

**SOUTH AFRICAN SHOW JUMPING
(REGISTRATION NUMBER 136-781 NPO)
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

LSG Integrated
Registered Auditor
Issued 21 August 2020

South African Show Jumping

(Registration number: 136-781 NPO)

Annual Financial Statements for the year ended 31 December 2019

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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

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Annual Financial Statements for the year ended 31 December 2019

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.

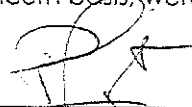
The Council acknowledge that they are ultimately responsible for the system of internal financial control established by the association and place considerable importance on maintaining a strong control environment. To enable the Council to meet these responsibilities, the Council sets standards for 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 2020 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 8 to 7.

The annual financial statements set out on pages 8 to 21, which have been prepared on the going concern basis, were approved by the Council and were signed on their behalf by:



P Lepart (President)

C Fourie (Treasurer)

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Annual Financial Statements for the year ended 31 December 2019

Councils' Report

The Council have pleasure in submitting their report on the annual financial statements of South African Show Jumping for the year ended 31 December 2019.

1. Nature of business

South African Show Jumping was incorporated in South Africa with interests in the sports and recreation industry. The company 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. 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	Changes
P Lepart (President)	
B Dewar (Vice President)	
C Fourie (Treasurer)	
C van Der Merwe (National Athletes Commission)	
C Cunningham (Coaching)	
D Baxter (KZN President and Officials)	Appointed 29 November 2019
V Lyon (Marketing)	Resigned 29 November 2019
P Morrison (Gauteng & International)	
A Bosman (Western Cape)	
B Kok (Mpumalanga)	Resigned 29 November 2019
R Ras (Northern Cape)	
R Martin (Kwazulu Natal)	Resigned 29 November 2019
M Zofka (North West)	Resigned 29 November 2019
NS Riley (Development)	
E Platt (Eastern Cape)	
L van der Merwe (Limpopo)	
H Pretorius (National Venues)	
B Taylor (EXCO)	Appointed 29 November 2019
M White (EXCO)	Appointed 29 November 2019

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.

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Annual Financial Statements for the year ended 31 December 2019

Councils' Report

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 2019.

8. Secretary

The company had no company secretary during the year.

LSG INTEGRATED

REGISTERED AUDITORS

Entrepreneurial Specialists for SMME

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Independent Auditor's Report

To the members of South African Show Jumping

Qualified opinion

We have audited the annual financial statements of South African Show Jumping set out on pages 8 to 21, which comprise the statement of financial position as at 31 December 2019, 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 2019, 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:

7.1 - The constitution states that there shall be 9 provincial council members, as at 31 December 2019 there are only 8 provincial members.

Other information

The Council are 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.

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 22 to 23 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 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

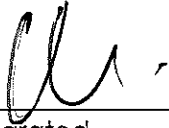
Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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 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

21 August 2020
Sunninghill

South African Show Jumping

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Annual Financial Statements for the year ended 31 December 2019

Statement of Financial Position as at 31 December 2019

	Note(s)	2019 R	2018 R
Assets			
Non-Current Assets			
Property, plant and equipment	2	15 621	34 953
Intangible assets	3	1	1
		15 622	34 954
Current Assets			
Inventories	4	62 365	65 465
Trade and other receivables	5	260 607	81 204
Cash and cash equivalents	6	6 017 558	3 694 367
		6 340 530	3 841 036
Total Assets		6 356 152	3 875 990
Equity and Liabilities			
Equity			
Reserves	7	4 966 860	3 787 225
Accumulated deficit		1 243 836	(79 620)
		6 210 696	3 707 605
Liabilities			
Current Liabilities			
Trade and other payables	8	145 456	168 385
Total Equity and Liabilities		6 356 152	3 875 990

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Annual Financial Statements for the year ended 31 December 2019

Statement of Comprehensive Income

	Note(s)	2019 R	2018 R
Continuing operations			
Revenue		4 679 378	4 468 468
Other income		972 755	873 358
Operating expenses		(3 478 474)	(4 703 835)
Operating surplus		2 173 659	637 991
Investment revenue	9	329 432	238 468
Finance costs	10	-	25 954
Surplus (deficit) for the year		2 503 091	902 413
Funds transferred to specific reserves	12	(1 179 635)	(814 255)
Surplus (deficit) for the year		1 323 456	88 158

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Statement of Changes in Equity

	Reserve fund	Accumulated deficit	Total equity
	R	R	R
Balance at 01 January 2018	2 972 969	(167 777)	2 805 192
Surplus (Deficit) for the year	-	902 413	902 413
Transfer to reserves	814 256	(814 256)	-
Balance at 01 January 2019	3 787 225	(79 620)	3 707 605
Surplus (Deficit) for the year	-	2 503 091	2 503 091
Transfer to reserves	1 179 635	(1 179 635)	-
Balance at 31 December 2019	4 966 860	1 243 836	6 210 696
Note(s)	7		

