Dressage South Africa
(Registration number 133-147 NPO)
Financial statements
for the year ended 31 December 2023

Dressage South Africa

(Registration number: 133-147 NPO)
Financial Statements for the year ended 31 December 2023

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	The control of equestrian discipline of dressage in South Africa
Registered office	Ground floor Pere House 29 Macintyre Roan Glenferness AH 1604
Postal address	PO Box 30875 Kyalami 1684
Auditor	Nolands Jhb Inc. Chartered Accountants (SA) Registered Auditor Practice number: 905119
Company registration number	133-147 NPO
Tax reference number	9197655195
Level of assurance	These financial statements have been audited in compliance with the applicable requirements of the Constitution of association
Preparer	The financial statements were independently compiled by: Ryan Lee Smith CA(SA), RA

Dressage South Africa

(Registration number: 133-147 NPO)
Financial Statements for the year ended 31 December 2023

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

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Councils' Responsibilities and Approval

The Council is required by the Companies Act 71, of 2008, to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the 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 financial statements.

The 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.

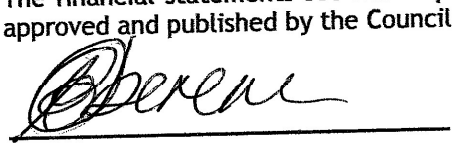
The Council acknowledge that they are ultimately responsible for the system of internal financial control established by the association and place considerable importance on maintaining a strong control environment. To enable the Council to meet these responsibilities, the Council set standards for internal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

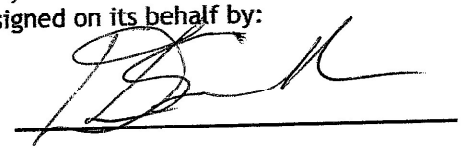
The Council is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control 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 12 months from the date of this report, in 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 association's financial statements. The financial statements have been examined by the association's external auditors and their report is presented on pages 6 to 7.

The financial statements set out on pages 8 to 24, which have been prepared on the going concern basis, were approved and published by the Council and were signed on its behalf by:





Johannesburg
Date: May 17, 2024

Councils' Report

The Council have pleasure in submitting their report on the financial statements of Dressage South Africa for the year ended 31 December 2023.

1. Nature of business

Dressage South Africa was incorporated in South Africa on 1 August 2013 and is engaged in the control of the equestian 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 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 association are set out in these financial statements.

3. Council members interest 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.

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 members are not aware of any material events which occured after the reporting date and up to the date of the 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 financial statements have been prepared on a going concern basis. The Council has satisfied themselves that the association is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The Council is not aware of any new material changes that may adversely impact the association. The Council is also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the association.

The financial statements 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.

7. Council

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

Councils' Report

Council	Title	Association	Changes
D Smith	President	Dressage South Africa	
S Horne	Vice president	Dressage South Africa	
C Oberem	Treasurer	Dressage South Africa	
J Constant	Co-opted Athlete's representative	Dressage South Africa	Resigned 30 March 2023
E Vuorinen	Technical	Dressage South Africa	Resigned 30 March 2023
I Sanne	International affairs	Dressage South Africa	
J Silen	Assist: Schedules & venues and DSA convenor	Dressage South Africa	
R Niehus	Co-opted to assist with coaches	Dressage South Africa	Resigned 30 March 2023
S Bruckner	Judges and Officials	Dressage South Africa	
N Janse Van Rensburg	President	Free State	
R Ramsay	President	Eastern Cape	
J Smith	President	Gauteng	
E Hopkins	Finance and administration	Dressage South Africa	Appointed 30 March 2023
A van Wyk	Athlete's representitive	Dressage South Africa	Appointed 30 March 2023
E Swanepoel	Acting President	North West	
F Muhl	Technical	Dressage South Africa	Appointed 30 March 2023
B Spencer	President	KwaZulu Natal	
K Husband	President	Mpumalanga	
C Jacobs	President	Northern Cape	
E Hopkins	President	Western Cape	Resigned 30 March 2023
L Cutting	Development & transformation	Dressage South Africa	Resigned 30 March 2023
W Moller	Coaches	Dressage South Africa	Appointed 30 March 2023
S Michaelides	President	Western Cape	Appointed 30 March 2023

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 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 2023.

The association will be going out to tendering out the position for the independent external auditors for the 2024 financial year.

