

THE EVENTING ASSOCIATION OF SOUTH AFRICA  
(Registration number NPO 170-073)  
Annual Financial Statements  
for the year ended 31 December 2018

These annual financial statements were prepared by:  
Burns Acutt Financial Services Incorporated  
Chartered Accountants (S.A.)

# THE EVENTING ASSOCIATION OF SOUTH AFRICA

(Registration number NPO 170-073)

Annual Financial Statements for the year ended 31 December 2018

## General Information

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<b>Country of incorporation and domicile</b>	South Africa
<b>Nature of business and principal activities</b>	Promotion of competitive eventing
<b>Council Members</b>	M Greeff (President) P Young (Vice President) K Gill (Treasurer) K Peskens (Eastern Cape) S Eggersglusz (Mpumalanga) P Evans (Gauteng) A Norbury (Kwa-Zulu Natal) N Thurgood (Athletic Representative) Phil Cunningham (Western Cape)
<b>Auditors</b>	Leslie Snoyman & Associates Chartered Accountants (S.A.)
<b>Association registration number</b>	NPO 170-073
<b>Level of assurance</b>	These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.
<b>Preparer</b>	The annual financial statements were independently compiled by: Burns Acutt Financial Services Incorporated Chartered Accountants (S.A.)
<b>Issued</b>	22 June 2019

# THE EVENTING ASSOCIATION OF SOUTH AFRICA

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## THE EVENTING ASSOCIATION OF SOUTH AFRICA

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### Council Members' Responsibilities and Approval

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The council members are required by the Companies Act 71 of 2008, 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 fair presentation of 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 members 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 members to meet these responsibilities, the council members 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 members 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 members 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 auditor's are responsible for independently auditing and reporting on the association's annual financial statements. The annual financial statements have been examined by the association's external auditor's and their report is presented on page 4.

The annual financial statements set out on pages 6 to 14, which have been prepared on the going concern basis, were approved by the council members on 22 June 2019 and were signed on its behalf by:

Approval of financial statements

  
M Greff (President)

  
K Gill (Treasurer)

## **Independent Auditor's Report**

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**To the council members of THE EVENTING ASSOCIATION OF SOUTH AFRICA**

### **Opinion**

We have audited the annual financial statements of THE EVENTING ASSOCIATION OF SOUTH AFRICA set out on pages 8 to 13, which comprise the statement of financial position as at 31 December 2018, and the statement of income and retained earnings, 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, the annual financial statements present fairly, in all material respects, the financial position of THE EVENTING ASSOCIATION OF 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 Companies Act 71 of 2008.

### **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 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 opinion.

### **Other information**

The council members are responsible for the other information. The other information comprises the Council Members' Report as required by the Companies Act 71 of 2008, 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.

### **Responsibilities of the council members for the Annual Financial Statements**

The council members 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 Companies Act 71 of 2008, and for such internal control as the council members 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 members 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 members either intend to liquidate the association or to cease operations, or have no realistic alternative but to do so.

# Independent Auditor's Report

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

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

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

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

  
Leslie Snoyman & Associates  
Chartered Accountants (S.A.)

22 June 2019

# THE EVENTING ASSOCIATION OF SOUTH AFRICA

(Registration number NPO 170-073)

Annual Financial Statements for the year ended 31 December 2018

## Council Members' Report

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The council members have pleasure in submitting their report on the annual financial statements of THE EVENTING ASSOCIATION OF SOUTH AFRICA for the year ended 31 December 2018.

### 1. Nature of business

The association was formed in South Africa on 01 August 2013. The association's objective is the administration, development, co-ordination and promotion of competitive eventing as a sport. The association operates principally 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 Companies Act 71 of 2008. 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 members

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

M Greeff (President)	Appointed 12 May 2018
P Young (Vice President)	
K Gill (Treasurer)	
K Peskens (Eastern Cape)	
S Eggersglusz (Mpumalanga)	
P Evans (Gauteng)	
A Norbury (Kwa-Zulu Natal)	
N Thurgood (Athletic Representative)	
Phil Cunningham (Western Cape)	
P Thomas (President)	Resigned 12 May 2018

### 4. Events after the reporting period

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

### 5. Going concern

The council members 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 members 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 members are not aware of any new material changes that may adversely impact the association. The council members 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.

