

**SOUTH AFRICAN SHOW JUMPING  
(REGISTRATION NUMBER 136-781 NPO)  
ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

LSG Integrated  
Registered Auditor  
Issued 1 May 2017

# South African Show Jumping

(Registration number 136-781 NPO)

Annual Financial Statements for the year ended 31 December 2016

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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

# LSG INTEGRATED

## REGISTERED AUDITORS

Entrepreneurial Specialists for SMME

Integrated value added financial services

### Divisions:

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

Address: East Wing  
4 Kikuyu Road  
Sunninghill 2157

Postal: PO Box 457  
Rivonia 2128

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

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### To the members of South African Show Jumping

We have audited the Annual Financial Statements of South African Show Jumping set out on pages 8 to 22, which comprise the Statement of Financial Position as at 31 December 2016, 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 African Show Jumping as at 31 December 2016, 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 association is in contravention of the following paragraphs of the constitution:

7.3 - The constitution states that there shall be 9 provincial council members, as at 31 December 2016, there are only 8 provincial members.

11.1 - The AGM was not held within the prescribed time frame, i.e. within 4 months of the financial year-end.

### Other information

The Council are responsible for the other information. The other information comprises the Council's 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

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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.

### Responsibilities of the Council for the Annual Financial Statements

The Council are 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 are 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:

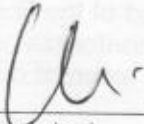
- Identify and assess the risks of material misstatement of the Annual Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting 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.
- Conclude on the appropriateness of the Council 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.



## Independent Auditor's Report

- 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

01 May 2017  
Sunninghill

## South African Show Jumping

(Registration number 136-781 NPO)

Annual Financial Statements for the year ended 31 December 2016

### Council's Responsibilities and Approval

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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 auditor's 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 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 2017 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 auditor's 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 auditor's and their report is presented on page 2.

The annual financial statements set out on pages 6 to 24, which have been prepared on the going concern basis, were approved by the Council on 01 May 2017 and were signed on its behalf by:

  
B Dewar (President)

  
C Fourie (Treasurer)

## South African Show Jumping

(Registration number 136-781 NPO)

Annual Financial Statements for the year ended 31 December 2016

### Council's Report

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The Council have pleasure in submitting their report on the annual financial statements of South African Show Jumping for the year ended 31 December 2016.

#### 1. Nature of business

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

##### Council members

B Dewar (President)  
H Pretorius (Vice President and International)  
C Fourie (Treasurer)  
B Neill (Former President)  
C Dos Santos (Former Vice President)  
D Baxter (Technical)  
M Butcher (International)  
D Pienaar (Veterinary)  
C Cunningham (Development)  
M Clough (PR)  
C Nessling (Western Cape)  
B Kok (Mpumalanga)  
R Lemme (Limpopo)  
M de Lange (North West)  
B Webber (Free State)  
R Ras (Northern Cape)  
R Gerber (Eastern Cape)  
R Martin (Kwazulu Natal)  
P Morrison (Gauteng)  
D Pieterse (Limpopo)  
A Bosman (Western Cape)

##### Changes

Appointed 25 November 2016  
  
Appointed 25 November 2016  
Resigned 28 May 2016  
Resigned 25 November 2016  
  
Resigned 28 May 2016  
  
Resigned 27 August 2016  
  
Resigned 28 May 2016  
Resigned 28 May 2016  
  
Appointed 28 May 2016  
Appointed 25 November 2016

#### 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.

## **South African Show Jumping**

(Registration number 136-781 NPO)

Annual Financial Statements for the year ended 31 December 2016

### **Council's Report**

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#### **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 have 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 are not aware of any new material changes that may adversely impact the association. The Council are 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 2016.

#### **8. Secretary**

The company had no secretary during the year.