10. Date of authorisation for issue of financial statements

The financial statements have been authorised for issue by the council on the date of this report. No authority was given to anyone to amend the financial statements after the date of being published.

Nolands
NOT YOUR ORDINARY AUDITORS

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Independent Auditor's Report

To the Members of Dressage South Africa

Opinion

We have audited the financial statements of Dressage South Africa (the association) set out on pages 8 to 24, which comprise the statement of financial position as at 31 December 2023, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Dressage South Africa as at 31 December 2023, and its financial performance and cash flows for the year then ended in accordance with the the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the constitution of association.

Basis for Opinion

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 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 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 corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Council is responsible for the other information. The other information comprises the information included in the document titled "Dressage South Africa financial statements for the year ended 31 December 2023", which includes the Councils' Report as required by the Companies Act 71, of 2008 and the supplementary information as set out on pages 25 to 26. The other information does not include the financial statements and our auditor's report thereon.

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

Responsibilities of the Council for the Financial Statements

The Council is responsible for the preparation and fair presentation of the financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71, of 2008, and for such internal control as the Council determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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.

CHIEF EXECUTIVE OFFICER: DARRYL FORDHAM CA (SA) DIRECTORS: RYAN SMITH CA (SA), ANTONIO CIANFANELLI CA (SA), PORTIA NTLATLENG CA (SA), NUSRAT KHAN CA (SA) ASSOCIATE DIRECTOR: SUREKHA SINGH CA (SA) SENIOR ADVISOR: DAVE OSHRY CA(SA) CORPORATE LAW & TAX SPECIALISTS: PROF. WALTER GEACH BA LLB (CPT) MCom FCIS CA (SA), GRAEME SAGGERS MCom (UCT) CA (SA) MTP MERGERS & ACQUISITIONS ADVISOR: DAVID MASTERTON BCompt (Hons) CA (SA) CFE MDP B-BBEE.

Chartered Accountants (SA) Registered Auditors. Geneva Group International (GGI), Independent Member Firm. Nolands Jhb Inc Reg No 2006/008947/21. All professional firms practising in the Republic of South Africa under Nolands ("Member firms") are licensed by Nolands Audit SA Proprietary Limited (Registration number: 2020/256102/07) ("Nolands SA") save for member firms practising outside of the Republic of South Africa which member firms are licensed by Nolands International Limited (BRN No: C16141706) (FSC No: C116016185). Each member firm is an independent contractor practising for its own risk and benefit. No member firms are partners, agents, representatives, joint ventures, fiduciaries or the like (collectively "Associates") of each other. Likewise, no member firms and Nolands SA or Nolands International Limited are Associates of each other. If any further information is required, kindly contact us. See https://nolands.global/south-africa/disclaimers/.

Independent Auditor's Report

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 Council use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 financial statements, including the disclosures, and whether the 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.

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

Date: May 17, 2024
Johannesburg

Statement of Financial Position as at 31 December 2023

	Note	2023 R	2022 R
Assets			
Non-Current Assets			
Property, plant and equipment	2	43 147	43 928
Current Assets			
Trade and other receivables	3	70 601	62 111
Cash and cash equivalents	4	2 275 563	2 483 263
		2 346 164	**2 545 374**
Total Assets		**2 389 311**	**2 589 302**
Reserves and Liabilities			
Reserves			
Specific reserves		1 883 481	1 980 908
Accumulated surplus		58 897	125 478
		1 942 378	**2 106 386**
Liabilities			
Current Liabilities			
Trade and other payables	5	446 933	482 916
Total Reserves and Liabilities		**2 389 311**	**2 589 302**

Statement of Comprehensive Income

	Note	2023 R	2022 R
Revenue	7	1 456 330	1 305 409
Specific venture cost recovery	8	207 762	382 332
Operating expenses		(1 995 530)	(1 730 018)
Operating deficit	11	**(331 438)**	**(42 277)**
Finance income	12	169 496	115 738
Finance costs		(2 066)	(5 385)
(Deficit)/Surplus for the year		**(164 008)**	**68 076**
Other comprehensive income:			
Transfers from/(to) reserves			
Funds transferred from/(to) specific reserves		75 985	(265 967)
Funds transferred to ringfenced reserves		(12 394)	(25 262)
Total transfers for the year		**63 591**	**(291 229)**
Other comprehensive loss for the year		**63 591**	**(291 229)**
Deficit for the year		**(100 417)**	**(223 153)**