### 6. Auditors

Leslie Snoyman & Associates were appointed as auditors for the association for 2018.

**THE EVENTING ASSOCIATION OF SOUTH AFRICA**

(Registration number NPO 170-073)

Annual Financial Statements for the year ended 31 December 2018

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The annual financial statements set out on pages 6 to 14, which have been prepared on the going concern basis, were approved by the council members on 22 June 2019, and were signed on its behalf by:

Approval of annual financial statements

  
\_\_\_\_\_  
M Greeff (President)

  
\_\_\_\_\_  
K Gill (Treasurer)



# THE EVENTING ASSOCIATION OF SOUTH AFRICA

(Registration number NPO 170-073)

Annual Financial Statements for the year ended 31 December 2018

## Statement of Financial Position as at 31 December 2018

Figures in Rand	Note(s)	2018	2017
<b>Assets</b>			
Non-Current Assets			
Intangible assets	2	41 667	83 333
Current Assets			
Trade and other receivables	3	14 090	23 582
Cash and cash equivalents	4	227 508	133 990
		<b>241 598</b>	<b>157 572</b>
<b>Total Assets</b>		<b>283 265</b>	<b>240 905</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Reserves		83 079	77 065
Accumulated surplus		152 911	84 555
		<b>235 990</b>	<b>161 620</b>
<b>Liabilities</b>			
Non-Current Liabilities			
Other financial liabilities	5	-	12 100
Current Liabilities			
Trade and other payables	6	35 175	37 185
Other financial liabilities	5	12 100	30 000
		<b>47 275</b>	<b>67 185</b>
<b>Total Liabilities</b>		<b>47 275</b>	<b>79 285</b>
<b>Total Equity and Liabilities</b>		<b>283 265</b>	<b>240 905</b>

# THE EVENTING ASSOCIATION OF SOUTH AFRICA

(Registration number NPO 170-073)

Annual Financial Statements for the year ended 31 December 2018

## Statement of Income and Retained Earnings

Figures in Rand	Note(s)	2018	2017
Revenue		387 015	351 214
Other income		50 014	91 892
Operating expenses		(368 673)	(474 383)
<b>Operating surplus (deficit)</b>		<b>68 356</b>	<b>(31 277)</b>
<b>Surplus (deficit) for the year</b>		<b>68 356</b>	<b>(31 277)</b>
Accumulated surplus at the beginning of the year		84 555	115 832
<b>Accumulated surplus at the end of the year</b>		<b>152 911</b>	<b>84 555</b>

# THE EVENTING ASSOCIATION OF SOUTH AFRICA

(Registration number NPO 170-073)

Annual Financial Statements for the year ended 31 December 2018

## Statement of Cash Flows

Figures in Rand	Note(s)	2018	2017
<b>Cash flows from operating activities</b>			
Cash generated from (used in) operations	7	117 504	(12 355)
<b>Cash flows from investing activities</b>			
Net movement on specific reserves		6 014	(21 052)
<b>Cash flows from financing activities</b>			
Movement on other financial liabilities		(30 000)	42 100
<b>Net cash from financing activities</b>		<b>(30 000)</b>	<b>42 100</b>
<b>Total cash movement for the year</b>		<b>93 518</b>	<b>8 693</b>
Cash at the beginning of the year		133 990	125 297
<b>Total cash at end of the year</b>	4	<b>227 508</b>	<b>133 990</b>

# THE EVENTING ASSOCIATION OF SOUTH AFRICA

(Registration number NPO 170-073)

Annual Financial Statements for the year ended 31 December 2018

## Accounting Policies

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### 1. Presentation of annual financial statements

The annual financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act 71 of 2008. 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 Intangible assets

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

If the association is unable to make a reliable estimate of the useful life of an intangible asset, the life is presumed to be 10 years.

