenue	8	5 141 992	3 922 403
Cost of sales		-	(1 965)
Gross profit		5 141 992	3 920 438
Other income	9	535 101	351 467
Operating expenses		(3 709 090)	(3 746 675)
Operating surplus		1 968 003	525 230
Investment revenue	10	286 840	265 580
Surplus before taxation		2 254 843	790 810
Taxation	11	(9 158)	(6 111)
Surplus for the year before transfer of funds		2 245 685	784 699
Funds transferred to specific reserves	12	(510 150)	(311 709)
Surplus for the year		1 735 535	472 990
Surplus attributable to:			
Council Members of South Africa Show Jumping:			
From sport and recreational activities		2 245 685	784 699
Funds transferred to specific reserves		(510 150)	(311 709)
		1 735 535	472 990

South Africa Show Jumping

(Registration number: 136-781 NPO)

Annual Financial Statements for the year ended 31 December 2021

Statement of Changes in Equity

	Reserve fund	Accumulated surplus	Total equity
	R	R	R
Balance at 01 January 2020	4 966 860	1 243 836	6 210 696
Surplus for the year	-	784 700	784 700
Transfer to reserves	311 709	(311 709)	-
Total changes	311 709	(311 709)	-
Balance at 01 January 2021	5 278 568	1 716 827	6 995 395
Surplus for the year	-	2 245 685	2 245 685
Transfer to reserves	510 150	(510 150)	-
Total changes	510 150	(510 150)	-
Balance at 31 December 2021	5 788 718	3 452 362	9 241 080
Note	12		

South Africa Show Jumping

(Registration number: 136-781 NPO)

Annual Financial Statements for the year ended 31 December 2021

Statement of Cash Flows

	Note(s)	2021 R	2020 R
Cash flows from operating activities			
Cash generated from operations	15	1 731 270	599 195
Interest income		286 840	265 580
Tax received (paid)		21 456	(26 988)
Net cash from operating activities		2 039 566	837 787
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(66 194)	(7 825)
Total cash movement for the year		1 973 372	829 962
Cash at the beginning of the year		6 847 518	6 017 558
Total cash at end of the year	6	8 820 889	6 847 518

South Africa Show Jumping

(Registration number: 136-781 NPO)

Annual Financial Statements for the year ended 31 December 2021

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 the association. 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 Significant judgements and sources of estimation uncertainty

Critical judgements in applying accounting policies

Management did not make critical judgements in the application of accounting policies, apart from those involving estimations, which would significantly affect the annual financial statements.

Key sources of estimation uncertainty

Financial assets measured at cost and amortised cost

The association assesses its financial assets measured at cost and amortised cost for impairment at each reporting date. In determining whether an impairment loss should be recorded in the statement of comprehensive income, the association makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for financial assets measured at cost and amortised cost is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting period that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

Impairment testing

The association reviews and tests the carrying value of property, plant and equipment and intangible assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indicators exist, management determine the recoverable amount by performing value in use and fair value calculations. These calculations require the use of estimates and assumptions. When it is not possible to determine the recoverable amount for an individual asset, management assesses the recoverable amount for the cash generating unit to which the asset belongs.

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.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the association, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

South Africa Show Jumping

(Registration number: 136-781 NPO)

Annual Financial Statements for the year ended 31 December 2021

Accounting Policies

1.2 Property, plant and equipment (continued)

Cost includes costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the association and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the period in which they are incurred.

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
Furniture and fittings	Straight line	6 years
Office equipment	Straight line	5 years
Computer equipment	Straight line	3 years
Team equipment	Straight line	5 years
Timing equipment	Straight line	5 years

The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset.

Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

1.3 Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance.

Intangible assets are initially recognised at cost and subsequently at cost less accumulated amortisation and accumulated impairment losses.

Research and development costs are recognised as an expense in the period incurred.

Amortisation is provided to write down the intangible assets, on a straight-line basis, as follows:

Item	Useful life
Computer software	3 years

South Africa Show Jumping

(Registration number: 136-781 NPO)

Annual Financial Statements for the year ended 31 December 2021

Accounting Policies

1.4 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

Commitments to receive a loan are measured at cost less impairment.

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.

Financial instruments at fair value

All other financial instruments, including equity instruments that are publicly traded or whose fair value can otherwise be measured reliably, without undue cost or effort, are measured at fair value through profit and loss.

1.5 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.

