

**Endurance Ride Association of South Africa
Annual Financial Statements
For the year ended 31 December 2018**



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Endurance Ride Association of South Africa (ERASA)
(Registration number: 124-153 NPO)
Annual Financial Statements for the year ended 31 December 2018

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	To promote and control endurance riding as an amateur sport amongst all population groups in South Africa
Council members	Niel Kirstein – President Pieter Streicher – Vice President Attie Bosman – Treasurer Theo Hoffman Jimmy Neethling Altus Hanekom Eduard Marais Carmen du Preez -- Eastern Cape Province Ronell Coetzer – Free State Province Johann Raubenheimer – Gauteng Province Sakkie Olivier – Limpopo Province Willie Roelofzse – Mpumalanga Province Breggie Scholtz – Northern Cape Province Danie Kasselmann - North West Province Louis Botha – Western Cape Province Jeremy Burnard – Kwa Zulu Natal
Registered office	Stud Book Building 118 Henry Street Bloemfontein 9300
Business address	Stud Book Building 118 Henry Street Bloemfontein 9300
Postal address	Postnet Suite 241 Private Bag X01 Brandhof 9324
Bankers	ABSA
Registration number	124-153 (NPO)

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

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The financial statements set out on pages 5 -13 , which have been prepared on the going concern basis, were approved by the council on 2 July 2019 and were signed on its behalf by:



President



Vice President

Compilation Report

To the members of the Endurance Ride Association of South Africa (ERASA).

We have compiled the Annual Financial Statements of ERASA, as set out on pages 5 - 15, based on the information you have provided. These Annual Financial Statements comprise the statement of financial position of ERASA as at 28 February 2018, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of these Annual Financial Statements in accordance with the Accounting Policies set out in note 1 to these statements. We have complied with relevant ethical requirements, including principles of integrity, objectivity, professional competence and due care.

These Annual Financial Statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these Annual Financial Statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these Annual Financial Statements are prepared in accordance with the Accounting Policies set out in note 1 to these statements.



CV Ferreira

Accountant

2 July 2019



Endurance Ride Association of South Africa (ERASA)

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Statement of Financial Position for the year ended 31 December 2018

Figures in Rand	Note(s)	2018	2017
ASSETS			
Non-Current Assets			
Property, plant and equipment	2	11,217	22,809
Loan Account - U.V.V.S.A Trust		<u>3,680,551</u>	<u>3,680,551</u>
		<u>3,691,768</u>	<u>3,703,360</u>
Current Assets			
Trade and other receivables	3	40,024	54,079
Cash and cash equivalents		<u>869,401</u>	<u>812,226</u>
		<u>909,425</u>	<u>866,305</u>
TOTAL ASSETS		<u>4,601,193</u>	<u>4,569,665</u>
Equity and Liabilities			
Equity			
Retained income		<u>4,114,561</u>	<u>4,108,363</u>
		<u>4,114,561</u>	<u>4,108,363</u>
Liabilities			
Current liabilities			
Trade and other payables	4	212,761	254,089
Provisions	5	<u>273,871</u>	<u>207,213</u>
		<u>486,632</u>	<u>461,302</u>
Total Equity and Liabilities		<u>4,601,193</u>	<u>4,569,665</u>

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Statement of Comprehensive Income for the year ended 31 December 2018

<u>Figures in Rand</u>	<u>Note(s)</u>	<u>2018</u>	<u>2017</u>
Turnover	6	3,646,353	4,366,006
Gross Profit:		<u>3,646,353</u>	<u>4,366,006</u>
Operating expenses	7	(3,706,931)	(3,977,371)
Operating (loss)/profit		<u>(60,578)</u>	<u>388,635</u>
Finance income	8	66,776	14,687
Profit before taxation		<u>6,198</u>	<u>403,322</u>
Taxation		-	-
Total comprehensive profit		<u>6,198</u>	<u>403,322</u>

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Statement of Changes in Equity for the year ended 31 December 2018

Figures in Rand

Balance at 1 January 2017	3,705,041	3,705,041
Total comprehensive profit for the year	403,322	403,322
Total changes	403,322	403,322
Balance at 1 January 2018	4,108,363	4,108,363
Total comprehensive profit for the year	6,198	6,198
Total changes	6,198	6,198
Balance at 31 December 2018	4,114,561	4,114,561



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Statement of Cash Flows for the year ended 31 December 2018

Figures in Rand	Note(s)	2018	2017
Cash flows from operating activities			
Cash generated from operations		(9,601)	489,990
Finance income		66,776	14,687
Net cash from operating activities		57,175	504,677
Cash flows from Investing activities			
Purchase of property, plant and equipment		-	(20,175)
Increase in loans granted		-	(100,000)
Net cash from Investing activities		-	(120,175)
Total cash movement for the year		57,175	384,502
Cash at the beginning of the year		812,226	427,724
Total cash at end of the year		869,401	812,226

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Annual Financial Statements for the year ended 31 December 2018

Accounting Policies

1. Presentation of Financial Statements

The annual financial statements have been prepared on the historical cost basis and are presented in South African rand. They incorporate the principal financial policies, which is consistent with those of the previous year, set out below.

1.1 Significant judgements and estimates

Management did not make any critical judgements in the application of accounting policies, apart from those involving estimations, which would significantly affect the annual financial statements.

Provisions

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.

1.2 Property, plant and equipment

Property, plant and equipment is carried at cost less accumulated depreciation. Cost includes all costs directly attributable to bringing the assets to working condition for their intended use.

Depreciation is calculated to write off the cost of these assets on a straight-line basis over their expected useful lives.

Item	Average useful life
Computer equipment	3 years
Office equipment	8 years
Fencing and development cost	10 years

The residual value, useful life and method of depreciation are reviewed only where there is an indication that there has been a significant change from the previous estimate.

