

Endurance Ride Association of South Africa
Financial Statements
For the year ended 31 December 2015

Endurance Ride Association of South Africa (ERASA)

(Registration number: 124-153 NPO)

Financial Statements for the year ended 31 December 2015

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	Gideon Keyser – President Niel Kirstein – Vice President Gisela Pieterse – Treasurer Jimmy Neethlingh FC Smit Pieter Streicher Laura Seegers Christo Engelbreht Johann Raubenheimer Hennie Bosman Theo Hoffman Don van Zyl FC Smit Breggie Scholtz Altus Hanekom
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 4 July 2016 and were signed on its behalf by:

President

Vice President

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Accounting Officers Report

I have performed the duties of Accounting Officer to Endurance Ride Association of South Africa (ERASA) as required in terms of the Companies Act of South Africa, 2008. No audit is required by the Act to be carried out and no audit was conducted. Accordingly I do not imply or express an opinion or any other form of assurance on the financial statements.

The financial statements set out on pages 3 to 15 are the responsibility of the Association's Council Members. I have determined that the financial statements are in agreement with the accounting records, summarised in the manner required by the Act, and have done so by adopting such procedures and conducting such enquiries in relation to the books of account and 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.



Gisela Pieterse
Chartered Accountant

Endurance Ride Association of South Africa (ERASA)

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Statement of Financial Position for the year ended 31 December 2015

Figures in Rand	Note(s)	2015	2014
ASSETS			
Non-Current Assets			
Property, plant and equipment	2	13,545	17,657
Loan Account - U.V.V.S.A Trust		<u>3,435,450</u>	<u>2,673,687</u>
		<u>3,448,995</u>	<u>2,691,344</u>
Current Assets			
Trade and other receivables	3	127,312	1,315,202
Cash and cash equivalents	4	<u>610,949</u>	<u>589,734</u>
		<u>738,261</u>	<u>1,904,936</u>
TOTAL ASSETS		<u>4,187,256</u>	<u>4,596,280</u>
Equity and Liabilities			
Equity			
Retained income		<u>3,673,383</u>	<u>3,851,628</u>
		<u>3,523,383</u>	<u>3,851,628</u>
Liabilities			
Current liabilities			
Trade and other payables	5	331,066	524,496
Provisions	6	<u>182,807</u>	<u>220,156</u>
		<u>513,873</u>	<u>744,652</u>
Total Equity and Liabilities		<u>4,187,256</u>	<u>4,596,280</u>

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Statement of Comprehensive Income for the year ended 31 December 2015

Figures in Rand	Note(s)	2015	2014
Turnover		4,282,381	5,407,294
Gross Profit		<u>4,282,381</u>	<u>5,407,294</u>
Operating expenses		(4,468,994)	(3,467,466)
Operating loss		<u>(186,613)</u>	<u>1,939,828</u>
Finance income		8,368	1,166
Loss before taxation		<u>(178,245)</u>	<u>1,940,994</u>
Taxation		-	-
Loss for the year		<u>(178,245)</u>	<u>1,940,994</u>
Prior year adjustment		-	(29,728)
Total comprehensive loss		<u>(178,245)</u>	<u>1,911,266</u>
Total comprehensive income attributable to:		<u>(178,245)</u>	<u>1,911,266</u>

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Statement of Changes in Equity for the year ended 31 December 2015

Figures in Rand	2015	2014
Balance at 1 January 2014	1,940,362	2,835,763
Total comprehensive loss for the year	1,911,266	(895,401)
Total changes	<u>3,851,628</u>	<u>(895,401)</u>
Balance at 1 January 2015	<u>3,851,628</u>	<u>1,940,362</u>
Total comprehensive loss for the year	<u>(178,245)</u>	<u>1,911,266</u>
Total changes	<u>(178,245)</u>	<u>1,911,266</u>
Balance at 31 December 2015	<u><u>3,673,383</u></u>	<u><u>3,851,628</u></u>

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Statement of Cash Flows for the year ended 31 December 2015

