

**Endurance Ride Association of South Africa
Annual Financial Statements
For the year ended 31 December 2019**



Endurance Ride Association of South Africa (ERASA)

(Registration number: 124-153 NPO)

Annual Financial Statements for the year ended 31 December 2019

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 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 Willie Roelofzse – Mpumalanga Province Breggie Scholtz – Northern Cape Province Gideon Keyser - North West Province Antoinette van Der Walt – Western Cape Province (Interim) Jeremy Burnard – Kwa Zulu Natal
Business address	9 Senekal Street Wierda Park x2 Centurion 0156
Postal address	PO Box 9084 Centurion 0046
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 6 -14 , which have been prepared on the going concern basis, were approved by the council on 21 March 2020 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 2019 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.



AJ Bosman
Chartered Accountant (SA)
SAICA membership nr 00113817
21 March 2020

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 28 February 2019, 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

21 March 2020

Endurance Ride Association of South Africa (ERASA)

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Statement of Financial Position for the year ended 31 December 2019

Figures in Rand	Note(s)	2019	2018
ASSETS			
Non-Current Assets			
Property, plant and equipment	2	10,427	11,217
Loan Account - U.V.V.S.A Trust		3,680,551	3,680,551
		<u>3,690,978</u>	<u>3,691,768</u>
Current Assets			
Trade and other receivables	3	19,360	40,024
Cash and cash equivalents		1,719,562	869,401
		<u>1,738,922</u>	<u>909,425</u>
TOTAL ASSETS		<u>5,429,900</u>	<u>4,601,193</u>
EQUITY AND LIABILITIES			
Equity			
Retained income		4,648,169	4,114,561
		<u>4,648,169</u>	<u>4,114,561</u>
Liabilities			
Current liabilities			
Trade and other payables	4	260,200	212,761
Provisions	5	521,531	273,871
		<u>781,731</u>	<u>486,632</u>
TOTAL EQUITY AND LIABILITIES		<u>5,429,900</u>	<u>4,601,193</u>

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Statement of Comprehensive Income for the year ended 31 December 2019

Figures in Rand	Note(s)	2019	2018
Turnover	6	4,192,441	3,646,353
Gross Profit		<u>4,192,441</u>	<u>3,646,353</u>
Operating expenses	7	(3,773,945)	(3,706,931)
Operating (loss)/profit		<u>418,496</u>	<u>(60,578)</u>
Finance income	8	115,112	66,776
Profit before taxation		<u>533,608</u>	<u>6,198</u>
Taxation		-	-
Total comprehensive profit		<u>533,608</u>	<u>6,198</u>

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Statement of Changes in Equity for the year ended 31 December 2019

Figures in Rand

Balance at 1 January 2018	4,108,363	4,108,363
Total comprehensive profit for the year	6,198	6,198
Total changes	4,114,561	4,114,561
Balance at 1 January 2019	4,114,561	4,114,561
Total comprehensive profit for the year	533,608	533,608
Total changes	533,608	533,608
Balance at 31 December 2019	4,648,169	4,648,169

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Statement of Cash Flows for the year ended 31 December 2019

Figures in Rand	Note(s)	2019	2018
Cash flows from operating activities			
Cash generated from operations		749,482	(9,601)
Finance income		115,112	66,776
Net cash from operating activities		<u>864,594</u>	<u>57,175</u>
Cash flows from Investing activities			
Purchase of property, plant and equipment		(14,433)	-
Net cash from investing activities		<u>(14,433)</u>	<u>-</u>
Total cash movement for the year		850,161	57,175
Cash at the beginning of the year		869,401	812,226
Total cash at end of the year		<u>1,719,562</u>	<u>869,401</u>

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Annual Financial Statements for the year ended 31 December 2019

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

	2019			2018		
	Cost / Valuation	Accumulated depreciation	Nett value	Cost / Valuation	Accumulated depreciation	Nett value
Checkpoint Trailer	12,075	12,074	1	12,075	12,074	1
Computer equipment	40,232	29,807	10,425	111,906	103,918	7,988
Electronic equipment	1,950	1,950	-	4,304	4,247	57
Office equipment	31,672	31,671	1	33,580	30,409	3,171
Total	85,929	75,502	10,427	161,865	150,648	11,217

