

**Dressage South Africa
(Registration number 133-147 NPO)
Annual Financial Statements
for the year ended 31 December 2018**

Dressage South Africa

(Registration number: 133-147 NPO)

Annual Financial Statements for the year ended 31 December 2018

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	The control of the equestrian discipline of dressage in South Africa
Registered office	173 Crocus Road Equifox Park Kyalami 1684
Postal address	PO Box 30875 Kyalami 1684
Auditors	Nolands Jhb Inc. Chartered Accountants (S.A.) Registered Auditor Practice number: 905119
Company registration number	133-147 NPO
Tax reference number	9197655195
Level of assurance	These annual financial statements have been audited in compliance with the applicable requirements of the constitution of the association.
Preparer	The annual financial statements were independently compiled by: RL Smith CA(SA), RA
Issued	15 February 2019

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Councils' Responsibilities and Approval

The Council is 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 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 judgments 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 is 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 has 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 auditor is responsible for independently auditing and reporting on the company's annual financial statements. The annual financial statements have been examined by the association's external auditor and their report is presented on Pages 6 to 7.

The annual financial statements set out on Pages 8 to 24, which have been prepared on the going concern basis, were approved by the Council on 15 February 2019 and were signed on its behalf by:



P Hefer
Johannesburg

15 February 2019

C Pickering

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Council's Report

The Council have pleasure in submitting their report on the annual financial statements of Dressage South Africa for the year ended 31 December 2018.

1. Nature of business

Dressage South Africa was incorporated in South Africa on 1 August 2013 and is engaged in the control of the equestrian discipline of dressage 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 the 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 company are set out in these annual financial statements.

3. Council

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

Council	Title	Association	Changes
P Hefer	President	Dressage South Africa	
D Smith	Vice president	Dressage South Africa	
E Vuorinen	Technical portfolio	Dressage South Africa	
I Sanne	International portfolio	Dressage South Africa	
C Pickering	Treasurer	Dressage South Africa	
A Meredith	Venus and schedules	Dressage South Africa	Resigned 17 March 2018
S Horne	Judges and official portfolio	Dressage South Africa	Appointed 17 March 2018
C Engelbreght	Finance and admin portfolio	Dressage South Africa	Appointed 17 March 2018
B Weyer	Marketing and advertising portfolio	Dressage South Africa	Appointed 17 March 2018
M Frenzel	Para- dressage	Dressage South Africa	Appointed 17 March 2018
J Silen	Venus and schedules	Dressage South Africa	Appointed 17 March 2018
L Mohr	President	Western Cape Dressage	Resigned 28 July 2018
R Munro	President	KwaZulu- Natal Dressage	
R Bush	President	Eastern Cape Dressage	
A Parry	President	Gauteng Dressage	Appointed 17 March 2018
H Jacobs	President	Northern Cape Dressage	
E Hopkins	President	Western Cape Dressage	Appointed 28 July 2018
A McLean	President	North West Dressage	
K Ebersohn	President	Mpumalanga Dressage	Resigned 22 April 2018
S Koster	President	Mpumalanga Dressage	Appointed 22 April 2018
D Gray	President	Limpopo Dressage	
R Balmer	President	Free State Dressage	

4. Council members' interests in contracts

During the financial year, no new contracts were entered into, in which the council or officials of the association had an interest and which significantly affected the business of the association. The IT support contract between S Horne and the association was however extended for the duration of the financial year.

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Council's Report

5. Property, plant and equipment

There was no change in the nature of the property, plant and equipment of the company or in the policy regarding their use.

6. Events after the reporting period

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

7. Going concern

The Council believe that the association has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The Council has satisfied themselves that the association is in a sound financial position and that it has access to sufficient cash reserves to meet its foreseeable cash requirements. The Council is not aware of any new material changes that may adversely impact the association. The Council is also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the association.

The annual financial statement have been prepared on the basis of accounting policies applicable to a going concern. The basis presumes that the funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent liabilities and commitments will occur in the ordinary course of business.

The Council would in addition want to report that the full General Reserve as stipulated in clause 8.20 of the Constitution of the Association has been fully provided for during this financial year.

8. Litigation statement

The association becomes involved from time to time in various claims and lawsuits incidental to the ordinary course of business. The association is not currently involved in any such claims or lawsuits, which individually or in the aggregate, are not expected to have a material adverse effect on the business or its assets.

9. Auditors

Nolands Jhb Inc. continued in office as auditors for the association for 2018.

At the AGM, the Council will be requested to reappoint Nolands Jhb Inc. as the independent external auditors of the association and to confirm DW Fordham (CA)SA, RA as the designated lead audit partner for the 2019 financial year.