# South African Show Jumping

(Registration number 136-781 NPO)

Annual Financial Statements for the year ended 31 December 2016

## Statement of Financial Position as at 31 December 2016

	Note(s)	2016 R	2015 R
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	2	171,294	243,439
Intangible assets	3	23,133	195,856
		<b>194,427</b>	<b>439,295</b>
<b>Current Assets</b>			
Inventories	5	121,531	25,320
Trade and other receivables	6	372,657	345,317
Other financial assets	4	300,000	-
Cash and cash equivalents	7	1,540,677	1,716,771
		<b>2,334,865</b>	<b>2,087,408</b>
<b>Total Assets</b>		<b>2,529,292</b>	<b>2,526,703</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Reserves	8	2,133,580	1,853,786
Retained income		168,145	394,190
		<b>2,301,725</b>	<b>2,247,976</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	9	227,567	278,727
<b>Total Equity and Liabilities</b>		<b>2,529,292</b>	<b>2,526,703</b>

## South African Show Jumping

(Registration number 136-781 NPO)

Annual Financial Statements for the year ended 31 December 2016

### Statement of Comprehensive Income

	Note(s)	2016 R	2015 R
Revenue		3,436,306	3,895,302
Other income		564,165	1,053,968
Operating expenses		(2,690,690)	(3,378,108)
<b>Operating profit</b>		<b>1,309,781</b>	<b>1,571,162</b>
Investment revenue	11	147,969	109,083
Finance costs	12	(17,661)	(72,799)
<b>Surplus (Deficit) for the year</b>		<b>1,440,089</b>	<b>1,607,446</b>
Funds transferred to specific reserves	20	(1,666,134)	(1,920,405)
<b>Loss for the year</b>		<b>(226,045)</b>	<b>(312,959)</b>

## South African Show Jumping

(Registration number 136-781 NPO)

Annual Financial Statements for the year ended 31 December 2016

### Statement of Changes in Equity

	Specific reserves R	Retained income R	Total equity R
<b>Balance at 1 January 2015</b>	<b>1,406,613</b>	<b>707,149</b>	<b>2,113,762</b>
Surplus (Deficit) for the year	447,173	(312,959)	134,214
<b>Balance at 1 January 2016</b>	<b>1,853,786</b>	<b>394,190</b>	<b>2,247,976</b>
Surplus (Deficit) for the year	279,794	(226,045)	53,749
<b>Balance at 31 December 2016</b>	<b>2,133,580</b>	<b>168,145</b>	<b>2,301,725</b>
Note(s)	8		

## South African Show Jumping

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Annual Financial Statements for the year ended 31 December 2016

### Statement of Cash Flows

	Note(s)	2016 R	2015 R
<b>Cash flows from operating activities</b>			
Cash generated from operations	15	1,379,936	1,443,824
Interest income		147,969	109,083
Finance costs		(17,661)	(72,799)
<b>Net cash from operating activities</b>		<b>1,510,244</b>	<b>1,480,108</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	2	-	(84,457)
Purchase of other intangible assets	3	-	(26,125)
Sale of financial assets		(300,000)	-
Movement in specific reserves		(1,386,338)	462,371
<b>Net cash from investing activities</b>		<b>(1,686,338)</b>	<b>351,789</b>
<b>Cash flows from financing activities</b>			
Funds transferred to reserves		-	(1,920,405)
<b>Total cash movement for the year</b>		<b>(176,094)</b>	<b>(88,508)</b>
Cash at the beginning of the year		1,716,771	1,805,279
<b>Total cash at end of the year</b>	7	<b>1,540,677</b>	<b>1,716,771</b>



# South African Show Jumping

(Registration number 136-781 NPO)

Annual Financial Statements for the year ended 31 December 2016

## Accounting Policies

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### 1. Presentation of annual financial statements

The annual financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, 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

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 statements.

#### 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.

# South African Show Jumping

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Annual Financial Statements for the year ended 31 December 2016

## Accounting Policies

### 1.1 Significant judgements and sources of estimation uncertainty (continued)

#### Taxation

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The company recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the company to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the company to realise the net deferred tax assets recorded at the end of the reporting period could be impacted.

### 1.2 Property, plant and equipment

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

Property, plant and equipment is carried at cost less accumulated depreciation and accumulated impairment losses.

Cost include 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.

Depreciation is provided using the straight-line method to write down the cost, less estimated residual value over the useful life of the property, plant and equipment 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 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.

