

SOUTH AFRICAN NATIONAL EQUESTRIAN SCHOOLS ASSOCIATION (SANESA) - NPO

(Registration number 9475619178)

Annual financial statements

for the year ended 31 December 2023



THE
ASHTON
CA (SA) GROUP INC.

REGISTERED ACCOUNTANTS
AND AUDITORS

South African National Equestrian Schools Association (SANESA) - NPO

(Registration number: 9475619178)

Annual Financial Statements for the year ended 31 December 2023

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 |
| Directors | Alta Olivier (National Chairperson) Barbara Lovell (National Treasurer) Joan Bekker (National Secretary) Marjorie Greyling Katie de Chaves Kirsten Armitage Joanne Hulley Lientjie van Wyk |
| Registered office | 111 Oak Road Kyalami 1684 |
| Auditors | The Ashton CA(SA) Group Inc. Chartered Accountants (SA) Registered Auditors |
| Tax reference number | Tax Exemption number: 9475619178 |
| 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: The Ashton CA (SA) Group Inc. |

South African National Equestrian Schools Association (SANESA) - NPO

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

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(Registration number: 9475619178)

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Directors' Responsibilities and Approval

The directors are required by the Companies Act of South Africa, 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 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 . The external auditors are engaged to express an independent opinion on the annual financial statements.

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


The directors 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 directors 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 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 directors 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 directors have reviewed the company's cash flow forecast for the year to 31 December 2024 and, in the light of this review and the current financial position, they are satisfied that the company 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 company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on page 5 - 6.

The annual financial statements set out on pages 7 to 12, which have been prepared on the going concern basis, were approved by the director on 22 August 2024 and were signed on its behalf by:



Alta Olivier (National Chairperson)

South African National Equestrian Schools Association (SANESA) - NPO

(Registration number: 9475619178)

Annual Financial Statements for the year ended 31 December 2023

Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of South African National Equestrian Schools Association (SANESA) - NPO for the year ended 31 December 2023.

1. Nature of business

The NPO is engaged to promote competitive equestrian sport in South Africa through the development, participation and excellence in achievements within school structures and operates principally in South Africa.

There have been no material changes to the nature of the company'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 Mediumsized Entities and the requirements of the Companies Act of South Africa. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these annual financial statements.

3. Directors

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

Directors

Alta Olivier (National Chairperson)

Barbara Lovell (National Treasurer)

Joan Bekker (National Secretary)

Marjorie Greyling

Katie de Chaves

Kirsten Armitage

Joanne Hulley

Lientjie van Wyk

4. Going concern

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

The directors believe that the company 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 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 directors are not aware of any new material changes that may adversely impact the company. The directors 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. Liquidity and solvency

The directors have performed the required liquidity and solvency tests required by the Companies Act of South Africa.

6. Auditors

The Ashton CA(SA) Group Inc. continued in office as auditors for the company for 2023.

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 C Möller as the designated lead audit partner for the 2024 financial year.

Independent Auditor's Report

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

Opinion

We have audited the annual financial statements of South African National Equestrian Schools Association (SANESA) - NPO (the organisation) set out on pages 7 to 12, 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 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 South African National Equestrian Schools Association (SANESA) - NPO as at 31 December 2023, 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 Annual 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 Auditor's Responsibilities for the Audit of the 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 (Part 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 directors are responsible for the other information. The other information comprises the information included in the document titled "South African National Equestrian Schools Association (SANESA) - NPO annual financial statements for the year ended 31 December 2023", which includes the Directors' Report as required by the Companies Act 71 of 2008 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.

Independent Auditor's Report

Responsibilities of the Directors for the Annual Financial Statements

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

In preparing the annual financial statements, the directors are responsible for assessing the organisation'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 directors either intend to liquidate the organisation or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Annual Financial Statements

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

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

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



22 August 2024

The Ashton CA(SA) Group Inc.