10. Date of authorisation for issue of annual financial statements

The annual financial statements have been authorised for issue by the Council on 15 February 2019. No authority was given to anyone to amend the annual financial statements after the date of issue.

Independent Auditor's Report

To the members of Dressage South Africa

Qualified opinion

We have audited the annual financial statements of Dressage South Africa set out on pages 8 to 24, which comprise the statement of financial position as at 31 December 2018, and the statement of comprehensive income, statement of changes in reserves 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 Dressage South Africa 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 donation 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 donation income received from Western Cape Dressage.

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the annual financial statements section of our report. We are independent of the association in accordance with the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of annual financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Other information

The Council is 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.

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.

Independent Auditor's Report

Responsibilities of the Council members for the Annual Financial Statements

The Council is responsible for the preparation and fair presentation of the annual financial statements in accordance with the 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 directors determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the Council is responsible for assessing the association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Council either intend to liquidate the association or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company'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.

Nolands Jhb Inc.
Registered Auditor
Practice number: 905119
Per: DW Fordham (CA)SA, RA
Director

15 February 2019
Johannesburg

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Statement of Financial Position as at 31 December 2018

	Note	2018 R	2017 R
Assets			
Non-Current Assets			
Property, plant and equipment	2	23 874	9 504
Current Assets			
Trade and other receivables	3	65 108	31 296
Cash and cash equivalents	4	2 243 210	1 611 085
		<u>2 308 318</u>	<u>1 642 381</u>
Total Assets		<u>2 332 192</u>	<u>1 651 885</u>
Reserves and Liabilities			
Reserves			
Specific reserves	5	1 264 021	1 017 441
Accumulated deficit		253 558	(49 585)
		<u>1 517 579</u>	<u>967 856</u>
Liabilities			
Current Liabilities			
Trade and other payables	6	814 613	684 029
Total Reserves and Liabilities		<u>2 332 192</u>	<u>1 651 885</u>

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Statement of Comprehensive Income

	Notes	2018 R	2017 R
Revenue	7	1 947 226	1 462 759
Specific venture cost recovery	8	174 736	93 818
Operating expenses		(1 687 828)	(1 338 684)
Operating surplus	11	434 134	217 893
Finance income	12	115 589	79 571
Finance costs	13	-	(695)
Surplus for the year		549 723	296 769
Transfers to reserves			
Funds transferred to specific reserves		(521 629)	(423 700)
Funds transferred to ringfenced reserves		(81 003)	(58 676)
Total transfers for the year		(602 632)	(482 376)
Deficit for the year		(52 909)	(185 607)

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Statement of Changes in Reserves

	Specific reserves R	Accumulated deficit R	Total equity R
Balance at 01 January 2017	589 836	136 022	725 858
Surplus for the year	-	296 769	296 769
Total changes	-	296 769	296 769
Transfer between reserves	423 700	(423 700)	-
Utilisation of reserves	(54 771)	-	(54 771)
Transfer to ringfenced reserves	58 676	(58 676)	-
Total changes	427 605	(482 376)	(54 771)
Balance at 01 January 2018	1 017 441	(49 585)	967 856
Surplus for the year	-	549 723	549 723
Transfer between reserves	165 577	(165 577)	-
Transfer to ringfenced reserves	81 003	(81 003)	-
Balance at 31 December 2018	1 264 021	253 558	1 517 579
Note	5		

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Statement of Cash Flows

	Notes	2018 R	2017 R
Cash flows from operating activities			
Cash generated from operations	16	535 318	617 327
Finance income	12	115 589	79 571
Finance costs		-	(695)
Net cash from operating activities		650 907	696 203
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(18 782)	(2 629)
Movement in specific reserves		-	(54 771)
Net cash from investing activities		(18 782)	(57 400)
Total cash movement for the year		632 125	638 801
Cash at the beginning of the year		1 611 085	972 284
Total cash at end of the year	4	2 243 210	1 611 085

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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 incorporate the accounting principals and 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 statement.

Critical judgements in applying accounting policies

Management did not make critical judgements in the application of accounting policies.

Key sources of estimation uncertainty

Useful lives of property, plant and equipment

The associated 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.

1.2 Property, plant and equipment

Property, plant and equipment are tangible assets which the company holds for its own use or for rental to others and which are expected to be used for more than one period.

Property, plant and equipment is initially measured at cost.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the association.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Computer equipment	Straight line	5 years
Furniture and fixtures	Straight line	10 years
Office equipment	Straight line	6 years

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Accounting Policies

1.2 Property, plant and equipment (continued)

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 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

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.

