

**Endurance Ride Association of South Africa
Annual Financial Statements
For the year ended 31 December 2020**



Endurance Ride Association of South Africa (ERASA)

(Registration number: 124-153 NPO)

Annual Financial Statements for the year ended 31 December 2020

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	Pieter Streicher – President Danie Kasselmann – Vice President Attie Bosman – Treasurer (Resigned 1 January 2021) Minette Nortman-Botha - Athletes Representative: Theo Hoffman Jimmy Neethling Altus Hanekom Ronel Coetzer Carmen du Preez – Eastern Cape Province Werner Bosch – Free State Province Rinie White – Gauteng Province Sakkie Olivier – Limpopo Province Attie Bezuidenhout – Mpumalanga Province Breggie Scholtz – Northern Cape Province Gideon Keyser - North West Province DP Burger – Western Cape Province (Interim) Jeremy Burnard – Kwa Zulu Natal Mohamed Bhyat – Treasurer (Appointed 2 January 2021)
Business address	9 Senekal Street Wierda Park x2 Centurion 0156
Postal address	PO Box 9084 Centurion 0046
Bankers	ABSA
Registration number	124-153 (NPO)

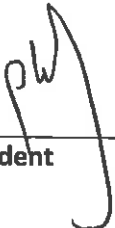
Endurance Ride Association of South Africa (ERASA)
(Registration number: 124-153 NPO)
Annual Financial Statements for the year ended 31 December 2020

Table of contents


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

Table of contents	Pages
Accounting Officer's Report	4
Compilation Report	5
Statement of Financial Position for the year ended 31 December 2020	6
Statement of Comprehensive Income for the year ended 31 December 2020	7
Statement of Changes in Equity for the year ended 31 December 2020	8
Statement of Cash Flows for the year ended 31 December 2020	9
Accounting Policies	10 - 11
Notes to the Financial Statements	12 - 14
Detailed Income Statement	15 - 16

The financial statements set out on pages 6 -14 , which have been prepared on the going concern basis, were approved by the council on 17 July 2021 and were signed on its behalf by:



President



Vice President

Accounting Officer's Report

To the members of the Endurance Ride Association of South Africa

I have performed the duties of accounting officer to the Endurance Ride Association of South Africa for the year ended 31 December 2020 as required by Section 17 of the Nonprofit Organisations Act, 1997. The annual financial statements of the Endurance Ride Association of South Africa set out on pages 6 - 16 are the responsibility of the Council Members of the Association. No audit or review is required by the Act to be carried out and no audit or review was conducted. Accordingly, I do not imply or express an opinion or any other form of assurance on the annual financial statements.

Duties of accounting officer

I have determined that the annual financial statements are in agreement with the accounting records, and have done so by adopting such procedures and conducting such enquiries in relation to the accounting records as I considered necessary in the circumstances. I have also reviewed the accounting policies, which have been represented to me as having been applied in the preparation of the annual financial statements, and I consider that they are appropriate to the Association.

I would like to draw the attention of the members to the impact of Covid-19 on the Endurance Ride Association of South Africa. All club hosted rides were cancelled during the peak period of Covid, from the 14th of March 2020 and resumed again on the 21st of August 2020. In addition the Fauresmith National ride hosted by ERASA annually was also cancelled.

AJ Bosman
Chartered Accountant (SA)
SAICA membership nr 00113817
20 July 2021

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 6 - 16, based on the information you have provided. These Annual Financial Statements comprise the statement of financial position of ERASA as at 31 December 2020, 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

20 July 2021

Endurance Ride Association of South Africa (ERASA)

(Registration number: 124-153 NPO)

Annual Financial Statements for the year ended 31 December 2020

Statement of Financial Position for the year ended 31 December 2020

Figures in Rand	Note(s)	2020	2019
ASSETS			
Non-Current Assets			
Property, plant and equipment	2	5,616	10,427
Loan Account - U.V.V.S.A Trust		<u>3,680,551</u>	<u>3,680,551</u>
		<u>3,686,167</u>	<u>3,690,978</u>
Current Assets			
Trade and other receivables	3	8,069	19,360
Cash and cash equivalents		<u>2,109,618</u>	<u>1,719,562</u>
		<u>2,117,687</u>	<u>1,738,922</u>
TOTAL ASSETS		<u>5,803,854</u>	<u>5,429,900</u>
EQUITY AND LIABILITIES			
Equity			
Retained income		<u>5,107,495</u>	<u>4,648,169</u>
		<u>5,107,495</u>	<u>4,648,169</u>
Liabilities			
Current liabilities			
Trade and other payables	4	174,828	260,200
Provisions	5	<u>521,531</u>	<u>521,531</u>
		<u>696,359</u>	<u>781,731</u>
TOTAL EQUITY AND LIABILITIES		<u>5,803,854</u>	<u>5,429,900</u>

