

SOUTH AFRICAN NATIONAL EQUESTRIAN SCHOOLS ASSOCIATION (SANESA) - NPO
Financial statements
for the year ended 31 December 2016



THE
ASHTON
CA (SA) GROUP INC.

South African National Equestrian Schools Association (SANESA) - NPO

Financial Statements for the year ended 31 December 2016

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	To promote competitive equestrian sport in South Africa through the development, participation and excellence in achievements within school structures
Members	Glynis Fuller (National Chairperson) Barbara Lovell (National Treasurer) Joan Bekker (National Secretary) Charlotte Houston Marjorie Greyling Candace Wood Sandra Copeland Hannali Els Julie Swartz Kirsten Armitage
Registered office	111 Oak Road Kyalami 1684
Auditors	The Ashton CA(SA) Group Inc. Chartered Accountants (SA) Registered Auditor
Level of assurance	These financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.
Preparer	The financial statements were independently compiled by: The Ashton CA (SA) Group Inc.

South African National Equestrian Schools Association (SANESA) - NPO

Financial Statements for the year ended 31 December 2016

Index

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

	Page
Members' Responsibilities and Approval	3
Independent Auditor's Report	4 - 5
Members' Report	6
Statement of Financial Position	7
Statement of Profit or Loss and Other Comprehensive Income	8
Statement of Changes in Equity	9
Statement of Cash Flows	10
Accounting Policies	11 - 12
Notes to the Financial Statements	13 - 14
The following supplementary information does not form part of the financial statements and is unaudited:	
Detailed Income Statement	15

South African National Equestrian Schools Association (SANESA) - NPO
Financial Statements for the year ended 31 December 2016

Members' Responsibilities and Approval

The members are required in terms of 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 company 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 external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The members acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the committee 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 company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The 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 financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The members have reviewed the company's cash flow forecast for the year to 31 December 2017 and, in light of this review and the current financial position, they are satisfied that the company has or had 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 company's financial statements. The financial statements have been examined by the company's external auditors and their report is presented on pages 4 to 5.

The financial statements set out on page 6, which have been prepared on the going concern basis, were approved by the National Chairperson on 25 November 17 and were signed on their behalf by:

Approval of financial statements



National Chairperson



THE
ASHTON
CA (SA) GROUP INC.

REGISTERED ACCOUNTANTS
AND AUDITORS

Independent Auditor's Report

To the shareholders of South African National Equestrian Schools Association (SANESA) - NPO

Opinion

We have audited the financial statements of South African National Equestrian Schools Association (SANESA) - NPO set out on pages 7 to 14, which comprise the statement of financial position as at 31 December 2016, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and 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 South African National Equestrian Schools Association (SANESA) - NPO as at 31 December 2016, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards 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 financial statements section of our report. We are independent of the company 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 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 members are responsible for the other information. The other information comprises the Members' Report as required by the Companies Act 71 of 2008 of South Africa, which we obtained prior to the date of this report. 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.

Independent Auditor's Report

Responsibilities of the members for the Financial Statements

The members are responsible for the preparation and fair presentation of the financial statements in accordance with the International Financial Reporting Standards for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008, and for such internal control as the members determine 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 members are responsible for assessing the member'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 members either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 directors.
- Conclude on the appropriateness of the 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 company'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 company 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 directors 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.



The Ashton CA(SA) Group Inc.
HJ Windell
Director
Chartered Accountants (SA)
Registered Auditors

South African National Equestrian Schools Association (SANESA) - NPO

Financial Statements for the year ended 31 December 2016

Members' Report

The members have pleasure in submitting their report on the financial statements of South African National Equestrian Schools Association (SANESA) - NPO for the year ended 31 December 2016.

1. Review of financial results and activities

The financial statements have been prepared in accordance with the International Financial Reporting Standards 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 company are set out in these financial statements.

2. Members

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

Members

Glynis Fuller (National Chairperson)

Barbara Lovell (National Treasurer)

Joan Bekker (National Secretary)

Charlotte Houston

Marjorie Greyling

Candace Wood

Sandra Copeland

Hannali Els

Julie Swartz

Kirsten Armitage

3. Events after the reporting period

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

4. Going concern

The members believe that the company 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 directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The members are not aware of any new material changes that may adversely impact the company. The 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 company.

5. Auditors

The Ashton CA(SA) Group Inc. continued in office as auditors for the company for 2016.