### 1.3 Intangible assets

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

# South African Show Jumping

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Annual Financial Statements for the year ended 31 December 2016

## Accounting Policies

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### 1.3 Intangible assets (continued)

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

### 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 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, 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.



# South African Show Jumping

(Registration number 136-781 NPO)

Annual Financial Statements for the year ended 31 December 2016

## Accounting Policies

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### 1.5 Leases (continued)

#### 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.

### 1.6 Inventories

Inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of the business less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories is assigned using the first-in, first out (FIFO) formula. The same cost formula is used for all inventories having a similar nature and use to the entity.

When inventories are sold, the carrying amount of those inventories are recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

### 1.7 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.

### 1.8 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.

### 1.9 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.



## **South African Show Jumping**

(Registration number 136-781 NPO)

Annual Financial Statements for the year ended 31 December 2016

### **Accounting Policies**

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#### **1.10 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, value added tax 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.

#### **1.11 Borrowing costs**

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

# South African Show Jumping

(Registration number 136-781 NPO)

Annual Financial Statements for the year ended 31 December 2016

## Accounting Policies

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### 1.12 Specific reserves

#### Province Reserves

A percentage of membership fees in excess of R1 300 000 per annum and 50% 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 Governing Committee 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 Equity.

#### 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 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 Equity.

#### International Riders Fund Reserve

International Riders 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 Governing Committee 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 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 Equity.

#### 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 are transferred to the National Lottery reserve and expenses are recognised directly against the reserve.

### 1.13 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 is recognised on the accrual basis in accordance with the substance of the relevant agreements.

Grant income is recognised on the accrual basis in accordance with the substance of the relevant agreements.

## South African Show Jumping

(Registration number 136-781 NPO)

Annual Financial Statements for the year ended 31 December 2016

### Notes to the Annual Financial Statements

	2016 R			2015 R		
2. Property, plant and equipment						
	2016			2015		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Furniture and fittings	76,239	(42,267)	33,972	76,239	(29,565)	46,674
Office equipment	3,787	(2,476)	1,311	3,787	(1,719)	2,068
Computer equipment	47,022	(44,883)	2,139	47,022	(33,969)	13,053
Team equipment	28,500	(14,725)	13,775	28,500	(9,025)	19,475
Timing equipment	210,357	(90,260)	120,097	210,357	(48,188)	162,169
<b>Total</b>	<b>365,905</b>	<b>(194,611)</b>	<b>171,294</b>	<b>365,905</b>	<b>(122,466)</b>	<b>243,439</b>

#### Reconciliation of property, plant and equipment - 2016

	Opening balance	Depreciation	Total
Furniture and fittings	46,674	(12,702)	33,972
Office equipment	2,068	(757)	1,311
Computer equipment	13,053	(10,914)	2,139
Team equipment	19,475	(5,700)	13,775
Timing equipment	162,169	(42,072)	120,097
	<b>243,439</b>	<b>(72,145)</b>	<b>171,294</b>

#### Reconciliation of property, plant and equipment - 2015

	Opening balance	Additions	Depreciation	Total
Furniture and fittings	64,667	-	(17,993)	46,674
Office equipment	3,141	-	(1,073)	2,068
Computer equipment	33,367	1,545	(21,859)	13,053
Team equipment	27,550	-	(8,075)	19,475
Timing equipment	118,130	82,912	(38,873)	162,169
	<b>246,855</b>	<b>84,457</b>	<b>(87,873)</b>	<b>243,439</b>

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

### 3. Intangible assets

	2016			2015		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Computer software	555,607	(532,474)	23,133	555,607	(359,751)	195,856

## South African Show Jumping

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### Notes to the Annual Financial Statements

