

South African Show Jumping

(Registration number: 136-781 NPO)

Annual Financial Statements for the year ended 31 December 2018

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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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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 AFRICAN SHOW JUMPING
(REGISTRATION NUMBER 136-781 NPO)
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

LSG Integrated
Registered Auditor
Issued 31 May 2019

South African Show Jumping

(Registration number: 136-781 NPO)
Annual Financial Statements for the year ended 31 December 2018

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 2018.

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	Changes
P Leport (President, formerly Legal Advisor)	Appointed 23 January 2018
B Dewoor (Vice President & Technical Rules, formerly President)	Appointed 23 January 2018
C Fourie (Treasurer)	
C von der Merwe (National Athletics Commission)	Appointed 23 January 2018
C Cunningham (Coaching)	Appointed 23 January 2018
D Bakler (Officials, formerly Technical)	Appointed 23 January 2018
V Lyon (Marketing)	Appointed 23 January 2018
K Lowery (Veterinary)	
S Riley (Development)	Appointed 23 January 2018
H Pretorius (National Venues, formerly Vice President)	Resigned 23 January 2018
G Tlingol (EXCO)	Appointed 23 January 2018
P Morrison (Gauteng & International)	
A Bosman (Western Cape)	
B Kok (Mpumalanga)	
R Ros (Northern Cape)	
R Morlin (KwaZulu Natal)	
M Zolka (North West)	
E Pliott (Eastern Cape)	
L van der Merwe (Limpopo)	

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.

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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.

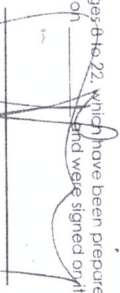
The Council are of the opinion based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial 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 2019 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 8 to 22, which have been prepared on the going concern basis, were approved by the Council on and were signed on its behalf by:


P Leport (President, formerly Legal Advisor)


C Fourie (Treasurer)

LSG INTEGRATED
REGISTERED AUDITORS
Entrepreneurial Specialist for SMM

Integrated value added financial services

Divisions:
 Accounting and Bookkeeping Services
 Auditing and Assurance Services
 Company Secretarial Services
 Trust and Estate Planning
 Taxation Services

Address	East Wing 4 Kikuyu Road Sunninghill 2157
Postcode	PO Box 452 Rivonia 2128
Telephone	(011) 807 1924/(011) 253 7400
Facsimile	(011) 807 1973
Email	lsgh@lsgintegrated.co.za
Website	www.lsgintegrated.co.za

Independent Auditor's Report

To the shareholder 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 22, which comprise the statement of financial position as at 31 December 2018, 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 2018, 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 2018, 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 auditors' 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.

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Councils' 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 2018.

8. Secretary

The company had no company secretary during the year.

- 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.

31 May 2019
Sunninghill

LSG Integrated
B. Gordon
Partner
Registered Auditor

In connection with our audit of the annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Responsibilities of the Council for the Annual Financial Statements

The Council 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 it 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's 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.

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Statement of Comprehensive Income

	Note(s)	2018 R	2017 R
Revenue		4,468,468	3,496,862
Other income		873,358	628,016
Operating expenses		(4,703,835)	(3,768,667)
Operating surplus		637,991	356,211
Investment revenue	9	238,468	152,057
Finance costs	11	25,954	(4,794)
Surplus (deficit) for the year		902,413	503,474
Funds transferred to specific reserves	19	(814,255)	(839,389)
Surplus (deficit) for the year		88,158	(335,915)

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Statement of Financial Position as at 31 December 2018