The residual value, amortisation period and amortisation method for intangible assets are reassessed when there is an indication that there is a change from the previous estimate.

#### 1.2 Impairment of assets

The association assesses at each reporting date whether there is any indication that intangible assets 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.

#### 1.3 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.

Provisions are measured at the present value of the amount expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

Provisions are not recognised for future operating losses.

#### 1.4 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.

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

# THE EVENTING ASSOCIATION OF SOUTH AFRICA

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## Notes to the Annual Financial Statements

Figures in Rand 2018 2017

### 2. Intangible assets

	2018			2017		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Computer software	125 000	(83 333)	41 667	125 000	(41 667)	83 333

#### Reconciliation of intangible assets - 2018

	Opening balance	Amortisation	Total
Computer software	83 333	(41 666)	41 667

#### Reconciliation of intangible assets - 2017

	Opening balance	Amortisation	Total
Computer software	125 000	(41 667)	83 333

### 3. Trade and other receivables

Trade debtors	14 090	23 582
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### 4. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	227 508	133 990
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### 5. Other financial liabilities

#### At fair value

Lottery grant - Current portion	12 100	30 000
Lottery grant - Non-current portion	-	12 100
	<b>12 100</b>	<b>42 100</b>

#### Non-current liabilities

At fair value	-	12 100
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#### Current liabilities

At fair value	12 100	30 000
	<b>12 100</b>	<b>42 100</b>

### 6. Trade and other payables

Trade creditors	14 300	36 359
Amounts received in advance	20 875	826
	<b>35 175</b>	<b>37 185</b>

# THE EVENTING ASSOCIATION OF SOUTH AFRICA

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## Notes to the Annual Financial Statements

Figures in Rand	2018	2017
<b>7. Cash generated from (used in) operations</b>		
Surplus (deficit) before taxation	68 356	(31 277)
<b>Adjustments for:</b>		
Depreciation and amortisation	41 666	41 667
<b>Changes in working capital:</b>		
Trade and other receivables	9 492	2 491
Trade and other payables	(2 010)	(25 236)
	<b>117 504</b>	<b>(12 355)</b>

# THE EVENTING ASSOCIATION OF SOUTH AFRICA

(Registration number NPO 170-073)

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## Detailed Income Statement

Figures in Rand	Note(s)	2018	2017
<b>Revenue</b>			
Membership fees		137 832	116 724
Show levies		249 183	234 490
		<b>387 015</b>	<b>351 214</b>
<b>Other income</b>			
Advertising		800	3 600
Calendar fees recovered		16 550	21 060
Donations received		715	200
EADCMP recovered		30 449	20 921
Fines income		1 500	250
Organising dues recovered		-	38 161
QR fees		-	200
Sponsorship		-	7 500
		<b>50 014</b>	<b>91 892</b>
<b>Operating expenses</b>			
Accounting fees		-	(9 305)
Administration and management fees		(211 380)	(205 200)
Amortisation		(41 666)	(41 667)
Auditors remuneration		(14 300)	(16 848)
Bank charges		(8 836)	(8 679)
Computer expenses		-	(7 841)
Event costs		-	(812)
FEI seminar costs		(11 500)	-
FEI subs		-	(23 500)
Functions and meetings		(8 987)	(1 921)
Gifts & flowers		(1 270)	(860)
Insurance		(6 794)	(8 162)
Medication control EADCMP		(8 843)	(23 657)
Officials development		-	(6 729)
Organising dues and calendar costs		(39 524)	(59 221)
Printing and stationery		-	(96)
Refunds		-	(49 600)
Subscriptions		(2 673)	(596)
Team expenses		(12 900)	(9 689)
		<b>(368 673)</b>	<b>(474 383)</b>
<b>Surplus (deficit) for the year</b>		<b>68 356</b>	<b>(31 277)</b>