Statement of Changes in Reserves

	Specific reserves R	Accumulated surplus R	Total R
Balance at 01 January 2022	**1 689 679**	**348 631**	**2 038 310**
Surplus for the year	-	68 076	68 076
Surplus for the year	**-**	**68 076**	**68 076**
Transfer between reserves	265 967	(265 967)	-
Transfer to ringfenced reserves	25 262	(25 262)	-
Total changes	**291 229**	**(291 229)**	**-**
Balance at 01 January 2023	**1 980 908**	**125 478**	**2 106 386**
Surplus for the year	-	(164 008)	(164 008)
Other comprehensive income	-	-	-
Total comprehensive loss for the year	**-**	**(164 008)**	**(164 008)**
Transfer between reserves	(97 427)	97 427	-
Total changes	**(97 427)**	**97 427**	**-**
Balance at 31 December 2023	**1 883 481**	**58 897**	**1 942 378**
Note	6		

Statement of Cash Flows

	Note	2023 R	2022 R
Cash flows from/(used in) operating activities			
Cash generated (used in)/from operations	15	(368 706)	109 446
Finance income		169 496	115 738
Finance costs		(2 066)	(5 385)
Net cash (used in)/from operating activities		**(201 276)**	**219 799**
Cash flows from/(used in) investing activities			
Purchase of property, plant and equipment	2	(23 477)	(17 390)
Disposal of property, plant and equipment	2	17 053	-
Net cash used in investing activities		**(6 424)**	**(17 390)**
Total cash movement for the year		**(207 700)**	**202 409**
Cash at the beginning of the year		2 483 263	2 280 854
Total cash at end of the year	4	**2 275 563**	**2 483 263**

Accounting Policies

1. Basis of preparation and summary of significant accounting policies

The 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 Companies Act 71, of 2008. The financial statements incorporate the accounting principles 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

Critical judgements in applying accounting policies

In preparing the financial statements, management is required to make judgements, estimates and assumptions that affect the amounts represented in the 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 financial statements.

Key sources of estimation uncertainty

Useful lives and residual values of property, plant and equipment

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.

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.

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

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.

Accounting Policies

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 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.

1.5 Impairment of assets

The association 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.

Accounting Policies

1.5 Impairment of assets (continued)

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.

1.6 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.

1.7 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.

1.8 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 associations right to receive payment has been established.

Accounting Policies

1.9 Specific reserves

Provincial Reserves

In the 2019 financial year 60% of membership fees and show levies were transferred to the National Reserve and 40% to the Provincial Reserve for each province that can be spent by the various provinces for the advancement of the discipline of dressage. However in 2020, there was a change in the allocation of Provincial funds to financially assist the smaller provinces. A National base cost was calculated and all provinces were given an options of 3 pricing levels for the membership fees. The base cost per member was transferred to the National reserve and therefore the spending of the provinces was dependent on the membership fee level chosen. Due to Covid 19 and the lack of shows and levy income, the council reverted to the 60%/40% split for the 2021 financial year. 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.

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.

All transactions in foreign currencies are initially recorded in Rand, using the spot rate at the date of the transaction. Foreign currency monetary items at the reporting date are translated using the closing rate. All exchange differences arising on settlement or translation are recognised in profit or loss.

Accounting Policies

1.10Finance income and finance costs

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.

Finance expenses comprise interest expense on borrowings, that is 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.

Notes to the Financial Statements

	2023 R	2022 R

2. Property, plant and equipment

	2023			2022		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Computer equipment	19 675	(13 879)	5 796	19 675	(10 601)	9 074
Furniture and fixtures	29 448	(18 432)	11 016	29 448	(16 604)	12 844
Office equipment	40 783	(14 448)	26 335	34 696	(12 686)	22 010
Total	**89 906**	**(46 759)**	**43 147**	**83 819**	**(39 891)**	**43 928**

Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Disposals	Depreciation	Closing balance
Computer equipment	9 074	-	-	(3 278)	5 796
Furniture and fixtures	12 844	-	-	(1 828)	11 016
Office equipment	22 010	23 477	(15 699)	(3 453)	26 335
	43 928	**23 477**	**(15 699)**	**(8 559)**	**43 147**

Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Depreciation	Closing balance
Computer equipment	13 009	-	(3 935)	9 074
Furniture and fixtures	15 652	-	(2 809)	12 844
Office equipment	8 954	17 390	(4 334)	22 010
	37 615	**17 390**	**(11 078)**	**43 928**

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

3. Trade and other receivables

Trade receivables	61 101	41 765
Prepayments	-	10 846
Deposits	9 500	9 500
	70 601	**62 111**

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.