	Note(s)	2018 R	2017 R
Assets			
Non-Current Assets			
Property, plant and equipment	2	34,953	114,192
Intangible assets	3	1	1
		34,954	114,193
Current Assets			
Inventories	4	65,465	68,765
Trade and other receivables	5	81,204	97,590
Cash and cash equivalents	6	3,694,367	2,921,943
		3,841,036	3,088,298
Total Assets		3,875,990	3,202,491
Equity and Liabilities			
Equity			
Reserves	7	3,787,225	2,972,969
Accumulated deficit		(79,620)	(167,777)
		3,707,605	2,805,192
Liabilities			
Current Liabilities			
Trade and other payables	8	168,385	397,299
Total Equity and Liabilities		3,875,990	3,202,491

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Statement of Cash Flows

	Note(s)	2018 R	2017 R
Cash flows from operating activities			
Cash generated from operations	14	481,847	940,379
Interest income		238,468	152,057
Finance costs		25,954	(4,794)
Net cash from operating activities		746,269	1,087,642
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(20,829)	(6,376)
Sale of property, plant and equipment	2	46,984	-
Movement of financial assets		-	300,000
Net cash from investing activities		26,155	293,624
Total cash movement for the year		772,424	1,381,266
Cash at the beginning of the year		2,921,943	1,540,677
Total cash at end of the year	6	3,694,367	2,921,943

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Statement of Changes in Equity

	Reserve fund	Accumulated deficit	Total equity
	R	R	R
Balance at 01 January 2017	2,133,580	168,145	2,301,725
Surplus (Deficit) for the year	-	503,467	503,467
Transfer in reserves	839,389	(839,389)	-
Balance at 01 January 2018	2,972,969	(167,777)	2,805,193
Surplus (Deficit) for the year	-	902,413	902,413
Transfer to reserves	814,256	(814,256)	-
Balance at 31 December 2018	3,787,225	(79,620)	3,707,605
Note(s)	7		

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Accounting Policies

1.2 Property, plant and equipment (continued)

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 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. 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 reviews the estimated useful lives of property, plant and equipment when changing circumstances indicate that they may have changed since the most recent reporting date. During the current year, the members determined that the useful lives of certain items of surveillance equipment should be shortened, due to developments in technology.

The financial effect of this reassessment, assuming the assets are held until the end of their estimated useful lives, is to increase the depreciation expense in the current financial year and for the next 3 years, by the following amounts:

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.

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.

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Accounting Policies

1.6 Inventories

Inventories are measured at the lower of cost and net realisable value, on the first-in, first-out (FIFO) basis.

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.

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, 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.

1.11 Borrowing costs

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

1.12 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

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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 1.1.8(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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Notes to the Annual Financial Statements

	2018	2017
	R	R

2. Property, plant and equipment

	2018		2017	
	Cost	Accumulated depreciation	Carrying value	Cost
Furniture and fittings	76,239	(67,680)	8,559	76,239
Office equipment	3,787	(3,785)	2	3,787
Computer equipment	74,227	(56,232)	17,995	53,398
Team equipment	28,500	(26,125)	2,375	28,500
Timing equipment	127,445	(121,423)	6,022	210,357
Total	310,198	(275,245)	34,953	372,281
				(258,089)
				114,192

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

Reconciliation of property, plant and equipment - 2017

	Opening balance	Additions	Depreciation	Closing balance
Furniture and fittings	33,972	-	(12,706)	21,266
Office equipment	1,311	-	(758)	553
Computer equipment	2,139	6,376	(2,243)	6,272
Team equipment	13,775	-	(5,700)	8,075
Timing equipment	120,097	-	(42,071)	78,026
	171,294	6,376	(63,478)	114,192

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

	2018		2017	
	Cost	Accumulated amortisation	Carrying value	Cost
Computer software	555,607	(555,606)	1	555,607
				(555,606)
				1

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Accounting Policies

1.12 Specific reserves (continued)

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.

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 the Nations and capacity building. The funds received and related expenses are transferred to the National Lottery 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.