1.4 Tax

Tax expenses

Tax expense is recognised in the same component of total comprehensive income or equity as the transaction or other event that resulted in the tax expense.

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.

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Accounting Policies

1.6 Impairment of assets

The company assesses at each reporting date whether there is any indication that property, plant and equipment may be impaired.

If there is any such indication, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its 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.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of assets) in prior years. A reversal of impairment is recognised immediately in profit or loss.

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 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 from show levies, levies on prize money and membership fees are recognised in profit or loss when the association's right to receive payment has been established

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Accounting Policies

1.10 Specific reserves

Province reserves

50% of membership fees and 50% of show levies are transferred to a reserve for each province that can be spent by the various provinces for the advancement of the discipline of dressage. 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 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 Reserves.

Equestrian Development Scheme (EDS) Levies Reserve

EDS levies are amounts retained for future use. The EDS levies are received from show entries and form part of the FEI Solidarity Program set up to provide the National Sports Federation with the tools to develop equestrian sport in their own country in a sustainable, structured, progressive and professional manner. EDS levies income is reflected in the statement of comprehensive income and transferred to specific reserves. The related expense is recorded directly to the reserve and the surplus/deficit for the year is shown as a separate line item on the Statement of Changes in Reserves.

Para Dressage Reserve

The National Lottery paid a lump sum grant to Dressage SA in the prior year. This was used to finance the support of various Para dressage rider relate costs and activities. The funds received and expenses incurred are recognised directly in reserves.

The Adriaan Van Wyk Fund

Adriaan Van Wyk raised money on behalf of Dressage SA, to subsidise the funding of high level dressage events. The surplus after paying expenses was used to create a perpetual fund for the purpose of facilitating and subsidising essential high level FEI Dressage events that are limited due to economic considerations. The funds received and expenses incurred are recognised directly in reserves.

Judges Training Reserve

This fund was established from the surplus derived from the hosting of the Dressage SA 2016 Stephen Clarke Seminar. The main purpose of purchasing an airline ticket for the equivalent 2017 seminar. Subsequent and related funds received and expenses incurred are recognised directly in reserves.

Riders Fund Reserve

Riders Fund are amounts retained for future use for riders. The funds are received from prize money received by riders at certain status level shows, as well as any income specifically approved by the Council to be designated as such. These funds are utilised in such a fashion as may be determined by the DSA council for the benefit of the discipline and the athletes. 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 Reserves.

1.11 Finance income and finance expenses

Finance income comprises interest income on funds invested, that is recognised in profit or loss. Interest income is recognised as it accrues, using the effective interest rate method.

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Accounting Policies

1.11 Finance income and finance expenses (continued)

Finance expenses comprise interest expense on borrowings that are recognised in profit or loss. All borrowing costs are recognised in profit or loss in the period they are incurred, using the effective interest rate method.

1.12 Other income

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

Income from advertising, fines, publications, donations received and fundraising and events is recognised in profit or loss when the association's right to receive payment has been established.

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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	Accumulated depreciation	Carrying value
Computer equipment	27 254	(19 069)	8 185	27 986	(22 615)	5 371
Furniture and fixtures	8 722	(5 450)	3 272	8 722	(4 589)	4 133
Office equipment	13 131	(714)	12 417	-	-	-
Total	49 107	(25 233)	23 874	36 708	(27 204)	9 504

Reconciliation of property, plant and equipment - 2018

	Opening balance	Additions	Depreciation	Closing balance
Computer equipment	5 371	5 651	(2 837)	8 185
Furniture and fixtures	4 133	-	(861)	3 272
Office equipment	-	13 131	(714)	12 417
	9 504	18 782	(4 412)	23 874

Reconciliation of property, plant and equipment - 2017

	Opening balance	Additions	Depreciation	Closing balance
Computer equipment	4 713	2 629	(1 971)	5 371
Furniture and fixtures	4 992	-	(859)	4 133
	9 705	2 629	(2 830)	9 504

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. Trade and other receivables

Trade receivables	55 108	20 900
Deposits	10 000	10 000
Other receivable	-	396
	65 108	31 296

As the terms and conditions relating to trade and other receivables fall within industry norms as well as normal business practice, discounting of the trade and other receivables is not material.