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	-	(1,178)	(14,045)	10,427

Reconciliation of property, plant and equipment – 2018

	Opening balance	Additions	Disposal	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

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Notes to the Financial Statements

Figures in Rand		2019	2018
3.	Trade and other receivables		
	Blok K	-	8,574
	Affiliations fees and event levies	19,360	31,450
		<u>19,360</u>	<u>40,024</u>
4.	Trade and other payables		
	Legal Fees	12,348	-
	Income received in advance	226,787	192,361
	Value Added Tax	21,065	20,400
		<u>260,200</u>	<u>212,761</u>
5.	Provisions		
	Reconciliation of provisions – 2019		
		Opening balance	Movements
			Total
	Illegal substance allowance	273,871	-
	Illegal substance Invoiced	-	305,760
	Illegal substance Paid	-	(58,100)
		<u>273,871</u>	<u>247,660</u>
			<u>521,531</u>
	Reconciliation of provisions – 2018		
		Opening balance	Movements
			Total
	Illegal substance allowance	207,213	66,658
		<u>207,213</u>	<u>66,658</u>
			<u>273,871</u>
6.	Revenue		
	Affiliation fees	1,397,915	1,224,054
	Ride levies	570,580	564,424
	Other income	2,223,946	1,857,875
		<u>4,192,441</u>	<u>3,646,353</u>
7.	Operating expenses		
	Accounting remuneration	81,803	81,208
	Consulting fees	47,543	30,280
	Employee costs	836,588	805,334
	Telephone and fax	44,608	44,463
	Travel and accommodation	13,650	7,748
		<u>115,112</u>	<u>66,776</u>
8.	Finance income		
	Bank interest	115,112	66,776

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Notes to the Financial Statements

Figures in Rand	2019	2018
9. Cash generated from operations		
Profit for the year	533,608	6,198
Adjustments for:		
Depreciation	22,620	11,592
Loss on disposal of assets	1,178	-
Finance income	(115,112)	(66,776)
Change in working capital:		
Trade and other receivables	12,090	14,055
Trade and other payables	295,098	25,330
	<u>749,482</u>	<u>(9,601)</u>

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Detailed Income Statement

Figures in Rand	Note(s)	2019	2018
Revenue			
Affiliation fees		1,397,915	1,224,054
Ride Levies		570,580	564,424
		<u>1,968,495</u>	<u>1,788,478</u>
Bibs sold		20,478	28,395
Fauresmith National Ride income		1,556,412	1,239,691
FEI and SAEF event levies recovered		233,807	211,284
Passport Fees Recovered		217,046	264,009
Other cost recoveries		21,083	40,496
Lotto Funds		92,085	-
WEG recoveries		40,035	-
Horse export levies		43,000	74,000
Gross Profit		<u>4,192,441</u>	<u>3,646,353</u>
Interest received		115,112	66,776
Total Income		<u>4,307,553</u>	<u>3,713,129</u>

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Detailed Income Statement

Figures in Rand	Note(s)	2019	2018
Operating expenses			
Accounting fees		81,803	81,208
AGM expenses		6,787	6,364
Bad debts		8,574	-
Bank charges		18,950	15,419
Bib costs		20,688	28,716
CEI1 levies refunded		36,961	-
Computer costs		11,462	245
Consulting fees		47,543	30,280
Council meeting		2,435	1,900
Courier & postage		3,383	788
Depreciation		14,046	11,592
Development team		27,052	79,002
Fauresmith national ride expenses		1,481,896	1,515,783
Fauresmith maintenance		78,913	-
Insurance		3,712	5,429
Legal fees		249,809	80,890
Loss on disposal of assets		1,178	-
Printing & stationery		10,913	12,233
Rent paid		56,647	52,395
Horse passports		61,413	69,443
SAEF event levies		216,058	225,220
Salaries and wages		836,588	805,334
Team Expenses		115,008	164,872
Telephone & fax		44,608	44,463
Travel & accommodation		13,650	7,748
Walvis Bay expenses		236,417	240,702
Website cost		87,451	80,541
WEG Expenses		-	146,364
		<u>3,773,945</u>	<u>3,706,931</u>
Profit for the year		<u>533,608</u>	<u>6,198</u>