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Notes to the Annual Financial Statements

	2018 R	2017 R
7. Specific reserves (continued)		
Gauteng province	1,052,774	807,286
KwaZulu-Natal province	76,553	42,069
Western province	174,827	191,358
Eastern Cape province	95,671	159,946
Free State province	21,753	17,378
Mpumalanga province	20,233	8,456
North-West province	83,596	32,308
Northern Cape province	5,439	9,441
Limpopo province	222,864	151,172
International Riders Fund	595,628	363,537
Equity Development Scheme	1,294,176	1,046,307
National Lottery Reserve	143,711	143,711
	3,787,225	2,972,969
8. Trade and other payables		
Trade payables	54,427	231,182
Amounts received in advance	3,110	57,045
Solidities clearing account	-	37,266
Accrued audit fees	110,348	71,306
Deposits received	500	500
	168,385	397,299

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

9. Investment revenue		
Interest revenue		
Bank	238,468	152,057
10. Employee cost		
Employee costs		
Basic	1,113,545	1,093,245
UIF	5,893	6,322
SDL	10,720	8,945
	1,130,158	1,108,512
11. Finance costs		
Late payment of tax	(25,954)	4,794

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Notes to the Annual Financial Statements

	2018 R	2017 R	
3. Intangible assets (continued)			
Reconciliation of intangible assets - 2018			
Computer software	Opening balance 1	Total 1	
Reconciliation of intangible assets - 2017			
Computer software	Opening balance 23,133	Amortisation (23,132)	Total 1
4. Inventories			
Clothing	65,465	68,765	
5. Trade and other receivables			
Trade receivables	79,609	78,782	
Prepayments	-	10,130	
Deposits	1,156	1,156	
VAT	439	7,522	
	81,204	97,590	
6. Cash and cash equivalents			
Cash and cash equivalents consist of:			
Cash on hand	884	3,250	
Bank balances	3,693,483	2,918,693	
	3,694,367	2,921,943	
7. Specific reserves			
Opening balance	2,972,969	2,133,580	
Funds transferred to specific reserves	1,989,616	2,085,081	
Expenses funded by specific reserves	(1,175,360)	(1,151,735)	
Money refunded to the National Lottery	-	(93,957)	
	3,787,225	2,972,969	

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Annual Financial Statements for the year ended 31 December 2018

Notes to the Annual Financial Statements

	2018	2017
	R	R

17. 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.

18. Events after the reporting period

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

19. Funds transferred to specific reserves

Levies transferred to specific reserves	1,137,942	817,275
Membership fees transferred to specific reserves	338,275	340,083
Equity Development Scheme income transferred to specific reserves	249,808	266,489
Prize money transferred to specific reserves	493,040	363,486
2015 IRP fund not transferred	-	279,767
Other income transferred to reserves	5,924	17,981
Equity Development Scheme expenses transferred to specific reserves	(1,938)	(14,867)
IRP Fund expenditure transferred to specific reserve	(260,950)	(320,938)
Lottery fund expenses transferred to specific reserves	-	(93,957)
Gauteng		
Kwazulu Natal	(506,818)	(365,907)
Western Cape	(192,643)	(157,191)
Eastern Cape	(266,808)	(203,379)
Free State	(184,183)	(28,531)
Mpumalanga	-	(4,140)
North West	(10,347)	(8,992)
Northern Cape	-	(180)
Limpopo	(7,047)	(8,500)
	-	(39,110)
	814,255	839,389

20. Profit (loss) on sale of clothing and solely cups

Opening inventory	(68,765)	(121,531)
Clothing and Cups income	318	56,649
Purchases	-	(520)
Closing inventory	67,965	68,765
	(482)	3,363

South African Show Jumping

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Annual Financial Statements for the year ended 31 December 2018

Notes to the Annual Financial Statements

	2018	2017
	R	R

12. 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)(c) of the Act.