Endurance Ride Association of South Africa (ERASA)

(Registration number: 124-153 NPO)

Annual Financial Statements for the year ended 31 December 2020

Statement of Comprehensive Income for the year ended 31 December 2020

Figures in Rand	Note(s)	2020	2019
Turnover	6	1,713,716	4,192,441
Gross Profit		<u>1,713,716</u>	<u>4,192,441</u>
Operating expenses	7	(1,369,268)	(3,773,945)
Operating profit		<u>344,448</u>	<u>418,496</u>
Interest received	8	114,878	115,112
Profit before taxation		<u>459,326</u>	<u>533,608</u>
Taxation		-	-
Total comprehensive profit		<u>459,326</u>	<u>533,608</u>

Endurance Ride Association of South Africa (ERASA)

(Registration number: 124-153 NPO)

Annual Financial Statements for the year ended 31 December 2020

Statement of Changes in Equity for the year ended 31 December 2020

Figures in Rand

Balance at 1 January 2019	4,114,561
Total comprehensive profit for the year	533,608
Total changes	533,608
Balance at 1 January 2020	4,648,169
Total comprehensive profit for the year	459,326
Total changes	459,326
Balance at 31 December 2020	5,107,495

Endurance Ride Association of South Africa (ERASA)

(Registration number: 124-153 NPO)

Annual Financial Statements for the year ended 31 December 2020

Statement of Cash Flows for the year ended 31 December 2020

Figures in Rand	Note(s)	2020	2019
Cash flows from operating activities			
Cash generated from operations		275,178	749,482
Finance income		114,878	115,112
Net cash from operating activities		390,056	864,594
Cash flows from Investing activities			
Purchase of property, plant and equipment		-	(14,433)
Net cash from investing activities		-	(14,433)
Total cash movement for the year			
Cash at the beginning of the year		1,719,562	869,401
Total cash at end of the year		2,109,618	1,719,562

Endurance Ride Association of South Africa (ERASA)

(Registration number: 124-153 NPO)

Annual Financial Statements for the year ended 31 December 2020

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.

Endurance Ride Association of South Africa (ERASA)

(Registration number: 124-153 NPO)

Annual Financial Statements for the year ended 31 December 2020

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.

Endurance Ride Association of South Africa (ERASA)

(Registration number: 124-153 NPO)

Annual Financial Statements for the year ended 31 December 2020

Notes to the Financial Statements

2. Property, plant and equipment

	2020			2019		
	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	40,232	34,618	5,614	40,232	29,807	10,425
Electronic equipment	1,950	1,950	-	1,950	1,950	-
Office equipment	31,672	31,671	1	31,672	31,671	1
Total	85,929	80,313	5,616	85,929	75,502	10,427

Reconciliation of property, plant and equipment

- 2020

	Opening balance	Additions	Disposal	Depreciation	Total
Checkpoint Trailer	1	-	-	-	1
Computer equipment	10,425	-	-	(4,811)	5,614
Electronic equipment	-	-	-	-	-
Office equipment	1	-	-	-	1
	10,427	-	-	(4,811)	5,616

Reconciliation of property, plant and equipment

-2019

	Opening balance	Additions	Disposal	Depreciation	Total
Checkpoint Trailer	1	-	-	-	1
Computer equipment	7,988	14,433	(1,121)	(10,875)	10,425
Electronic equipment	57	-	(57)	-	-
Office equipment	3,171	-	-	(3,170)	1
	11,217	14,433	(1,178)	(14,045)	10,427

Endurance Ride Association of South Africa (ERASA)

(Registration number: 124-153 NPO)