At the AGM, the shareholders will be requested to reappoint The Ashton CA(SA) Group Inc. as the independent external auditors of the company and to confirm Mr HJ Windell as the designated lead audit partner for the 2017 financial year.

South African National Equestrian Schools Association (SANESA) - NPO

Financial Statements for the year ended 31 December 2016

Statement of Financial Position as at 31 December 2016

Figures in Rand	Note(s)	2016	2015
Assets			
Non-Current Assets			
Property, plant and equipment	2	29 566	46 399
Current Assets			
Cash and cash equivalents	4	209 760	11 041
Total Assets		239 326	57 440
Equity and Liabilities			
Equity			
Retained income		39 797	(41 063)
Liabilities			
Current Liabilities			
Trade and other payables	5	199 529	48 503
Loans from third parties	3	-	50 000
Total Equity and Liabilities		239 326	57 440

South African National Equestrian Schools Association (SANESA) - NPO

Financial Statements for the year ended 31 December 2016

Statement of Profit or Loss and Other Comprehensive Income

Figures in Rand	Note(s)	2016	2015
Revenue		8 184 588	7 881 735
Other operating income		-	307 184
Other operating gains (losses)		-	(456)
Other operating expenses		(8 131 670)	(8 170 778)
Operating profit (loss)		52 918	17 685
Investment income		30 442	18 248
Profit (loss) for the year		80 860	35 933
Other comprehensive income		-	-
Total comprehensive income (loss) for the year		80 860	35 933

South African National Equestrian Schools Association (SANESA) - NPO

Financial Statements for the year ended 31 December 2016

Statement of Changes in Equity

Figures in Rand	Retained income	Total equity
Balance at 01 January 2015	(76 996)	(76 996)
Profit for the year	35 933	35 933
Other comprehensive income	-	-
Total comprehensive income for the year	35 933	35 933
Balance at 01 January 2016	(41 063)	(41 063)
Profit for the year	80 860	80 860
Other comprehensive income	-	-
Total comprehensive income for the year	80 860	80 860
Balance at 31 December 2016	39 797	39 797

Note(s)

South African National Equestrian Schools Association (SANESA) - NPO

Financial Statements for the year ended 31 December 2016

Statement of Cash Flows

Figures in Rand	Note(s)	2016	2015
Cash flows from operating activities			
Cash receipts from customers		8 184 588	7 482 465
Cash paid to suppliers and employees		(7 954 961)	(7 535 855)
Cash (used in) generated from operations		229 627	(53 390)
Interest income		30 442	18 248
Finance costs		(2 500)	-
Net cash from operating activities		257 569	(35 142)
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(8 850)	(33 176)
Sale of property, plant and equipment	2	-	456
Net cash from investing activities		(8 850)	(32 720)
Cash flows from financing activities			
Repayment of members loan		(50 000)	50 000
Net cash from financing activities		(50 000)	50 000
Total cash movement for the year		198 719	(17 862)
Cash at the beginning of the year		11 041	28 903
Total cash at end of the year	4	209 760	11 041

South African National Equestrian Schools Association (SANESA) - NPO

Financial Statements for the year ended 31 December 2016

Accounting Policies

1. Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

1.1 Basis of preparation

The financial statements have been prepared on the going concern basis in accordance with, and in compliance with, the International Financial Reporting Standards for Small and Medium-sized Entities and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these financial statements and the Companies Act 71 of 2008 of South Africa, as amended.

These financial statements comply with the requirements of the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council.

The financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Rands, which is the company's functional currency.

These accounting policies are consistent with the previous period.

1.2 Property, plant and equipment

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

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the company, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

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

Item	Depreciation method	Average useful life
Show jumping equipment	Straight line	5 years
Office equipment	Straight line	5 years
IT equipment	Straight line	3 years
Computer software	Straight line	5 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

South African National Equestrian Schools Association (SANESA) - NPO

Financial Statements for the year ended 31 December 2016

Accounting Policies

1.3 Revenue

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the company;
- the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognised only to the extent of the expenses recognised that are recoverable.