	2016 R	2015 R
<b>3. Intangible assets (continued)</b>		
<b>Reconciliation of intangible assets - 2016</b>		
	Opening balance	Amortisation Total
Computer software	195,856	(172,723) 23,133
<b>Reconciliation of intangible assets - 2015</b>		
	Opening balance	Additions Amortisation Total
Computer software	445,334	26,125 (275,603) 195,856
<b>4. Other financial assets</b>		
<b>At amortised cost</b>		
Shongweni Club		300,000 -
This loan is unsecured, bears interest at 7% per annum and is repayable in 2 instalments of R150,000 i.e. June 2017 and August 2017, the interest is to be added to the latter payment.		
<b>Current assets</b>		
At amortised cost		300,000 -
<b>5. Inventories</b>		
Clothing		72,880 25,320
Safety cups		48,651 -
	<b>121,531</b>	<b>25,320</b>
<b>6. Trade and other receivables</b>		
Trade receivables		349,043 267,196
Prepayments		22,458 -
Deposits		1,156 1,156
VAT		- 76,965
	<b>372,657</b>	<b>345,317</b>
<b>7. Cash and cash equivalents</b>		
Cash and cash equivalents consist of:		
Cash on hand		435 2,000
Bank balances		1,540,242 1,714,771
	<b>1,540,677</b>	<b>1,716,771</b>



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## Notes to the Annual Financial Statements

	2016 R	2015 R
<b>8. Specific reserves</b>		
Opening balance	1,853,786	1,406,613
Funds transferred to specific reserves	1,666,134	1,569,848
Expenses funded by specific reserves	(1,397,340)	(1,473,232)
Funds received from the National Lottery	-	350,557
GP contribution to Lottery Reserve	11,000	-
	<b>2,133,580</b>	<b>1,853,786</b>
Gauteng province	530,215	312,475
KwaZulu-Natal province	6,452	(24,886)
Western province	227,749	290,874
Eastern Cape province	120,136	74,412
Free State province	16,736	11,418
Mpumalanga province	2,120	5,263
North-West province	13,045	8,903
Northern Cape province	13,157	12,507
Limpopo province	130,393	87,259
International Riders Fund	41,223	189,891
Equity Development Scheme	794,685	535,113
National Lottery Reserve	237,669	350,557
	<b>2,133,580</b>	<b>1,853,786</b>
<b>9. Trade and other payables</b>		
Trade payables	90,031	91,021
Amounts received in advance	19,425	30,305
VAT	14,872	-
Salaries clearing account	23,619	67,528
Other payables	-	14,320
Accrued audit fees	79,120	75,053
Deposits received	500	500
	<b>227,567</b>	<b>278,727</b>
The directors consider that the carrying amount of trade and other payables approximates their fair value.		
<b>10. Employee cost</b>		
<b>Employee costs</b>		
Basic	686,351	1,044,077
UIF	3,805	6,050
SDL	6,556	10,093
	<b>696,712</b>	<b>1,060,220</b>

# South African Show Jumping

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## Notes to the Annual Financial Statements

	2016 R	2015 R
<b>11. Investment revenue</b>		
Interest revenue		
Bank	147,969	109,083
<b>12. Finance costs</b>		
Late payment of tax	17,661	72,799
<b>13. Taxation</b>		
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.		
<b>14. Auditor's remuneration</b>		
Fees	50,582	45,668
<b>15. Cash generated from operations</b>		
Profit before taxation	1,440,089	1,607,446
<b>Adjustments for:</b>		
Depreciation and amortisation	244,866	348,278
Interest received	(147,969)	(109,083)
Finance costs	17,661	72,799
Movements in provisions	-	(176,196)
<b>Changes in working capital:</b>		
Inventories	(96,211)	17,110
Trade and other receivables	(27,340)	252,737
Trade and other payables	(51,160)	(569,267)
	<b>1,379,936</b>	<b>1,443,824</b>
<b>16. Commitments</b>		
<b>Operating leases – as lessee (expense)</b>		
<b>Minimum lease payments due</b>		
- within one year	6,529	6,529

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.

### 17. Comparative figures

The reporting period in prior year is longer than a year, therefore comparative amounts are not comparable to the current balances.