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Statement of Cash Flows

	Note(s)	2019 R	2018 R
Cash flows from operating activities			
Cash generated from operations	14	2 001 584	481 847
Interest income		329 432	238 468
Finance costs		-	25 954
Net cash from operating activities		2 331 016	746 269
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(7 825)	(20 829)
Sale of property, plant and equipment	2	-	46 984
Net cash from investing activities		(7 825)	26 155
Total cash movement for the year		2 323 191	772 424
Cash at the beginning of the year		3 694 367	2 921 943
Total cash at end of the year	6	6 017 558	3 694 367

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Annual Financial Statements for the year ended 31 December 2019

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.

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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
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

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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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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 Specific reserves

Province Reserves

30% of membership fees 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 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.

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Accounting Policies

1.11 Specific reserves (continued)

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.

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 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.

1.12 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.

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Annual Financial Statements for the year ended 31 December 2019

Notes to the Annual Financial Statements

	2019 R	2018 R
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2. Property, plant and equipment

	2019			2018		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Furniture and fittings	76 239	(76 236)	3	76 239	(67 680)	8 559
Office equipment	11 612	(5 510)	6 102	3 787	(3 785)	2
Computer equipment	74 227	(65 299)	8 928	74 227	(56 232)	17 995
Team equipment	28 500	(28 496)	4	28 500	(26 125)	2 375
Timing equipment	127 445	(126 861)	584	127 445	(121 423)	6 022
Total	318 023	(302 402)	15 621	310 198	(275 245)	34 953

Reconciliation of property, plant and equipment - 2019

	Opening balance	Additions	Depreciation	Closing balance
Furniture and fittings	8 559	-	(8 556)	3
Office equipment	2	7 825	(1 725)	6 102
Computer equipment	17 995	-	(9 067)	8 928
Team equipment	2 375	-	(2 371)	4
Timing equipment	6 022	-	(5 438)	584
	34 953	7 825	(27 157)	15 621

Reconciliation of property, plant and equipment - 2018

	Opening balance	Additions	Disposals	Depreciation	Closing balance
Furniture and fittings	21 266	-	-	(12 707)	8 559
Office equipment	553	-	-	(551)	2
Computer equipment	6 272	20 829	-	(9 106)	17 995
Team equipment	8 075	-	-	(5 700)	2 375
Timing equipment	78 026	-	(46 984)	(25 020)	6 022
	114 192	20 829	(46 984)	(53 084)	34 953

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

	2019			2018		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Computer software	555 607	(555 606)	1	555 607	(555 606)	1

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Notes to the Annual Financial Statements

	2019 R	2018 R
3. Intangible assets (continued)		
Reconciliation of intangible assets - 2019		
	Opening balance	Total
Computer software	1	1
Reconciliation of intangible assets - 2018		
	Opening balance	Total
Computer software	1	1
4. Inventories		
Clothing	62 365	65 465
5. Trade and other receivables		
Trade receivables	242 255	79 609
Prepayments	6 500	-
Deposits	8 156	1 156
VAT	3 696	439
	260 607	81 204
The directors 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	365	884
Bank balances	6 017 193	3 693 483
	6 017 558	3 694 367
7. Specific reserves		
Opening balance	3 787 225	2 972 969
Funds transferred to specific reserves	2 582 579	1 989 616
Expenses funded by specific reserves	(1 402 944)	(1 175 360)
	4 966 860	3 787 225

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Notes to the Annual Financial Statements

	2019 R	2018 R
7. Specific reserves (continued)		
Gauteng province	1 362 288	1 052 774
KwaZulu-Natal province	140 466	76 553
Western province	242 017	174 827
Eastern Cape province	111 253	95 671
Free State province	18 974	21 753
Mpumalanga province	13 756	20 233
North-West province	138 195	83 596
Northern Cape province	1 652	5 439
Limpopo province	231 092	222 864
International Riders Fund	936 896	595 628
Equity Development Scheme	1 511 135	1 294 176
National Lottery Reserve	259 136	143 711
	4 966 860	3 787 225

8. Trade and other payables

Trade payables	16 679	54 427
Amounts received in advance	56 932	3 110
Accrued audit fees	71 345	110 348
Deposits received	500	500
	145 456	168 385

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

9. Investment revenue

Interest revenue

Bank	329 432	238 468
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10. Finance costs

Late payment of tax	-	(25 954)
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11. Taxation

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 African Show Jumping

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Annual Financial Statements for the year ended 31 December 2019