Notes to the Financial Statements

	2023 R	2022 R
4. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	234	2 418
Bank balances	2 246 850	2 473 221
Credit card	28 479	7 624
	2 275 563	**2 483 263**
5. Trade and other payables		
Trade payables	157 703	181 438
Amounts received in advance	173 555	193 947
VAT payable	27 992	11 185
Accrued expense	87 683	96 346
	446 933	**482 916**

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.

6. Specific Reserves		
Movement in reserves		
Balance at the beginning of the year	1 980 907	1 689 679
Funds transferred (from)/to ringfenced reserves	(21 441)	25 262
Funds transferred (from)/to provincial reserves	(75 985)	265 966
	1 883 481	**1 980 907**

Notes to the Financial Statements

	2023 R	2022 R
6. Specific Reserves (continued)		
Provincial reserves		
Gauteng Province	200 560	275 717
KwaZulu-Natal Province	151 757	152 582
Western Cape Province	151 768	159 389
Eastern Cape Province	40 563	41 139
Free State Province	28 250	23 105
Mpumalanga Province	35 500	27 125
Limpopo Province	4 260	6 552
Northern Cape Province	54 135	54 136
North West Province	55 117	58 152
Ringfenced reserves		
Equestrian Development Scheme (EDS)	560 186	500 759
Coaches training reserve	22 540	35 378
The Adriaan Van Wyk Fund	-	33 835
FEI solidarity grant reserve	68 378	182 657
Judges Training Reserve	80 482	396
Riders Fund	4 285	4 285
General reserves		
Limpopo Province	2 000	2 000
Northern Cape Province	3 600	3 600
National General Reserve	280 000	280 000
North West Province	1 600	1 600
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
	1 883 481	**1 980 907**
7. Revenue		
Membership fees	949 765	822 134
Show levies	506 565	483 275
	1 456 330	**1 305 409**

Gross revenue comprises turnover which excludes value-added tax and represents the fair value of services supplied.

Notes to the Financial Statements

	2023 R	2022 R
8. Specific venture cost recovery		
Profit on disposal of property, plant and equipment	1 354	-
Fines levied	-	2 174
Net income on ringfenced reserves	59 427	56 628
Other income	21 990	26 852
Cost recoveries for events	124 991	223 149
Donations received	-	73 529
	207 762	**382 332**

Please refer to Note 9 and Note 10 for additional detail on the income/(expenses) on specific reserves and cost recoveries.

9. Income/(expenses) on ringfenced reserves		
EDS Levies Reserve		
Income	65 427	58 622
Expenses	(6 000)	(1 994)
Net income	**59 427**	**56 628**
Total income/(transfers) relating to ringfenced reserves		
Income	65 427	58 622
Expenses	(6 000)	(1 994)
Total income to reserves	**59 427**	**56 628**
10. Cost (under recoveries)/over recoveries		
FEI Handbooks		
Income	-	5 113
Coaches Training		
Income	121 044	337 419
Expenses	(135 882)	(302 040)
	(14 838)	**35 379**
FEI Solidarity Funds		
Income	40 000	383 572
Expenses	(155 179)	(200 915)
	(115 179)	**182 657**
FEI World Dressage challenge		
Income	18 882	41 410
Expenses	(18 882)	(56 938)
	-	**(15 528)**

Notes to the Financial Statements

	2023 R	2022 R
10. Cost (under recoveries)/over recoveries (continued)		
Groom kits		
Income	44 905	2 261
Expenses	-	(12 989)
	44 905	**(10 728)**
Trophies for Gauteng		
Income	-	19 043
Expenses	-	(33 390)
	-	**(14 347)**
Judges Training		
Income	120 400	38 388
Expenses	(40 314)	(71 748)
	80 086	**(33 360)**
Provincial Awards		
Income	91 357	57 383
Expenses	(119 822)	(79 915)
	(28 465)	**(22 532)**
	(33 491)	126 654
Total cost (under recoveries)/over recoveries	**(33 491)**	**126 654**
11. Operating deficit		
Operating deficit for the year is stated after accounting for the following:		
Operating lease charges		
Lease rentals		
• Contractual amounts	124 103	125 000
Profit on disposal of property, plant and equipment	(1 354)	-
Depreciation on property, plant and equipment	8 558	11 078
Employee costs	711 143	667 111
12. Finance income		
Interest revenue		
Bank	169 496	115 738
13. Taxation		
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.		