13. Auditor's remuneration

Fees	63,265	58,270
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14. Cash generated from operations

Profit before taxation	902,413	503,474
Adjustments for:		
Depreciation and amortisation	53,084	86,612
Interest received	(238,468)	(152,057)
Finance costs	(25,954)	4,794
Changes in working capital:		
Inventories	3,300	52,766
Trade and other receivables	16,386	275,067
Trade and other payables	(228,914)	169,723
	481,847	940,379

15. Commitments

Operating leases – as lessee (expense)

Minimum lease payments due		
- 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.

16. 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

	393,078	389,595
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South African Show Jumping

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Annual Financial Statements for the year ended 31 December 2018

Statement of Financial Performance

	2018	2017
Note(s)	R	R
Revenue		
Membership fees	1,911,719	1,568,542
EOS levies	250,982	266,489
Levies	2,305,767	1,661,831
	4,468,468	3,496,862
Cost of sales		
Opening stock	(69,765)	(121,531)
Purchases	3,300	52,766
Closing stock	65,465	68,765
	-	-
Other income		
Profit on sale of clothing and safety cups	20	3,363
Prize money	493,040	363,486
Sundry income	380,800	261,167
Interest received	9	238,468
	1,111,826	780,073
Expenses (Refer to page 24)		
Operating surplus	(4,703,835)	(3,768,667)
Finance costs	11	876,459
	25,954	(4,794)
Surplus (Deficit) for the year	902,413	503,474
Funds transferred to specific reserves	(814,255)	(839,389)
Surplus (Deficit) for the year	88,158	(335,915)

South African Show Jumping

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Annual Financial Statements for the year ended 31 December 2018

Notes to the Annual Financial Statements

	2018	2017
R	R	R
21. FEI annual subscriptions		
FEI annual subscriptions		41,691
22. Special settlement		
The special settlement of R 100,000 (excluding VAT) relates to settlement agreement between South African Equestrian Federation and South African Show Jumping for the full and final settlement of all outstanding fees owed to the South African Equestrian Federation regarding 2014 affiliation fees.		
23. Prior period errors		
Funds transferred to reserves had been inaccurately disclosed.		
The correction of the error(s) results in adjustments as follows:		
Profit or Loss		
Expenses	-	1,245,692
Funds transferred to specific reserves	-	(1,245,692)

South African Show Jumping
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Annual Financial Statements for the year ended 31 December 2018

Statement of Financial Performance

	Note(s)	2018 R	2017 R
Operating expenses			
Accounting fees		201,422	208,940
Advertising		615	15,078
Auditors remuneration	13	63,265	58,270
Bad debts		-	14,518
Bank charges		78,873	56,350
Computer expenses		251,420	314,014
Consulting and professional fees		22,500	32,500
Depreciation, amortisation and impairments		53,084	86,612
EDS Expenses	10	1,936	14,867
Employee costs		1,130,156	1,108,512
Entertainment		1,600	1,230
FEI annual subscriptions	21	-	41,691
FEI seminar		-	81,886
Insurance		52,917	51,993
Legal expenses		64,208	1,200
Lobby expenses		-	93,957
Medication control and drug testing		61,955	103,597
Meetings		57,477	52,845
Municipal expenses		26,220	19,528
National awards		33,489	121,189
Officials		119,732	80,613
Organising dues		2,020	-
Pony height measuring		-	11,716
Postage		930	544
Provincial awards		101,228	40,645
Provisional championships		33,482	76,500
Rent		85,051	118,541
Repairs and maintenance		23,951	97,016
Results		29,192	12,442
Riders fund expenses		260,950	320,938
Security		-	7,960
Show expenses		52,133	63,647
Special settlement	22	-	100,000
Staff welfare		17,269	18,292
Subscriptions		4,033	-
Team expenses		289,090	81,380
Telephone and fax		27,261	38,545
Timing equipment		224,091	1,284
Training		98,643	107,966
Trovel		3,053	50
Trophies and engraving		57,299	27,563
Venue inspections		31,241	81,948
World equestrian games		1,142,045	-
		4,703,835	3,768,667