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Notes to the Annual Financial Statements

	2018 R	2017 R
4. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	2 001	1 768
Bank balances	2 241 209	1 609 317
	<u>2 243 210</u>	<u>1 611 085</u>
5. Specific Reserves		
Movement in reserves		
Balance at the beginning of the year	1 017 441	589 836
Funds transferred to general reserves	246 580	423 700
Funds transferred to specific reserves	-	58 676
Funds utilised for the Stephen Clarke 2016 Seminar	-	(54 771)
	<u>1 264 021</u>	<u>1 017 441</u>
Ringfenced reserves		
Equestrian Development Scheme (EDS)	296 955	238 499
The Adriaan Van Wyk Fund	60 347	60 347
Judges Training Reserve	49 101	22 096
Riders Fund	12 869	18 306
Provincial reserves		
Gauteng Province	174 228	78 963
KwaZulu-Natal Province	56 609	72 559
Western Cape Province	71 877	(20 618)
Eastern Cape Province	39 711	36 169
Free State Province	12 802	6 901
Mpumalanga Province	3 071	25 106
North West Province	7 005	30 101
Northern Cape Province	18 429	19 833
Limpopo Province	37 317	5 479
General reserves		
National general reserve	280 000	280 000
Gauteng Province	76 000	76 000
KwaZulu-Natal Province	15 000	15 000
Western Cape Province	35 000	35 000
Eastern Cape Province	6 000	6 000
Free State Province	3 000	3 000
Mpumalanga Province	3 500	3 500
North West Province	1 600	1 600
Northern Cape Province	3 600	3 600
	<u>1 264 021</u>	<u>1 017 441</u>

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Annual Financial Statements for the year ended 31 December 2018

Notes to the Annual Financial Statements

	2018 R	2017 R
6. Trade and other payables		
Trade payables	145 433	127 910
Amounts received in advance	519 791	334 536
VAT	48 452	208 816
Accrued expenses	100 937	12 767
	<u>814 613</u>	<u>684 029</u>
<p>As the terms and conditions relating to trade and other payables fall within industry norms as well as normal business practice, discounting of the trade and other payables is not material.</p>		
7. Revenue		
Membership fees	1 451 878	1 001 049
Show levies	495 348	461 710
	<u>1 947 226</u>	<u>1 462 759</u>
8. Specific venture cost recovery		
Fines levied	348	1 754
Net income on ringfenced reserves	81 003	58 676
Other income	45 504	3 698
Cost recoveries for events	12 744	29 690
Donation income	22 983	-
Bad debts recovered	12 154	-
	<u>174 736</u>	<u>93 818</u>
<p>Please refer to Note 9 and Note 10 for additional detail on the income/(expenses) on specific reserves and cost recoveries.</p>		
9. Income/(expenses) on ringfenced reserves		
Judges training reserve		
Income	27 004	268 835
Expenses	-	(250 061)
Stephen Clark	-	(54 771)
Net income/(expenses)	<u>27 004</u>	<u>(35 997)</u>
Equestrian Development Scheme		
Income	58 117	70 236
Expenses	-	(29 096)
Net income	<u>58 117</u>	<u>41 140</u>

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Notes to the Annual Financial Statements

	2018 R	2017 R
9. Income/(expenses) on ringfenced reserves (continued)		
Riders fund		
Income	1 319	6 530
Expenses	(5 437)	(7 768)
Net expenses	<u>(4 118)</u>	<u>(1 238)</u>
Total income from ringfenced reserves	<u>81 003</u>	<u>3 905</u>
Total income /(transfers) relating to ringfenced reserves		
Income	81 003	3 905
Transfers directly to reserves	-	54 771
Net income to reserves	<u>81 003</u>	<u>58 676</u>
10. Cost recoveries/ under recoveries		
SA Lipizzaner's Joint Fundraiser		
Income	-	26 145
Expenses	-	(13 277)
Net income	<u>-</u>	<u>12 868</u>
Seminar Fees		
Income	14 884	14 369
Expenses	(35 921)	(9 549)
Net (expenses)/income	<u>(21 037)</u>	<u>4 820</u>
Organising Fees		
Income	25 067	12 586
Expenses	(22 311)	(20 189)
Net income/(expenses)	<u>2 756</u>	<u>(7 603)</u>

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Annual Financial Statements for the year ended 31 December 2018

Notes to the Annual Financial Statements

	2018 R	2017 R
10. Cost recoveries/ under recoveries (continued)		
Dressage Forum		
Income	26 806	26 514
Expenses	(16 818)	(21 141)
Net income	9 988	5 373
SAEF Coaches Development subsidisation		
Income	75 808	-
Expenses	(80 253)	-
Net income/(expenses)	(4 445)	-
WEG Fees		
Income	307 241	-
Expenses	(341 906)	-
Net expenses	(34 665)	-
Provincial Awards		
Income	41 827	41 394
Expenses	(52 730)	(27 163)
Net (expenses)/income	(10 903)	14 231
Total cost recoveries/ under recoveries	(58 306)	29 689
11. Operating surplus		
Operating surplus for the year is stated after accounting for the following:		
Operating lease charges		
Lease rentals		
• Contractual amounts	88 224	79 506
Depreciation on property, plant and equipment	4 412	2 830
Employee costs	635 616	690 799
12. Finance income		
Interest revenue		
Bank	115 589	79 571
13. Finance costs		
Interest paid - other	-	695

