

**SOUTH AFRICA SHOW JUMPING
(REGISTRATION NUMBER 136-781 NPO)
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

LSG Integrated
Registered Auditors
Issued 02 May 2023

South Africa Show Jumping

(Registration number: 136-781 NPO)

Annual Financial Statements for the year ended 31 December 2022

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

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

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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

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Annual Financial Statements for the year ended 31 December 2022

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.

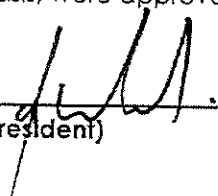
The Council acknowledge that they are ultimately responsible for the system of internal financial control established by the association and place considerable importance on maintaining a strong control environment. To enable the Council to meet these responsibilities, the Council sets standards for 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.

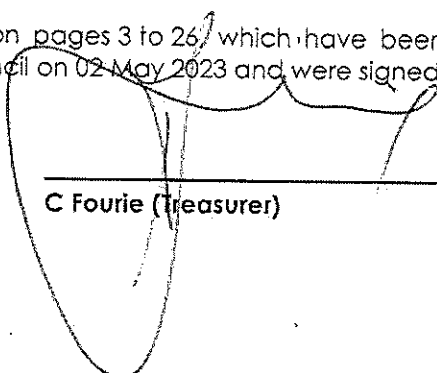
The Council are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial 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 2023 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 26, which have been prepared on the going concern basis, were approved by the Council on 02 May 2023 and were signed on their behalf by:


M White (President)


C Fourie (Treasurer)

South Africa Show Jumping

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Annual Financial Statements for the year ended 31 December 2022

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 2022.

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 Standard 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 Fourie (Treasurer)

C van Der Merwe (National Athletes Commission)

N Hawley (KZN President)

S Miller (EXCO Co-opted)

E Platt (Marketing)

P Morrison (International)

A Bosman (Western Cape)

T Glicksman (EXCO Co-opted)

Appointed 7 February 2022

G Langley (EXCO Co-opted)

R Ras (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 Coetzee (Mpumalanga)

T Siciliano (Legal)

B Martin (Gauteng)

M Ras (North West)

C Newton (Eastern Cape)

R Hobbs (Officials)

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Annual Financial Statements for the year ended 31 December 2022

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 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 2022.

8. Secretary

The association had no company secretary during the year.

LSG INTEGRATED

REGISTERED AUDITORS

Entrepreneurial Specialists for SMME

Address: East Wing
6 Kikuyu Road
Sunninghill 2157

Integrated value added financial services

Postal: PO Box 457
Rivonia 2128

Divisions:

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

Telephone: (011)807-1974/(011) 253-7400
Facsimile: (011)807-1973

Email: lsg@lsgintegrated.co.za
Website: www.lsgintegrated.co.za

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 23, which comprise the statement of financial position as at 31 December 2022, 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 2022, 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 and did not hold their annual general meeting within four months of the year end per the 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 24 to 26 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

02 May 2023
Sunninghill

South Africa Show Jumping

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Annual Financial Statements for the year ended 31 December 2022

Statement of Financial Position as at 31 December 2022

	Note(s)	2022 R	2021 R
Assets			
Non-Current Assets			
Property, plant and equipment	2	380 604	63 613
Intangible assets	3	1	1
		380 605	63 614
Current Assets			
Inventories	4	292 520	57 180
Trade and other receivables	5	555 750	701 321
Current tax receivable		-	5 534
Cash and cash equivalents	6	10 621 100	8 820 889
		11 469 370	9 584 924
Total Assets		11 849 975	9 648 538
Equity and Liabilities			
Equity			
Reserve fund	13	6 279 122	5 788 718
Accumulated surplus		5 097 426	3 452 362
		11 376 548	9 241 080
Liabilities			
Current Liabilities			
Trade and other payables	7	464 267	392 187
Current tax payable		9 160	15 271
		473 427	407 458
Total Equity and Liabilities		11 849 975	9 648 538

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Annual Financial Statements for the year ended 31 December 2022