Notes to the Annual Financial Statements

	2019 R	2018 R
12. Funds transferred to specific reserves		
Levies transferred to specific reserves	1 160 796	1 137 942
Membership fees transferred to specific reserves	369 586	358 275
Equity Development Scheme income transferred to specific reserves	258 659	249 808
Prize money transferred to specific reserves	551 268	493 040
Funds transferred to Lottery 2019 reserve	115 425	-
Other income transferred to reserves	126 845	5 924
Equity Development Scheme expenses transferred to specific reserves	(41 701)	(1 938)
IRF Fund expenditure transferred to specific reserve	(210 000)	(260 950)
Gauteng	(620 967)	(506 818)
Kwazulu Natal	(166 102)	(192 643)
Western Cape	(167 992)	(266 808)
Eastern Cape	(94 724)	(184 183)
Free State	(5 050)	-
Mpumalanga	(24 398)	(10 347)
North West	-	-
Northern Cape	(4 950)	(7 047)
Limpopo	(67 060)	-
	1 179 635	814 255
13. Auditor's remuneration		
Fees	66 543	63 265
14. Cash generated from operations		
Profit before taxation	2 503 091	902 413
Adjustments for:		
Depreciation and amortisation	27 157	53 084
Interest received	(329 432)	(238 468)
Finance costs	-	(25 954)
Changes in working capital:		
Inventories	3 100	3 300
Trade and other receivables	(179 403)	16 386
Trade and other payables	(22 929)	(228 914)
	2 001 584	481 847

South African Show Jumping

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Annual Financial Statements for the year ended 31 December 2019

Notes to the Annual Financial Statements

	2019 R	2018 R
15. Related parties		
Relationships		
Close family member of key management	T. Dewar	
Related party balances and transactions with other related parties		
Related party transactions		
Salary paid to related parties		
T. Dewar	461 416	393 078
16. Going concern		
<p>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.</p>		
17. Events after the reporting period		
<p>The Council are not aware of any material event which occurred after the reporting date and up to the date of this report.</p>		
18. Commitments		
Operating leases – as lessee (expense)		
Minimum lease payments due		
- within one year	7 000	6 529
<p>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.</p>		
19. Employee cost		
Employee costs		
Basic	1 210 299	1 113 545
UIF	6 092	5 893
SDL	11 651	10 720
	1 228 042	1 130 158

South African Show Jumping

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Annual Financial Statements for the year ended 31 December 2019

Statement of Financial Performance

	Note(s)	2019 R	2018 R
Revenue			
Membership fees		2 054 511	1 911 719
EDS levies		258 659	250 982
Levies		2 366 208	2 305 767
		4 679 378	4 468 468
Cost of sales			
Opening stock		(65 465)	(68 765)
Purchases		-	3 300
Stock impairment		3 100	-
Closing stock		62 365	65 465
		-	-
Other income			
Profit on sale of clothing and safety cups		461	(482)
Prize money		551 268	493 040
Sundry income		421 026	380 800
Interest received	9	329 432	238 468
		1 302 187	1 111 826
Expenses (Refer to page 23)		(3 478 474)	(4 703 835)
Operating surplus		2 503 091	876 459
Finance costs	10	-	25 954
Surplus (Deficit) for the year		2 503 091	902 413
Funds transferred to specific reserves	12	(1 179 635)	(814 255)
Surplus (Deficit) for the year		1 323 456	88 158

South African Show Jumping

(Registration number: 136-781 NPO)

Annual Financial Statements for the year ended 31 December 2019

Statement of Financial Performance

	Note(s)	2019 R	2018 R
Operating expenses			
Accounting fees		203 285	201 422
Advertising		-	615
Auditors remuneration	13	66 543	63 265
Bank charges		86 291	78 873
Computer expenses		196 213	251 420
Consulting and professional fees		-	22 500
Depreciation, amortisation and impairments		27 157	53 084
EDS Expenses		41 701	1 938
Employee costs	19	1 228 042	1 130 158
Entertainment		2 000	1 600
Insurance		49 646	52 917
Legal expenses		18 732	64 208
Medication control and drug testing		48 530	61 955
Meetings		39 489	57 477
Municipal expenses		35 401	26 220
National awards		112 494	33 489
Officials		101 892	119 732
Organising dues		-	2 020
Postage		-	930
Provincial awards		167 633	101 228
Provincial championships		19 306	33 482
Rent		73 234	85 051
Repairs and maintenance		80 955	23 951
Results		20 375	29 192
Riders fund expenses		210 000	260 950
Show expenses		26 200	52 133
Staff welfare		16 658	17 269
Subscriptions		150	4 033
Team expenses		304 786	289 090
Telephone and fax		21 627	27 261
Timing equipment		115 603	224 091
Training		118 087	98 643
Travel		2 592	3 053
Trophies and engraving		52 212	57 299
Venue inspections		107 522	31 241
World equestrian games		(115 882)	1 142 045
		3 478 474	4 703 835