The depreciation charge for each period is recognised in the operating expenses of the statement of comprehensive income.

1.3 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and awards incidental to ownership to the lessee. All other leases are operating leases.

Operating Leases

Lease of assets under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Operating lease payments are recognised as an expense on a straight-line basis over the lease term unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

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Accounting Policies (continued)

1.4 Revenue recognition

The fee is recognised as revenue in the year to which it applies and when no significant uncertainty as to its collectability exists.

Interest is recognised, in the statement of comprehensive income, using the effective interest rate method.



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Notes to the Financial Statements

2. Property, plant and equipment

	2018			2017		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Checkpoint Trailer	12,075	12,074	1	12,075	12,074	1
Computer equipment	111,906	103,918	7,988	111,906	95,498	16,408
Electronic equipment	4,304	4,247	57	4,304	4,247	57
Office equipment	33,580	30,409	3,171	33,580	27,237	6,343
Total	161,865	150,648	11,217	161,865	139,056	22,809

Reconciliation of property, plant and equipment – 2018

	Opening balance	Additions	Depreciation	Total
Checkpoint Trailer	1	-	-	1
Computer equipment	16,408	-	8,420	7,988
Electronic equipment	57	-	-	57
Office equipment	6,343	-	3,172	3,171
	22,809	-	11,592	11,217

Reconciliation of property, plant and equipment – 2017

	Opening balance	Additions	Depreciation	Total
Checkpoint Trailer	1	-	-	1
Computer equipment	3,533	20,175	7,300	16,408
Electronic equipment	57	-	-	57
Office equipment	9,513	-	3,170	6,343
	13,104	20,175	10,470	22,809

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Notes to the Financial Statements

Figures in Rand	2018	2017	
3. Trade and other receivables			
Blok K	8,574	8,574	
Affiliations fees	31,450	45,505	
	<u>40,024</u>	<u>54,079</u>	
4. Trade and other payables			
Income received in advance	192,361	221,603	
Value Added Tax	20,400	19,741	
Accrual SAEF	-	12,745	
	<u>212,761</u>	<u>254,089</u>	
5. Provisions			
Reconciliation of provisions – 2018			
	Opening balance	Movements	Total
Illegal substance allowance	207,213	66,658	273,871
SAEF fees	-	-	-
Legal fees	-	-	-
	<u>207,213</u>	<u>66,658</u>	<u>273,871</u>
Reconciliation of provisions – 2017			
	Opening balance	Movements	Total
Illegal substance allowance	260,386	(53,173)	207,213
SAEF fees	228,000	(228,000)	-
Legal fees	224,000	(224,000)	-
	<u>712,386</u>	<u>(505,173)</u>	<u>207,213</u>
6. Revenue			
Affiliation fees	1,224,054	1,165,264	
Ride levies	564,424	837,999	
Other income	1,857,875	2,362,743	
	<u>3,646,353</u>	<u>4,366,006</u>	
7. Operating expenses			
Accounting remuneration	81,208	78,579	
Consulting fees	30,280	17,816	
Employee costs	805,334	747,648	
Telephone and fax	44,463	37,190	
Travel and accommodation	7,748	15,245	
	<u>968,993</u>	<u>906,478</u>	
8. Finance income			
Bank interest	66,776	14,687	

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Notes to the Financial Statements

Figures in Rand	2018	2017
9. Cash generated from operations		
Profit for the year	6,198	403,322
Adjustments for:		
Depreciation	11,592	10,470
Finance income	(66,776)	(14,687)
Change in working capital:		
Trade and other receivables	14,055	413,841
Trade and other payables	25,330	(322,956)
	<u>(9,501)</u>	<u>439,990</u>

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Detailed Income Statement

Figures in Rand	Note(s)	2018	2017
Revenue			
Affiliation fees		1,224,054	1,165,264
Ride Levies		<u>564,424</u>	<u>837,999</u>
		1,788,478	2,003,263
Bibs sold		28,395	34,510
Fauresmith National Ride income		1,239,691	1,332,423
FEl and SAEF Registration Fees recovered		211,284	594,581
Passport Fees Recovered		264,009	301,697
Other cost recoveries		40,496	27,532
Horse export levies		<u>74,000</u>	<u>72,000</u>
Gross Profit		<u>3,646,353</u>	<u>4,366,006</u>
Interest received		66,776	14,687
Total Income		<u>3,713,129</u>	<u>4,380,693</u>

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Detailed Income Statement

Figures in Rand	Note(s)	2018	2017
Operating expenses			
Accounting fees		81,208	78,579
AGM expenses		6,364	-
Bad Debts		-	173,152
Bank charges		15,419	11,071
Bib costs		28,716	31,356
Computer costs		245	5,777
Consulting fees		30,280	17,816
Council meeting		1,900	8,084
Courier & postage		788	24,304
Depreciation		11,592	10,470
Development team		79,002	44,840
Fauresmith national ride expenses		1,515,783	1,575,028
Insurance		5,429	25,493
Legal fees		80,890	212,967
Printing & stationery		12,233	20,801
Rent paid		52,395	52,830
Horse passports		69,443	140,642
SAEF membership fees		225,220	364,369
SAIC		-	22,490
Salaries and wages		805,334	747,648
Team Expenses		164,872	198,792
Telephone & fax		44,463	37,190
Travel & accommodation		7,748	15,245
Walvis Bay expenses		240,702	-
Website cost		80,541	82,924
Young Riders World Champs		-	75,503
WEG Expenses		146,364	-
		<u>3,706,931</u>	<u>3,977,371</u>
Profit for the year		<u>6,198</u>	<u>403,222</u>