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Annual Financial Statements for the year ended 31 December 2018

Notes to the Annual Financial Statements

	2018 R	2017 R
14. Taxation		
<p>The association is a public benefit organisation in terms of Section 30 of the Income Tax Act and the receipts and accruals are exempt from tax in terms of Section 10 (1)(cN) of the Income Tax Act.</p>		
15. Bad debts		
<p>The association has addressed an average debtors exposure and have raised a provision for bad debts which is a realistic yet conservative figure for the year.</p>		
16. Cash generated from operations		
Surplus before taxation	549 723	296 769
Adjustments for:		
Depreciation	4 412	2 830
Finance income	(115 589)	(79 571)
Finance costs	-	695
Changes in working capital:		
Trade and other receivables	(33 812)	59 805
Trade and other payables	130 584	336 799
	<u>535 318</u>	<u>617 327</u>
17. Commitments		
Operating leases - as lessee (expense)		
Minimum lease payments due		
- within one year	-	74 469

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

Dressage South Africa

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Annual Financial Statements for the year ended 31 December 2018

Notes to the Annual Financial Statements

	2018	2017
	R	R

21. Events after the reporting period

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

22. Western Cape Dressage

During the period under review the Council identified that the Western Cape Dressage had been operating a bank account to facilitate events held in that province without the knowledge of the National office. It was agreed by all parties that the funds in the account would be donated to the National office and the bank account thereafter closed. The funds were received into the National offices bank account and was subsequently transferred to Western Cape Dressage Provincial reserve.

Dressage South Africa

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Annual Financial Statements for the year ended 31 December 2018

Detailed Income Statement

	Notes	2018 R	2017 R
Revenue			
Membership fees		1 451 878	1 001 049
Show levies		495 348	461 710
	7	<u>1 947 226</u>	<u>1 462 759</u>
Other income			
Bad debts recovered		12 154	-
Cost recoveries		12 744	29 690
Donation income		22 983	-
Fees earned		348	1 754
Finance income	12	115 589	79 571
Ringfenced reserves recoveries	9	81 003	58 676
Sundry income		45 504	3 698
		<u>290 325</u>	<u>173 389</u>
Operating expenses (Refer to page 26)		(1 687 828)	(1 338 684)
Operating profit	11	<u>549 723</u>	<u>297 464</u>
Finance costs	13	-	(695)
Surplus for the year		<u>549 723</u>	<u>296 769</u>

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Annual Financial Statements for the year ended 31 December 2018

Detailed Income Statement

	Notes	2018 R	2017 R
Operating expenses			
Accounting fees		(61 901)	(15 236)
Administration and management fees		(2 170)	-
Advertising		(7 928)	-
Auditor's remuneration		(53 250)	(49 950)
Bad debts		(17 504)	(61 774)
Bank charges		(40 536)	(39 350)
Big show expenses		(17 633)	(24 054)
Calendar fees		(12 560)	(7 020)
Computer expenses		(121 484)	(82 343)
Cost under recoveries		(71 050)	-
DSA challenge expenses		(42 639)	-
Depreciation		(4 412)	(2 830)
Development expenses		(41 282)	-
Employee costs		(635 616)	(690 799)
FEI Affiliation fees		-	(15 836)
Honorary membership discount allowed		-	(627)
Insurance		(51 414)	(15 654)
Judges Promotions and recruitment		(9 090)	-
Lease rentals on operating lease		(88 224)	(79 506)
Medication control and drug testing		(31 102)	(8 211)
Meeting expenses		(3 675)	(16 710)
Other expenses		(500)	(1 782)
Printing and stationery		(10 702)	(5 541)
Repairs and maintenance		-	(1 196)
Show expenses		(10 600)	(58 061)
Staff welfare		(8 282)	(5 621)
Team expenses		(109 181)	(52 517)
Telephone and fax		(38 264)	(29 809)
Training of Officials and athletes		(85 852)	(38 116)
Travel - local		(12 782)	(2 590)
Travel - overseas		(25 000)	-
Trophies and engraving		(45 091)	(33 551)
Youth development and high-performance programme		(28 104)	-
		(1 687 828)	(1 338 684)