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

South African National Equestrian Schools Association (SANESA) - NPO

Financial Statements for the year ended 31 December 2016

Notes to the Financial Statements

Figures in Rand 2016 2015

2. Property, plant and equipment

	2016			2015		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Show jumping equipment	50 647	(48 753)	1 894	50 647	(40 345)	10 302
Office equipment	8 850	(1 622)	7 228	-	-	-
IT equipment	58 605	(42 694)	15 911	58 605	(28 774)	29 831
Computer software	8 665	(4 132)	4 533	8 665	(2 399)	6 266
Total	126 767	(97 201)	29 566	117 917	(71 518)	46 399

Reconciliation of property, plant and equipment - 2016

	Opening balance	Additions	Depreciation	Total
Show jumping equipment	10 302	-	(8 408)	1 894
Office equipment	-	8 850	(1 622)	7 228
IT equipment	29 831	-	(13 920)	15 911
Computer software	6 266	-	(1 733)	4 533
	46 399	8 850	(25 683)	29 566

Reconciliation of property, plant and equipment - 2015

	Opening balance	Additions	Disposals	Depreciation	Total
Show jumping equipment	20 887	-	(456)	(10 129)	10 302
IT equipment	12 331	33 176	-	(15 676)	29 831
Computer software	8 065	-	-	(1 799)	6 266
	41 283	33 176	(456)	(27 604)	46 399

3. Loans to (from) third parties

Other loans	-	(50 000)
Unsecured loan bearing interest at 5%. Fully settled in the current financial year.		

4. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	2 000	2 000
FNB Bank - Business cheque account	26 860	4 571
FNB Bank - Money market account	180 900	4 470
	209 760	11 041

5. Trade and other payables

Trade payables	199 529	11 737
SARS payroll taxes	-	2 968
Accruals	-	33 798
	199 529	48 503

South African National Equestrian Schools Association (SANESA) - NPO

Financial Statements for the year ended 31 December 2016

Notes to the Financial Statements

Figures in Rand	2016	2015
6. National operating expenses		
Accounting fees	(337 429)	(315 186)
AGM expenses	(67 871)	(44 756)
Bank charges	(32 512)	(31 134)
Computer expenses	(157 968)	(163 819)
Council meeting expenses	(74 813)	(45 484)
Courier & postage	(326)	(174)
Development cost	-	(10 000)
Endurance	-	(29 945)
Executive meeting expenses	(1 502)	(9 002)
Insurance	(41 127)	(35 095)
Membership fees	-	(10 427)
National championship expenses	(1 093 292)	(985 663)
Printing & stationery	(21 281)	(22 689)
Salaries & wages	(356 359)	(310 344)
Sponsorships	(257 835)	(185 493)
Telephone & fax	(14 737)	(12 148)
Travel & accommodation	(37 244)	(38 741)
	(2 494 296)	(2 250 100)

7. Show operating expenses

Additional cost	-	(269 145)
Administration	(70 131)	(62 494)
Awards functions	(163 925)	(327 821)
Badges	(103 049)	(30 877)
Bank charges	-	(138)
Certificates	(13 380)	(26 201)
Copy charges	(53 684)	(44 165)
Internet expense	(1 620)	(2 522)
Medics	(380 496)	(345 396)
Officials	(1 448 105)	(1 617 207)
Officials catering	(422 669)	(338 644)
Officials travel & accom	(248 346)	(97 141)
Stationery	(13 844)	(11 796)
Rosettes	(369 805)	(364 493)
Telephone	(35 665)	(7 790)
Venue levies	(1 895 980)	(2 006 261)
Venue operated shows	(288 961)	(302 470)
AGM Costs	(12 304)	-
Committee Costs	(5 362)	-
Computer Expenses	(455)	-
Hiring of Equipment	(1 500)	-
Meeting Costs	(4 605)	-
Marketing Costs	(1 320)	-
Parade Costs	(800)	-
Security Expenses	(10 264)	-
Show Costs	(3 972)	-
Provincial Sponsorships	(58 689)	-
	(5 608 931)	(5 854 561)

South African National Equestrian Schools Association (SANESA) - NPO

Financial Statements for the year ended 31 December 2016

Detailed Income Statement

Figures in Rand	Note(s)	2016	2015
Revenue			
Entry fees		8 084 588	7 731 735
Sponsorship income		100 000	150 000
		8 184 588	7 881 735
Other operating income			
Bad debts recovered		-	307 184
Other operating gains (losses)			
Losses on disposal of assets or settlement of liabilities		-	(456)
Other operating expenses			
Depreciation		(25 683)	(27 604)
Donations		-	(2 000)
Employee costs		(978)	(2 620)
Show operating expenses		(5 608 932)	(5 854 560)
Safety expenses		-	(17 100)
National operating expenses		(2 496 077)	(2 250 101)
Levies		-	(16 793)
		(8 131 670)	(8 170 778)
Operating profit (loss)		52 918	17 685
Investment income		30 442	18 248
Finance costs		(2 500)	-
Profit (loss) for the year		80 860	35 933