Certain comparative figures have been reclassified, the effects of the reclassification are as follows:

## South African Show Jumping

(Registration number 136-781 NPO)

Annual Financial Statements for the year ended 31 December 2016

### Notes to the Annual Financial Statements

	2016	2015
	R	R

#### 17. Comparative figures (continued)

##### Profit or Loss

Profit on sale of clothing		1,085
Advertising income	-	(1,085)
Timing equipment	-	(18,567)
Repairs and maintenance	-	18,567

#### 18. Going concern

The members of the governing committee 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 members of the governing committee have 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 members of the governing committee are not aware of any new material changes that may adversely impact the association. The members of the governing committee are 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 members of the governing committee are not aware of any material event which occurred after the reporting date and up to the date of this report.

#### 20. Funds transferred to specific reserves

Levies transferred to specific reserves	783,026	1,022,072
Membership fees transferred to specific reserves	356,145	-
Equity Development Scheme income transferred to specific reserves	259,571	358,862
Prize money transferred to specific reserves	255,081	188,914
National Lottery Reserve	-	350,557
Other income transferred to reserves	12,311	-
	<b>1,666,134</b>	<b>1,920,405</b>

#### 21. Profit (Loss) on sale of clothing

Opening inventory	(25,320)	(42,430)
Clothing and Cups income	18,803	18,570
Purchases	(110,602)	-
Closing inventory	121,531	25,320
	<b>4,412</b>	<b>1,460</b>

#### 22. Development

Development income	-	(693,188)
Development expenses	79,922	653,021
	<b>79,922</b>	<b>(40,167)</b>

# South African Show Jumping

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Annual Financial Statements for the year ended 31 December 2016

## Statement of Financial Performance

	Note(s)	2016 R	2015 R
<b>Revenue</b>			
Membership fees		1,610,683	1,492,296
EDS levies		259,572	358,862
Levies		1,566,051	2,044,144
		<b>3,436,306</b>	<b>3,895,302</b>
<b>Other income</b>			
Development income		-	40,167
Profit on sale of clothing	21	4,412	1,460
Prize money		255,082	468,682
Fundraising income		304,671	193,102
Interest received	11	147,969	109,083
Government grants		-	350,557
		<b>712,134</b>	<b>1,163,051</b>
<b>Expenses (Refer to page 24)</b>		<b>(2,690,690)</b>	<b>(3,378,108)</b>
<b>Operating profit</b>		<b>1,457,750</b>	<b>1,680,245</b>
Finance costs	12	(17,661)	(72,799)
<b>Surplus (Deficit) for the year</b>		<b>1,440,089</b>	<b>1,607,446</b>
Funds transferred to specific reserves	20	(1,666,134)	(1,920,405)
<b>Loss for the year</b>		<b>(226,045)</b>	<b>(312,959)</b>



## South African Show Jumping

(Registration number 136-781 NPO)

Annual Financial Statements for the year ended 31 December 2016

### Statement of Financial Performance

	Note(s)	2016 R	2015 R
<b>Operating expenses</b>			
Accounting fees		225,200	309,645
Advertising		12,000	26,173
Auditors remuneration	14	50,582	45,668
Bank charges		61,797	48,153
Cleaning		-	1,416
Computer expenses		397,068	562,358
Consulting and professional fees		26,250	250
Depreciation, amortisation and impairments		244,866	348,278
Development expenses	22	79,922	-
Employee costs	10	696,712	1,060,220
Entertainment		1,875	2,472
Fines		4,474	-
Organising dues		8,758	-
Insurance		54,879	60,501
Lease rentals on operating lease		78,351	103,773
Legal expenses		181,076	265,766
Medication control and drug testing		178,325	209,254
Meetings		37,044	33,427
Municipal expenses		16,200	10,436
Officials		90,799	49,806
Pony height measuring		22,529	46,837
Postage		1,669	1,243
Printing and stationery		8,110	13,938
Repairs and maintenance		33,357	23,804
Security		7,490	9,965
Show expenses		25,535	37,155
Staff welfare		18,431	23,738
Subscriptions		200	-
Telephone and fax		25,468	31,592
Training		45,491	-
Travel - local		-	13,587
Trophies and engraving		56,232	38,653
		<b>2,690,690</b>	<b>3,378,108</b>