Statement of Comprehensive Income

	Note(s)	2022 R	2021 R
Revenue	8	5 926 923	5 141 992
Other income	9	812 972	535 101
Operating expenses		(5 099 345)	(3 709 090)
Operating surplus	10	1 640 550	1 968 003
Investment revenue	11	488 807	286 840
Surplus before taxation		2 129 357	2 254 843
Taxation	12	6 111	(9 158)
Surplus for the year before transfer of funds		2 135 468	2 245 685
Funds transferred to specific reserves	14	(490 404)	(510 150)
Surplus for the year		1 645 064	1 735 535
Surplus attributable to:			
Council Members of South Africa Show Jumping:			
From sport and recreational activities		2 135 468	2 245 685
Funds transferred to specific reserves		(490 404)	(510 150)
		1 645 064	1 735 535

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Statement of Changes in Equity

	Reserve fund	Accumulated surplus	Total equity
	R	R	R
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 01 January 2022	5 788 718	3 452 362	9 241 080
Surplus for the year	-	2 135 468	2 135 468
Transfer to reserves	490 404	(490 404)	-
Total changes	490 404	(490 404)	-
Balance at 31 December 2022	6 279 122	5 097 426	11 376 548
Note	13		

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Annual Financial Statements for the year ended 31 December 2022

Statement of Cash Flows

	Note(s)	2022 R	2021 R
Cash flows from operating activities			
Cash generated from operations	16	1 918 001	1 731 270
Interest income		488 807	286 840
Tax received		5 534	21 456
Net cash from operating activities		2 412 342	2 039 566
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(417 254)	(66 195)
Movement of financial assets		(194 877)	-
Net cash from investing activities		(612 131)	(66 195)
Total cash movement for the year		1 800 211	1 973 371
Cash at the beginning of the year		8 820 889	6 847 518
Total cash at end of the year	6	10 621 100	8 820 889

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Annual Financial Statements for the year ended 31 December 2022

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

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

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.

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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
Computer equipment	Straight line	3 years
Furniture and fittings	Straight line	6 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

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Annual Financial Statements for the year ended 31 December 2022

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.

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Annual Financial Statements for the year ended 31 December 2022

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 Investment revenue

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

1.12 Other income

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.

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Accounting Policies

1.13 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.

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Annual Financial Statements for the year ended 31 December 2022

Notes to the Annual Financial Statements

	2022 R	2021 R
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2. Property, plant and equipment

	2022			2021		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Computer equipment	99 442	(86 767)	12 675	89 878	(79 425)	10 453
Furniture and fittings	76 239	(76 222)	17	76 239	(76 222)	17
Office equipment	14 631	(10 258)	4 373	11 612	(8 089)	3 523
Team equipment	28 500	(28 496)	4	28 500	(28 496)	4
Timing equipment	590 485	(226 950)	363 535	185 814	(136 198)	49 616
Total	809 297	(428 693)	380 604	392 043	(328 430)	63 613

Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Depreciation	Closing balance
Computer equipment	10 453	9 564	(7 342)	12 675
Furniture and fittings	17	-	-	17
Office equipment	3 523	3 019	(2 169)	4 373
Team equipment	4	-	-	4
Timing equipment	49 616	404 671	(90 752)	363 535
	63 613	417 254	(100 263)	380 604

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	58 369	(8 756)	49 616
	11 947	66 195	(14 529)	63 613

Property, plant and equipment encumbered as security

No assets have been encumbered as security.

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.

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Notes to the Annual Financial Statements

	2022 R	2021 R
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3. Intangible assets

	2022			2021		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Computer software	555 607	(555 606)	1	555 607	(555 606)	1

Reconciliation of intangible assets - 2022

	Opening balance	Total
Computer software	1	1

Reconciliation of intangible assets - 2021

	Opening balance	Total
Computer software	1	1

4. Inventories

Clothing	39 340	57 180
Pole equipment	253 180	-
	292 520	57 180

5. Trade and other receivables

Trade receivables	517 688	205 596
Prepayments	-	324 330
Deposits	10 156	105 073
VAT	-	66 322
Employee costs in advance - PAYE	27 906	-
	555 750	701 321

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	109	480
Bank balances	10 620 991	8 820 409
	10 621 100	8 820 889

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Notes to the Annual Financial Statements

	2022 R	2021 R
7. Trade and other payables		
Accruals	266 680	186 356
Accrued audit fees	62 775	59 636
Amounts received in advance	55 161	35 353
Deposits received	1 550	71 520
Trade payables	67 876	39 322
VAT	10 225	-
	464 267	392 187

The Council consider that the carrying amount of trade and other payables approximates their fair value.