Notes to the Financial Statements

	2023 R	2022 R

14. Bad debts

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.

15. Cash generated (used in)/from operations

(Deficit)/Surplus before taxation	(164 008)	68 076
Adjustments for:		
Depreciation	8 558	11 078
Profit on disposal of property, plant and equipment	(1 354)	-
Finance income	(169 496)	(115 738)
Finance costs	2 066	5 385
Changes in working capital:		
Trade and other receivables	(8 490)	31 457
Trade and other payables	(35 982)	109 188
	(368 706)	**109 446**

16. Commitments

Operating leases – as lessee (expense)

Minimum lease payments due		
- within one year	112 338	114 713
- in second to fifth year inclusive	-	112 338
	112 338	**227 051**

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

Notes to the Financial Statements

	2023 R	2022 R

17. Related parties

Relationships

Members of key management	D Smith C Oberem S Horne J Constant (Resigned 30 March 2023) E Vuorinen (Resigned 30 March 2023) L Cutting (Resigned 30 March 2023) I Sanne R Niehus (Resigned 30 March 2023) S Bruckner J Silen B Spencer K Husband C Jacobs N Janse Van Rensburg E Swanepoel R Ramsay J Smith E Hopkins S Michaelides (Appointed 30 March 2023) W Moller (Appointed 30 March 2023) A van Wyk (Appointed 30 March 2023) F Muhl (Appointed 30 March 2023)

Related party transactions

IT support expenses paid to related parties

S Horne	91 997	100 995

18. Council members' remuneration

No emoluments were paid to the council members or any individuals holding a prescribed office during the year.

19. Going concern

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

Notes to the Financial Statements

19. Going concern (continued)

The financial statements 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.

20. Events after the reporting period

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

Detailed Income Statement

	Note	2023 R	2022 R
Revenue			
Membership fees		949 765	822 134
Show levies		506 565	483 275
	7	**1 456 330**	**1 305 409**
Other income			
Cost recoveries		124 991	223 149
Fines levied		-	2 174
Profit on disposal of property, plant and equipment		1 354	-
Donations received		-	73 529
Ringfenced reserves recoveries		59 427	56 628
Sundry income		21 990	26 852
		207 762	**382 332**
Operating expenses (Refer to page 26)		**(1 995 530)**	**(1 730 018)**
Operating deficit	11	**(331 438)**	**(42 277)**
Finance income	12	169 496	115 738
Finance costs		(2 066)	(5 385)
		167 430	**110 353**
(Deficit)/Surplus for the year		**(164 008)**	**68 076**

Detailed Income Statement

	Note	2023 R	2022 R
Operating expenses			
Accounting fees		(7 177)	(13 500)
Advertising		-	(5 400)
Auditors remuneration		(69 750)	(64 750)
Bad debts		(5 688)	(17)
Bank charges		(36 738)	(35 335)
Big show expenses		(161 078)	(109 273)
Calendar fees		(6 042)	(4 841)
Computer expenses		(129 941)	(112 335)
Cost under recoveries		(158 482)	(96 495)
DSA challange expenses		(102 408)	(135 469)
Depreciation		(8 558)	(11 078)
Development expenses		(102 015)	(6 945)
Employee costs		(711 143)	(667 111)
Insurance		(15 756)	(15 487)
Lease rentals on operating lease		(124 103)	(125 000)
Medical control and drug testing		-	(2 420)
Motor vehicle expenses		(26)	-
National awards epenses		(1 370)	(2 870)
Printing and stationery		(3 250)	(4 318)
Provincial administration expense		(3 217)	(6 500)
Repairs and maintenance		(1 796)	(1 555)
Staff welfare		(6 352)	(2 921)
Subscriptions		(5 610)	-
Team expenses		(74 690)	(108 284)
Telephone and fax		(10 621)	(11 389)
Training of officials and athletes		(199 867)	(121 983)
Trophies and engraving		(49 852)	(64 742)
		(1 995 530)	**(1 730 018)**