South Africa Show Jumping

(Registration number: 136-781 NPO)

Annual Financial Statements for the year ended 31 December 2021

Accounting Policies

1.6 Inventories

Inventories are measured at the lower of cost and estimated selling price less costs to complete and sell, on the first-in, first-out (FIFO) basis.

1.7 Provisions and contingencies

Provisions are recognised when the association has an obligation at the reporting date as a result of a past event; it is probable that the association will be required to transfer economic benefits in settlement; and the amount of the obligation can be estimated reliably.

Contingent assets and contingent liabilities are not recognised.

1.8 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.

1.9 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 is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

Revenue from membership fees, horse registration and levies are recognised on the accrual basis in accordance with the substance of the relevant agreements.

1.10 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

1.11 Other income

Interest is recognised in profit or loss, using the effective interest rate method.

Fund raising income is recognised in profit or loss when the association's right to receive payment has been established.

Prize money and grant income is recognised on the accrual basis in accordance with the substance of the relevant agreements.

South Africa Show Jumping

(Registration number: 136-781 NPO)

Annual Financial Statements for the year ended 31 December 2021

Accounting Policies

1.12 Specific reserves

Province Reserves

30% of membership fees and 30% of show levies is transferred to a reserve for each province that can be spent by the various provinces for the advancement of the discipline of show jumping. 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 and expenses are reflected in the statement of comprehensive income and transferred to specific reserves.

Equestrian Development Scheme (EDS) Levies Reserve

EDS levies are amounts retained for future use and are accessible to previously disadvantaged candidates. The EDS levies are received from show entries and are used for training day shows, clinics with show jumping coaches and seminars for riders. EDS levies income and related expenses are reflected in the statement of comprehensive income and transferred to specific reserves.

Athletes Fund Reserve

Athletes Fund are amounts retained for future use for riders. The funds are received from prize money received by riders at certain status shows, as well as any income specifically approved by the council to be designated as such. The funds are used for contributions towards expenses for venues to have world class shows and for competitors who represent South Africa in international competitions. International Riders Fund income and related expenses are reflected in the statement of comprehensive income and transferred to specific reserves.

National Lottery Reserve

The National Lottery paid a lump sum to South African Show Jumping which will be used to finance show jumping timing equipment and for hosting Tri Nations and capacity building. The funds received and related expenses are transferred to the National Lottery reserve.

Pole and Timing Equipment Reserve

Pole and Timing Equipment reserves is a special project that is made up of 20% of the province unused reserve funds for the 2020 and 2021 financial year. The objective of the reserve is to obtain FEI Poles and Cups and Electronic Timing equipment. This reserve fund is to benefit South Africa Show Jumping as all provinces has contributed to the reserve fund.

South Africa Show Jumping

(Registration number: 136-78) NPO)

Annual Financial Statements for the year ended 31 December 2021

Notes to the Annual Financial Statements

	2021 R	2020 R
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2. Property, plant and equipment

	2021			2020		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Computer equipment	89 878	(79 425)	10 453	82 053	(75 218)	6 835
Furniture and fittings	76 239	(76 222)	17	76 239	(76 222)	17
Office equipment	11 612	(8 089)	3 523	11 612	(6 524)	5 088
Team equipment	28 500	(28 496)	4	28 500	(28 496)	4
Timing equipment	185 814	(136 198)	49 616	127 445	(127 442)	3
Total	392 043	(328 430)	63 613	325 849	(313 902)	11 947

Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Depreciation	Closing balance
Computer equipment	6 835	7 826	(4 208)	10 453
Furniture and fittings	17	-	-	17
Office equipment	5 088	-	(1 565)	3 523
Team equipment	4	-	-	4
Timing equipment	3	58 368	(8 755)	49 616
	11 947	66 194	(14 528)	63 613

Reconciliation of property, plant and equipment - 2020

	Opening balance	Additions	Depreciation	Closing balance
Computer equipment	8 928	7 825	(9 918)	6 835
Furniture and fittings	3	-	14	17
Office equipment	6 102	-	(1 014)	5 088
Team equipment	4	-	-	4
Timing equipment	584	-	(581)	3
	15 621	7 825	(11 499)	11 947

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

3. Intangible assets

	2021			2020		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Computer software	555 607	(555 606)	1	555 607	(555 606)	1

South Africa Show Jumping

(Registration number: 136-781 NPO)

