

The Eventing Association of South Africa

(Registration number NPO 170 - 073)

Annual Financial Statements

for the year ended 31 December 2022

The Eventing Association of South Africa

(Registration number: NPO 170-073)

Annual Financial Statements for the year ended 31 December 2022

General Information

Country of incorporation	South Africa
Nature of business	Promotion of competitive eventing
Council members	D Welsh (President) R Massaro (Vice President) K Gill (Treasurer) L Smith (Mpumalanga) C du Sautoy (Gauteng) R Thomas (Kwa-Zulu Natal) N Thurgood (Athletic Representative) D Patrick (Western Cape) C Williams (Eastern Cape) J Nicolaou (Limpopo) I Theron (Free State)
Auditors	Burns Acutt Audit Services Incorporated Chartered Accountants (S.A.) Registered Auditors
Association registration number	NPO 170-073
Level of assurance	These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa.
Preparer	The annual financial statements were independently compiled by: Burns Acutt Financial Services Incorporated Chartered Accountants (S.A.)
Issued	20 February 2023

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Council Members' Responsibilities and Approval

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 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 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 requirements for the ensuing financial year and, 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.

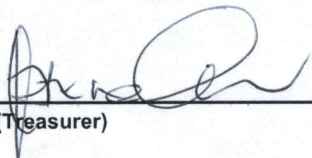
The external auditors are responsible for independently auditing and reporting on the association's annual financial statements. The annual financial statements have been examined by the association's external auditors and their report is presented on pages 4 - 5.

The annual financial statements set out on pages 7 - 12, which have been prepared on the going concern basis, were approved by the council members on 20 February 2023 and were signed on its behalf by:

Approval of financial statements



D Welsh (President)



K Gill (Treasurer)

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Council Members' Report

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 2022.

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 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

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 members

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

Council members	Office		Changes
D Welsh (President)	Chairperson	Non-executive Independent	
R Massaro (Vice President)	Chairperson	Executive	
K Gill (Treasurer)	Chief Operating Officer	Non-executive Independent	
G Hees (Eastern Cape)	Chief Operating Officer	Non-executive Independent	Resigned 06 September 2022
L Smith (Mpumalanga)	Finance Director	Executive	
C du Sautoy (Gauteng)	Other	Non-executive Independent	
R Thomas (Kwa-Zulu Natal)		Executive	
N Thurgood (Athletic Representative)		Executive	
D Patrick (Western Cape)		Executive	
C Williams (Eastern Cape)		Executive	Appointed 06 September 2022
J Nicolaou (Limpopo)		Executive	Appointed 04 October 2022
I Theron (Free State)		Executive	Appointed 01 December 2022

Mr G Hees (Eastern Cape) resigned as a council member effective 06 September 2022. Mr C Williams (Eastern Cape) was appointed on 06 September 2022.

There were two new province appointments, J Nicolaou (Limpopo) appointed on in October 2022 and I Theron (Free State) appointed in December 2022.

The council members expressed their sincere appreciation to the outgoing council members for their contribution during their respective periods of office.

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

Burns Acutt Audit Services Incorporated were reappointed as auditors for the association for 2022.

Independent Auditor's Report

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 7 to 12, which comprise the statement of financial position as at 31 December 2022, statement of income and retained earnings, statement of changes in equity and statement of cash flows for the year then ended, and the 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 2022, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa.

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 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 members are responsible for the other information. The other information comprises the information included in the document titled "The Eventing Association of South Africa annual financial statements for the year ended 31 December 2022", which includes the Council Members' Report as required by the Companies Act of South Africa and the supplementary information as set out on page 13. The 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 the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa, 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

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.

Burns Acutt Audit Services Inc

Burns Acutt Audit Services Incorporated
Per: LE Snoyman CA(S.A.) RA
Chartered Accountants (S.A.)
Registered Auditors

20 February 2023



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Annual Financial Statements for the year ended 31 December 2022

Statement of Financial Position as at 31 December 2022

Figures in Rand	Notes	2022	2021
Assets			
Non-Current Assets			
Intangible assets	2	1	1
Current Assets			
Trade and other receivables	3	40 629	2 405
Cash and cash equivalents	4	881 583	773 952
		922 212	776 357
Total Assets		922 213	776 358
Equity and Liabilities			
Equity			
Reserves		370 684	391 600
Retained income		518 785	335 037
		889 469	726 637
Liabilities			
Current Liabilities			
Trade and other payables	5	32 744	49 721
Total Equity and Liabilities		922 213	776 358