8. Revenue

Membership fees	2 652 961	2 349 379
Levies	3 000 083	2 530 648
EDS levies	273 879	261 965
	5 926 923	5 141 992

9. Other income

Prize money	589 277	455 357
Sundry income	223 695	79 744
	812 972	535 101

10. Operating surplus

Operating surplus for the year is stated after accounting for the following:

Operating lease charges

Premises

• Contractual amounts	90 840	85 430
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Other financial assets	(194 877)	-
Depreciation on property, plant and equipment	100 263	14 529
Employee costs	1 511 546	1 423 449

11. Investment revenue

Interest revenue

Bank	488 807	286 840
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Notes to the Annual Financial Statements

	2022 R	2021 R
12. Taxation		
Major components of the tax (income) expense		
Current taxation		
South African normal tax - current year	-	9 158
South African normal tax - prior period (over) under provision	(6 111)	-
	(6 111)	9 158
Reconciliation of the tax expense		
Reconciliation between accounting profit and tax expense.		
Accounting profit	2 129 357	2 254 843
Other		
Prior period under/over provision of tax	(6 111)	-
Exempt income	-	9 158
	(6 111)	9 158
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 Income Tax Act No 58 of 1962.		
13. Specific reserves		
Opening balance	5 788 718	5 278 568
Funds transferred to specific reserves	1 235 868	1 978 421
Expenses funded by specific reserves	(745 465)	(1 468 271)
	6 279 121	5 788 718
Gauteng province	1 084 752	899 355
KwaZulu-Natal province	266 077	246 708
Western province	221 705	175 919
Eastern Cape province	126 326	88 900
Free State province	17 887	14 156
Mpumalanga province	13 236	10 969
North-West province	159 158	147 097
Northern Cape province	2 580	1 445
Limpopo province	205 690	179 628
Athletes Fund	2 055 960	1 598 075
Equity Development Scheme	1 953 677	1 915 303
National Lottery Reserve	143 711	143 712
Pole and Timing Equipment Reserve	28 362	367 451
	6 279 121	5 788 718

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Notes to the Annual Financial Statements

	2022 R	2021 R
14. Funds transferred to specific reserves		
Levies transferred to specific reserves	892 935	759 194
Membership fees transferred to specific reserves	470 829	437 069
Equity Development Scheme income transferred to specific reserves	273 879	255 965
Prize money transferred to specific reserves	589 277	531 774
Other income transferred to reserves	27 430	6 000
Equity Development Scheme expenses transferred to specific reserves	(235 505)	(18 600)
IRF Fund expenditure transferred to specific reserves	(131 392)	(45 860)
Gauteng - expenses	(611 803)	(561 120)
KwaZulu-Natal - expenses	(173 684)	(49 835)
Western Cape - expenses	(190 563)	(218 965)
Eastern Cape - expenses	(54 774)	(16 882)
Mpumalanga - expenses	(27 803)	(26 047)
Northern Cape - expenses	(43 313)	-
Limpopo - expenses	-	-
Pole and timing equipment reserve - expenses	(295 109)	(542 544)
	490 404	510 150
15. Auditor's remuneration		
Fees	62 775	59 636
Adjustment for previous year	864	495
	63 639	60 131
16. Cash generated from operations		
Profit before taxation	2 129 357	2 254 843
Adjustments for:		
Depreciation and amortisation	100 263	14 529
Loss on sale of assets	194 877	-
Interest received	(488 807)	(286 840)
Changes in working capital:		
Inventories	(235 340)	2 565
Trade and other receivables	145 571	(390 565)
Trade and other payables	72 080	136 738
	1 918 001	1 731 270
17. Depreciation, amortisation and impairments		
The following items are included within depreciation, amortisation and impairments:		
Depreciation		
Property, plant and equipment	100 263	14 529

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Annual Financial Statements for the year ended 31 December 2022

Notes to the Annual Financial Statements

2022	2021
R	R

18. 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.