Annual Financial Statements for the year ended 31 December 2021

Notes to the Annual Financial Statements

	2021 R	2020 R
3. Intangible assets (continued)		
Reconciliation of intangible assets - 2021		
	Opening balance	Total
Computer software	1	1
Reconciliation of intangible assets - 2020		
	Opening balance	Total
Computer software	1	1
4. Inventories		
Clothing	57 180	59 745
5. Trade and other receivables		
Trade receivables	205 596	302 600
Prepayments	324 330	-
Deposits	105 073	8 156
VAT	66 322	-
	701 321	310 756
The Council consider that the carrying amount of trade and other receivables approximates their fair value.		
6. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	480	524
Bank balances	8 820 409	6 846 994
	8 820 889	6 847 518
7. Trade and other payables		
Accruals	186 356	-
Accrued audit fees	59 636	59 636
Amounts received in advance	35 353	43 902
Deposits received	71 520	-
Evans fund	-	124 000
Trade payables	39 322	7 208
VAT	-	20 703
	392 187	255 449

South Africa Show Jumping

(Registration number: 136-781 NPO)

Annual Financial Statements for the year ended 31 December 2021

Notes to the Annual Financial Statements

	2021 R	2020 R
7. Trade and other payables (continued)		
The Council consider that the carrying amount of trade and other payables approximates their fair value.		
8. Revenue		
Membership fees	2 349 379	2 129 490
Levies	2 530 648	1 629 917
EDS levies	261 965	162 996
	5 141 992	3 922 403
9. Other income		
Lottery income - development	-	11 207
Lottery income - training	-	82 175
Prize money	455 357	193 265
Sundry income	79 744	64 820
	535 101	351 467
10. Investment revenue		
Interest revenue		
Bank	286 840	265 580
11. Taxation		
Major components of the tax expense		
Current taxation		
South African normal tax - current year	9 158	6 111
Reconciliation of the tax expense		
Reconciliation between accounting profit and tax expense.		
Accounting profit	2 254 843	790 810
Other		
Exempt income	9 158	6 111
	9 158	6 111

The association has been approved as a public benefit organisation in terms of section 30 of the Income Tax Act, and the receipts and accruals are exempt from income tax in terms of section 10(1)(cN) of the Act.

South Africa Show Jumping

(Registration number: 136-781 NPO)

Annual Financial Statements for the year ended 31 December 2021

Notes to the Annual Financial Statements

	2021 R	2020 R
12. Specific reserves		
Opening balance	5 278 568	4 966 860
Funds transferred to specific reserves	1 978 421	411 375
Expenses funded by specific reserves	(1 468 271)	(99 667)
	5 788 718	5 278 568
Gauteng province	899 355	1 279 307
KwaZulu-Natal province	246 708	245 198
Western province	175 919	303 155
Eastern Cape province	88 900	56 494
Free State province	14 156	17 765
Mpumalanga province	10 969	24 031
North-West province	147 097	160 911
Northern Cape province	1 445	284
Limpopo province	179 628	257 612
Athletes Fund	1 598 075	1 112 161
Equity Development Scheme	1 915 303	1 677 938
National Lottery Reserve	143 712	143 712
Pole and Timing Equipment Reserve	367 451	-
	5 788 718	5 278 568
13. Funds transferred to specific reserves		
Levies transferred to specific reserves	759 194	576 428
Membership fees transferred to specific reserves	437 069	388 614
Equity Development Scheme income transferred to specific reserves	255 965	162 996
Prize money transferred to specific reserves	531 774	193 265
Funds transferred to Lottery reserve	-	(115 425)
Other income transferred to reserves	6 000	5 300
Equity Development Scheme expenses transferred to specific reserves	(18 600)	3 807
IRF Fund expenditure transferred to specific reserves	(45 860)	(18 000)
Gauteng - expenses	(561 120)	(588 086)
KwaZulu-Natal - expenses	(49 835)	(56 776)
Western Cape - expenses	(218 965)	(102 246)
Eastern Cape - expenses	(16 882)	(123 922)
Free State - expenses	-	(4 000)
Mpumalanga - expenses	(26 047)	(6 746)
Northern Cape - expenses	-	(3 500)
Limpopo - expenses	-	-
Pole and timing equipment reserve - expenses	(542 544)	-
	510 150	311 709

South Africa Show Jumping

(Registration number: 136-781 NPO)

Annual Financial Statements for the year ended 31 December 2021

Notes to the Annual Financial Statements

	2021 R	2020 R
14. Auditor's remuneration		
Fees	59 636	55 685
Adjustment for previous year	495	-
	60 131	55 685

15. Cash generated from operations

Profit before taxation	2 254 843	790 810
Adjustments for:		
Depreciation and amortisation	14 529	11 499
Interest received	(286 840)	(265 580)
Changes in working capital:		
Inventories	2 565	2 620
Trade and other receivables	(390 565)	(50 149)
Trade and other payables	136 738	109 995
	1 731 270	599 195