Annual Financial Statements for the year ended 31 December 2020

Notes to the Financial Statements

Figures in Rand	2020	2019	
3. Trade and other receivables			
Affiliations fees and event levies	8,069	19,360	
	<u>8,069</u>	<u>19,360</u>	
4. Trade and other payables			
Legal Fees		12,348	
FEl Ride Costs	58,517		
Illegal Substance Testing	26,992		
Income received in advance	79,873	226,787	
Value Added Tax	9,446	21,065	
	<u>174,828</u>	<u>260,200</u>	
5. Provisions			
Reconciliation of provisions – 2020			
	Opening balance	Movements	Total
Illegal substance allowance	273,871	-	273,871
Illegal substance Invoiced	305,760	45,002	350,762
Illegal substance Paid	(58,100)	(45,002)	(103,102)
	<u>521,531</u>	<u>26,992</u>	<u>521,531</u>
Reconciliation of provisions – 2019			
	Opening balance	Movements	Total
Illegal substance allowance	273,871	-	273,871
Illegal substance Invoiced	-	305,760	305,760
Illegal substance Paid		(58,100)	(58,100)
	<u>273,871</u>	<u>247,660</u>	<u>521,531</u>
6. Revenue			
Affiliation fees	1,198,331	1,397,915	
Ride levies	269,261	570,580	
Other income	246,124	2,223,946	
	<u>1,713,716</u>	<u>4,192,441</u>	
Due to Covid-19, the Fauresmith National Ride was not held in the 2020 financial year and thus other income is down when compared to the 2019 financial year.			
7. Operating expenses			
Accounting remuneration	94,686	81,803	
Consulting fees	48,600	47,543	
Employee costs	781,755	836,588	
Telephone and fax	30,784	44,608	
Travel and accommodation	6,061	13,650	

Endurance Ride Association of South Africa (ERASA)

(Registration number: 124-153 NPO)

Annual Financial Statements for the year ended 31 December 2020

Notes to the Financial Statements

Figures in Rand	2020	2019
8. Interest Received		
Bank interest	114,878	115,112
9. Cash generated from operations		
Profit for the year	459,326	533,608
Adjustments for:		
Depreciation	4,811	22,620
Loss on disposal of assets	-	1,178
Finance income	(114,878)	(115,112)
Change in working capital:		
Trade and other receivables	11,291	12,090
Trade and other payables	(85,372)	295,098
	<u>275,178</u>	<u>749,482</u>

Endurance Ride Association of South Africa (ERASA)

(Registration number: 124-153 NPO)

Annual Financial Statements for the year ended 31 December 2020

Detailed Income Statement

Figures in Rand	Note(s)	2020	2019
Revenue			
Affiliation fees		1,198,331	1,397,915
Ride Levies		269,261	570,580
		<u>1,467,592</u>	<u>1,968,495</u>
Bibs sold		15,303	20,478
Fauresmith National Ride income		-	1,556,412
FEI and SAEF event levies recovered		94,481	233,807
Passport Fees Recovered		69,233	217,046
Other cost recoveries		14,629	21,083
Lotto Funds		-	92,085
WEG recoveries		-	40,035
Horse export levies		52,478	43,000
Gross Profit		<u>1,713,716</u>	<u>4,192,441</u>
Interest received		114,878	115,112
Total Income		<u>1,828,594</u>	<u>4,307,553</u>

Endurance Ride Association of South Africa (ERASA)

(Registration number: 124-153 NPO)

Annual Financial Statements for the year ended 31 December 2020

Detailed Income Statement

Figures in Rand	Note(s)	2020	2019
Operating expenses			
Accounting fees		94,686	81,803
AGM expenses		1,303	6,787
Bad debts		20,000	8,574
Bank charges		16,361	18,950
Bib costs		8,132	20,688
CEI levy provision		58,517	36,961
Computer costs		1,500	11,462
Consulting fees		48,600	47,543
Council meeting		3,439	2,435
Courier & postage		4,248	3,383
Depreciation		4,811	14,046
Development team		-	27,052
Fauresmith national ride expenses		-	1,481,896
Fauresmith maintenance		78,632	78,913
Insurance		24,820	3,712
Legal fees		65,373	249,809
Loss on disposal of assets		-	1,178
Printing & stationery		9,415	10,913
Rent paid		-	56,647
Horse passports		-	61,413
SAEF event levies		88,781	216,058
Salaries and wages		781,755	836,588
Team Expenses		-	115,008
Telephone & fax		30,784	44,608
Travel & accommodation		6,061	13,650
Walvis Bay expenses		-	236,417
Website cost		22,050	87,451
WEG Expenses		-	-
		<u>1,369,268</u>	<u>3,773,945</u>
Profit for the year		<u>459,326</u>	<u>533,608</u>