C Möller

Director

Chartered Accountants (SA)

Registered Auditors

Directors

A. Robberts B.Compt (Hons) CA (SA) RA

H.J. Windell B.Compt (Hons) CA (SA) RA

W. Delpont B.Compt (Hons) CA (SA) RA

C.E. Möller B.Com (PGDA) CA (SA) RA

Professional Assistants

A. Deyzel Professional Accountant (SA) B.Com CIMA

T.C. Moyo Professional Accountant (SA) B.Com Acc Sci

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South African National Equestrian Schools Association (SANESA) - NPO

(Registration number: 9475619178)

Annual Financial Statements for the year ended 31 December 2023

Statement of Financial Position as at 31 December 2023

| Figures in Rand | Note(s) | 2023 | 2022 |
|-------------------------------------|---------|----------------|----------------|
| Assets | | | |
| Non-Current Assets | | | |
| Property, plant and equipment | 2 | 373 166 | 12 155 |
| Current Assets | | | |
| Trade and other receivables | 3 | 154 255 | 394 916 |
| Cash and cash equivalents | 4 | 19 487 | 117 428 |
| | | 173 742 | 512 344 |
| Total Assets | | 546 908 | 524 499 |
| Equity and Liabilities | | | |
| Equity | | | |
| Retained income | | 201 871 | 363 358 |
| Liabilities | | | |
| Current Liabilities | | | |
| Trade and other payables | 6 | 167 661 | 136 141 |
| Other financial liabilities | 5 | 177 376 | 25 000 |
| | | 345 037 | 161 141 |
| Total Equity and Liabilities | | 546 908 | 524 499 |

South African National Equestrian Schools Association (SANESA) - NPO

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Annual Financial Statements for the year ended 31 December 2023

Statement of Comprehensive Income

| Figures in Rand | Note(s) | 2023 | 2022 |
|---|---------|------------------|----------------|
| Revenue | | 12 715 955 | 11 840 286 |
| Operating expenses | | (12 914 891) | (11 301 288) |
| Operating (loss) profit | | (198 936) | 538 998 |
| Investment revenue | | 54 277 | 31 679 |
| Finance costs | | (16 828) | - |
| (Loss) profit for the year | | (161 487) | 570 677 |
| Other comprehensive income | | - | - |
| Total comprehensive (loss) income for the year | | (161 487) | 570 677 |

South African National Equestrian Schools Association (SANESA) - NPO

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Annual Financial Statements for the year ended 31 December 2023

Statement of Changes in Equity

| Figures in Rand | Retained income | Total equity |
|--|------------------|------------------|
| Balance at 01 January 2022 | (207 319) | (207 319) |
| Profit for the year | 570 677 | 570 677 |
| Other comprehensive income | - | - |
| Total comprehensive income for the year | 570 677 | 570 677 |
| Balance at 01 January 2023 | 363 358 | 363 358 |
| Loss for the year | (161 487) | (161 487) |
| Other comprehensive income | - | - |
| Total comprehensive loss for the year | (161 487) | (161 487) |
| Balance at 31 December 2023 | 201 871 | 201 871 |

Note(s)

South African National Equestrian Schools Association (SANESA) - NPO

(Registration number: 9475619178)

Annual Financial Statements for the year ended 31 December 2023

Statement of Cash Flows

| Figures in Rand | Note(s) | 2023 | 2022 |
|--|---------|-----------------|----------------|
| Cash flows from operating activities | | | |
| Cash generated from operations | | 83 506 | 112 275 |
| Interest income | | 54 277 | 31 679 |
| Finance costs | | (16 828) | - |
| Net cash from operating activities | | 120 955 | 143 954 |
| Cash flows from investing activities | | | |
| Purchase of property, plant and equipment | 2 | (371 272) | (16 764) |
| Cash flows from financing activities | | | |
| Repayments of other financial liabilities | | 152 376 | (25 000) |
| Total cash movement for the year | | (97 941) | 102 190 |
| Cash and cash equivalents at the beginning of the year | | 117 428 | 15 238 |
| Total cash at end of the year | 4 | 19 487 | 117 428 |

South African National Equestrian Schools Association (SANESA) - NPO

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Annual Financial Statements for the year ended 31 December 2023

Accounting Policies

1. Basis of preparation and summary of significant accounting policies

The annual financial statements have been prepared in accordance with the accounting policies set out below. These accounting policies are consistent with the previous period.

1.1 Property, plant and equipment

Property, plant and equipment are tangible assets which the organisation 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.

Cost includes costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

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 organisation and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the period in which they are incurred.

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 organisation.