16. Depreciation, amortisation and impairments

The following items are included within depreciation, amortisation and impairments:

Depreciation

Property, plant and equipment	14 529	11 499
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17. Going concern

The World Health Organisation declared a global pandemic in March 2020. This Covid - 19 pandemic has since rapidly spread throughout the world with South Africa not being an exception. As a result the South African government announced a nationwide lockdown which has caused a rapid decline in business operations throughout South Africa. Businesses are set to face consequences related to the Covid - 19 pandemic including but not limited to a general reduction in sales, closure of operations, supply chain disruptions, or an inability of customers to pay, among others. Due to this, the entity had less shows during the year which resulted in less revenue, but given the financial position of the Association, the Council is of the opinion that the going concern assumption has been appropriately applied.

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.

18. Events after the reporting period

The Council are not aware of any material event which occurred after the reporting date and up to the date of this report.

South Africa Show Jumping

(Registration number: 136-781 NPO)

Annual Financial Statements for the year ended 31 December 2021

Notes to the Annual Financial Statements

	2021	2020
	R	R

19. Commitments

Operating leases – as lessee (expense)

Minimum lease payments due

- within one year

78 264

84 660

Operating lease payments represent rentals payable by the company for certain of its office properties. Leases are negotiated for an average term of 1 year. No contingent rent is payable.

20. Employee cost

Employee costs

Basic

1 404 249

1 235 252

UIF

6 749

5 983

SDL

12 450

8 762

1 423 448

1 249 997

South Africa Show Jumping

(Registration number: 136-781 NPO)

Annual Financial Statements for the year ended 31 December 2021

Statement of Financial Performance

	Note(s)	2021 R	2020 R
Continuing operations			
Revenue			
EDS levies		261 965	162 996
Levies		2 530 648	1 629 917
Membership fees		2 349 379	2 129 490
	8	5 141 992	3 922 403
Cost of sales			
Opening stock		(59 745)	(62 365)
Purchases		2 565	655
Closing stock		57 180	59 745
		-	(1 965)
Gross surplus		5 141 992	3 920 438
Other income			
Interest received	10	286 840	265 580
Prize money		455 357	193 265
Sundry income		79 744	158 202
		821 941	617 047
Expenses (Refer to page 24)		(3 709 089)	(3 746 675)
Surplus before taxation		2 254 844	790 810
Taxation	11	(9 158)	(6 111)
Surplus for the year before transfer of funds		2 245 686	784 699
Funds transferred to specific reserves		(510 150)	(311 709)
Surplus for the year		1 735 536	472 990

South Africa Show Jumping

(Registration number: 136-781 NPO)

Annual Financial Statements for the year ended 31 December 2021

Statement of Financial Performance

	Note(s)	2021 R	2020 R
Operating expenses			
Accounting fees		271 502	237 767
Administration		17 000	20 250
Advertising		23 936	750
Auditors remuneration	14	60 131	55 685
Bank charges		89 455	73 105
COVID Relief		38 603	468 088
Computer and software expenses		195 364	194 543
Depreciation, amortisation and impairments	16	14 529	11 499
EDS Expenses		42 324	36 019
Electricity and Water		37 597	26 935
Employee costs	20	1 423 448	1 249 997
Entertainment		2 800	1 924
Insurance		30 833	31 998
Interest and penalties		988	-
Legal expenses		-	691 846
Medication control and drug testing		20 496	10 929
Meetings		66 102	44 655
National awards		2 839	-
Officials		162 200	26 000
Postage		-	115
Printing and stationery		12 829	37 140
Provincial profits		530 588	93 599
Rent		85 430	84 660
Repairs and maintenance		2 902	805
Security		-	1 765
Seminar		14 017	-
Show expenses		5 022	24 383
Sponsorship		189 500	135 000
Staff welfare		22 657	15 942
Subscriptions		3	-
Team expenses		148 422	10 008
Telephone and fax		17 462	23 530
Timing equipment maintenance		26 127	29 972
Training		53 465	18 187
Travel		1 499	3 500
Trophies and engraving		69 278	5 911
Uniform expenses		27 501	-
Venue assistance		-	75 000
Venue inspections		-	3 167
Youth championships		2 240	500
Youth development		-	1 501
		3 709 089	3 746 675