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Statement of Income and Retained Earnings

Figures in Rand	2022	2021
Revenue	525 830	288 559
Cost of sales	(61 300)	-
Gross profit	464 530	288 559
Other income	300 298	204 249
Operating expenses	(581 080)	(353 281)
Operating profit	183 748	139 527
Profit for the year	183 748	139 527
Retained income at the beginning of the year	335 037	195 510
Retained income at the end of the year	518 785	335 037

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Statement of Cash Flows

Figures in Rand	Notes	2022	2021
Cash flows from operating activities			
Cash receipts from customers		787 904	500 000
Cash paid to suppliers and employees		(659 357)	(329 568)
Cash generated from operations	6	128 547	170 432
Interest income		-	20 352
Net cash from operating activities		128 547	190 784
Cash flows from investing activities			
Net movement on specific reserves		(20 916)	(110 738)
Total cash movement for the year		107 631	301 522
Cash and cash equivalents at the beginning of the year		773 952	472 430
Total cash at end of the year	4	881 583	773 952

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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 Companies Act of South Africa. 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 as follows:

Item	Depreciation method	Average useful life
Computer software	Straight line	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 assets may be impaired.

If there is any such indication, the recoverable amount of any affected asset 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 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 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.

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Notes to the Annual Financial Statements

Figures in Rand	2022			2021		
2. Intangible assets						
	2022			2021		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Computer software	125 000	(124 999)	1	125 000	(124 999)	1
3. Trade and other receivables						
Trade receivables				40 629		2 405
4. Cash and cash equivalents						
Cash and cash equivalents consist of:						
Bank balances				881 583		773 952
5. Trade and other payables						
Trade payables				15 854		12 496
Amounts received in advance				16 890		14 330
Accrued expense				-		22 895
				32 744		49 721
6. Cash generated from operations						
Net profit before taxation				183 748		139 527
Investment income				(41 673)		(20 352)
Changes in working capital:						
(Increase) decrease in trade and other receivables				(38 224)		27 826
Increase (decrease) in trade and other payables				(16 977)		23 431
				86 874		170 432
7. Provincial reserves						
Eastern Cape				13 608		9 183
Gauteng				78 837		64 109
Kwa-Zulu Natal				18 899		26 994
Mpumalanga				4 469		3 219
North West				7 250		7 250
Western Cape				61 613		51 138
Gauteng Paramed				46 564		42 013
Kwa-Zulu Natal Officials				46 105		26 905
EDS Reserve				41 303		55 115
National Levy Reserve				47 734		101 372
				4 302		4 302
				370 684		391 600

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Figures in Rand	2022	2021
8. EDS levy		
Heading		
Income	11 138	12 822
Expenses	(24 950)	(19 375)
	<u>(13 812)</u>	<u>(6 553)</u>
9. National Levy		
Heading		
Income	61 288	69 975
Expenses	(114 926)	(24 907)
	<u>(53 638)</u>	<u>45 068</u>

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Detailed Income Statement

Figures in Rand	Notes	2022	2021
Income			
Levies EC		27 443	-
Levies GP		125 280	-
Levies KZN		117 905	-
Levies MPU		7 340	-
Levies WC		114 148	-
EDS levies		11 138	-
Development Levy		61 288	-
Development levy		61 288	7 544
Show levies		-	281 015
		525 830	288 559
Provincial funds			
		(61 300)	-
Total levies		464 530	288 559
Total membership			
Membership fees		177 370	183 547
SHB Fees		4 200	-
Fines income		-	350
Sponsor membership		2 205	-
Club fees		6 560	-
QR's		290	-
Interest received		41 673	20 352
Development grant		68 000	-
		300 298	204 249
Operating expenses			
Accounting fees		(637)	(7 763)
Auditors remuneration		(1 093)	-
Bank charges		(9 074)	(7 918)
Cleaning		-	(10 000)
Consulting fees		(255 962)	(230 978)
Small assets		(8 000)	-
EDS expense		(11 138)	-
FEI show costs (ex National Fund)		(61 288)	-
FEI officials training		(74 779)	-
FEI Solidarity development expense April 2022		(68 000)	-
Insurance		(7 486)	-
Meetings		(1 916)	-
Officials at shows		(41 009)	(1 900)
Packaging		-	(3 753)
Secretarial fees		-	(78 398)
Officials training		(8 885)	(4 647)
Subscriptions		(6 829)	(4 129)
Web development		(24 984)	(3 795)
		(581 080)	(353 281)
Profit for the year		183 748	139 527