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

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

When indicators are present that the useful lives and residual values of items of property, plant and equipment have changed since the most recent annual reporting date, they are reassessed. Any changes are accounted for prospectively as a change in accounting estimate.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

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.

1.2 Revenue

Revenue is recognised to the extent that the organisation 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 organisation. 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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Annual Financial Statements for the year ended 31 December 2023

Notes to the Annual Financial Statements

Figures in Rand

2023

2022

2. Property, plant and equipment

| | 2023 | | | 2022 | | |
|-------------------|---------------------|---|----------------|---------------------|---|----------------|
| | Cost or revaluation | Accumulated depreciation and impairment | Carrying value | Cost or revaluation | Accumulated depreciation and impairment | Carrying value |
| Office equipment | 8 850 | (8 850) | - | 8 850 | (8 850) | - |
| IT equipment | 69 940 | (38 049) | 31 891 | 58 719 | (46 564) | 12 155 |
| Computer software | 341 275 | - | 341 275 | 8 665 | (8 665) | - |
| Total | 420 065 | (46 899) | 373 166 | 76 234 | (64 079) | 12 155 |

Reconciliation of property, plant and equipment - 2023

| | Opening balance | Additions | Depreciation | Closing balance |
|-------------------|-----------------|----------------|-----------------|-----------------|
| IT equipment | 12 155 | 29 997 | (10 261) | 31 891 |
| Computer software | - | 341 275 | - | 341 275 |
| | 12 155 | 371 272 | (10 261) | 373 166 |

Details of properties

3. Trade and other receivables

| | | |
|-------------------|---------|---------|
| Trade receivables | 154 255 | 394 916 |
|-------------------|---------|---------|

4. Cash and cash equivalents

Cash and cash equivalents consist of:

| | | |
|---------------|--------|---------|
| Bank balances | 19 487 | 117 428 |
|---------------|--------|---------|

5. Other financial liabilities

At amortised cost

| | | |
|-----------|---------|---|
| A Olivier | 150 563 | - |
|-----------|---------|---|

| | | |
|-----------------|--------|--------|
| Loan - H Fourie | 26 813 | 25 000 |
|-----------------|--------|--------|

This loan is unsecured, bearing interest at a variable rate, with no fixed terms of repayment.

| | |
|----------------|---------------|
| 177 376 | 25 000 |
|----------------|---------------|

Current liabilities

| | | |
|-------------------|---------|--------|
| At amortised cost | 177 376 | 25 000 |
|-------------------|---------|--------|

6. Trade and other payables

| | | |
|----------------|---------|--------|
| Trade payables | 108 390 | 94 583 |
|----------------|---------|--------|

| | | |
|------|--------|--------|
| SARS | 59 271 | 11 044 |
|------|--------|--------|

| | | |
|-----------------|---|--------|
| Accrued expense | - | 30 514 |
|-----------------|---|--------|

| | |
|----------------|----------------|
| 167 661 | 136 141 |
|----------------|----------------|

South African National Equestrian Schools Association (SANESA) - NPO

(Registration number: 9475619178)

Annual Financial Statements for the year ended 31 December 2023

Detailed Income Statement

| Figures in Rand | Note(s) | 2023 | 2022 |
|-----------------------------------|---------|---------------------|---------------------|
| Revenue | | | |
| Rendering of services | | 11 605 632 | 10 823 536 |
| Sponsorship income | | 1 110 323 | 1 016 750 |
| | | 12 715 955 | 11 840 286 |
| Operating expenses | | | |
| Accounting fees | | - | (79 339) |
| Auditors remuneration | | (24 434) | (24 434) |
| Depreciation | | (10 261) | (5 314) |
| Employee costs | | (1 050 665) | (937 312) |
| Fines and penalties | | - | (12 203) |
| Membership Fees | | (400) | (345) |
| National operating expenses | | (969 074) | (755 380) |
| Show operating expenses | | (10 856 357) | (9 486 011) |
| Subscriptions | | (3 700) | (950) |
| | | (12 914 891) | (11 301 288) |
| Operating (loss) profit | | (198 936) | 538 998 |
| Investment income | | 54 277 | 31 679 |
| Finance costs | | (16 828) | - |
| | | 37 449 | 31 679 |
| (Loss) profit for the year | | (161 487) | 570 677 |