19. 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.

20. Commitments

Operating leases – as lessee (expense)

Minimum lease payments due

- within one year	107 334	78 264
- in second to fifth year inclusive	485 808	-
	593 142	78 264

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

21. Employee cost

Employee costs

Basic	1 490 050	1 404 249
UIF	7 152	6 749
SDL	14 344	12 450
	1 511 546	1 423 448

22. Loss on sale of clothing

Less: Cost of sales	(17 840)	-
Opening stock	(57 180)	-
Closing stock	39 340	-
	(17 840)	-

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Annual Financial Statements for the year ended 31 December 2022

Notes to the Annual Financial Statements

	2022 R	2021 R
23. Loss on sale of pole equipment		
Sales	88 984	-
Less: Cost of sales	(283 861)	-
Purchases	(537 041)	-
Closing stock	253 180	-
	(194 877)	-

24. Comparative figures

Certain comparative figures have been reclassified.

The effects of the reclassification are as follows:

Statement of financial performance

National officials clothing	-	27 501
Uniform expenses	-	(27 501)

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Annual Financial Statements for the year ended 31 December 2022

Statement of Financial Performance

	Note(s)	2022 R	2021 R
Continuing operations			
Revenue			
EDS levies		273 879	261 965
Levies		3 000 083	2 530 648
Membership fees		2 652 961	2 349 379
	8	5 926 923	5 141 992
Other income			
Interest received	11	488 807	286 840
Prize money		589 277	455 357
Sundry income		223 695	79 744
		1 301 779	821 941
Expenses (Refer to page 25)		(5 099 345)	(3 709 089)
Surplus before taxation		2 129 357	2 254 844
Taxation	12	6 111	(9 158)
Surplus for the year before transfer of funds		2 135 468	2 245 686
Funds transferred to specific reserves		(490 404)	(510 150)
Surplus for the year		1 645 064	1 735 536

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Annual Financial Statements for the year ended 31 December 2022

Statement of Financial Performance

	Note(s)	2022 R	2021 R
Operating expenses			
Accounting fees		342 183	271 502
Administration		102 300	17 000
Advertising		24 367	23 936
Athlete fund expenses		131 392	-
Auditors remuneration	15	63 639	60 131
Bank charges		116 781	89 455
COVID Relief		-	38 603
Coaches clinic		29 127	-
Computer and software expenses		188 942	195 364
Depreciation, amortisation and impairments	17	100 263	14 529
Development costs		10 800	-
EDS Expenses		235 505	42 324
Electricity and Water		31 910	37 597
Employee costs	21	1 511 546	1 423 448
Entertainment		11 800	2 800
Gifts		8 580	-
Insurance		41 837	30 833
Interest and penalties		166	988
Loss on sale of clothing	22	17 840	-
Loss on sale of pole equipment and clothing	23	194 877	-
Medication control and drug testing		44 911	20 496
Meetings		34 000	66 102
National awards		164 854	2 839
National officials clothing		-	27 501
Officials		221 909	162 200
Pole and equipment profit		(290 249)	-
Pony height measuring		6 555	-
Printing and stationery		16 543	12 829
Provincial awards		95 044	-
Provincial profits		266 198	530 588
Rent		90 840	85 430
Repairs and maintenance		14 198	2 902
Seminar		-	14 017
Show expenses		41 748	5 022
Sponsorship		56 000	189 500
Staff welfare		23 901	22 657
Storage container rental		12 243	-
Subscriptions		-	3
Team expenses		483 034	148 422
Telephone and fax		8 765	17 462
Timing equipment maintenance		4 580	26 127
Training		264 477	53 465

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Statement of Financial Performance

	Note(s)	2022 R	2021 R
Travel		-	1 499
Trophies and engraving		108 843	69 278
Venue assistance		26 737	-
Youth championships		-	2 240
Youth series		240 359	-
		5 099 345	3 709 089