Figures in Rand	Note(s)	2015	2014
Cash flows from operating activities			
Cash generated from operations		774,609	1,370,134
Finance income		8,368	1,166
Net cash from operating activities		<u>782,977</u>	<u>1,371,300</u>
Cash flows from Investing activities			
Purchase of property, plant and equipment		-	(2,413)
Increase in loans granted		(761,762)	(1,615,404)
Net cash from investing activities		<u>(761,762)</u>	<u>(1,617,817)</u>
Total cash movement for the year		21,215	(246,517)
Cash at the beginning of the year		589,734	836,251
Total cash at end of the year		<u>610,949</u>	<u>589,734</u>

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Financial Statements for the year ended 31 December 2015

Accounting Policies

1. Presentation of Financial Statements

1.1 Significant judgements and estimates

In preparing the financial statements, management is required to make estimates and assumptions that affect the amounts represented in the financial statements and related disclosures. Use of available information and the application of judgement are inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the financial statements. Significant judgements include:

Critical accounting estimates and judgements

The association makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the actual results. Refer to the notes below for the estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in accounting policy 1.11 – Provisions.

1.2 Property, plant and equipment

The cost of 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 association; and
- the cost of the item can be measured reliably.

All property, plant and equipment is initially recorded at cost. 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 to their estimated values on a straight-line basis over their expected useful lives on a component basis.

Item	Average useful life
Computer equipment	33,3%
Office equipment	12,5%
Fencing and development cost	10%

Where an assets carrying amount is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposal are determined by comparing proceeds with the carrying amount and are included in operating profit.

Subsequent costs are included in the assets' carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the association and the cost of the item can be measured reliably. Repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

The assets residual value, useful lives and method of depreciation are reviewed, and adjusted if appropriate, at each financial year end.

The depreciation charge for each period is recognised in the operating expenses of the statement of comprehensive income unless it is included in the carrying amount of another asset.

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Accounting Policies (continued)

1.3 Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

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. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability. This liability is not discounted.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

1.4 Revenue recognition

The fee is recognised as revenue 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

	2015			2014		
	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	86,645	85,842	803	86,645	84,901	1,744
Electronic equipment	4,304	4,247	57	4,304	4,247	57
Office equipment	33,580	20,896	12,684	33,580	17,725	15,855
Total	136,604	123,059	13,545	136,604	118,947	17,657

Reconciliation of property, plant and equipment – 2015

	Opening balance	Additions	Depreciation	Total
Checkpoint Trailer	1	-	-	1
Computer equipment	1,744	-	941	803
Electronic equipment	57	-	-	57
Office equipment	15,855	-	3,171	12,684
	17,657	-	4,112	13,545

Reconciliation of property, plant and equipment – 2014

	Opening balance	Additions	Depreciation	Total
Checkpoint Trailer	1	-	-	1
Computer equipment	4,224	2,413	4,893	1,744
Electronic equipment	57	-	-	57
Office equipment	19,026	-	3,171	15,855
	23,308	2,413	8,064	17,657

A register containing the information required by Regulation 25(3) of the Companies Regulations, 2015 is available for inspection at the registered office of the association.

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Notes to the Financial Statements

Figures in Rand	2015	2014	
3. Trade and other receivables			
Affiliations fees	127,312	315,202	
Other	-	1,000,000	
	<u>127,312</u>	<u>1,315,202</u>	
4. Trade and other payables			
Income received in advance	314,127	452,176	
Value Added Tax	16,939	72,320	
	<u>331,066</u>	<u>524,496</u>	
5. Provisions			
Reconciliation of provisions – 2015			
	Opening balance	Additions	Total
Illegal substance allowance	<u>220,156</u>	37,349	<u>182,807</u>
Reconciliation of provisions – 2014			
	Opening balance	Additions	Total
Illegal substance allowance	<u>91,040</u>	129,116	<u>220,156</u>
6. Revenue			
Affiliation fees	1,228,743	1,279,901	
Ride levies	500,573	406,280	
Other income	2,553,065	1,991,613	
Donations	-	1,729,500	
	<u>4,282,381</u>	<u>5,407,294</u>	
7. Operating expenses			
Accounting remuneration	69,123	66,000	
Consulting fees	18,000	18,000	
Employee costs	748,965	692,956	
Telephone and fax	47,405	42,865	
Travel and accommodation – air travel	<u>42,979</u>	<u>102,772</u>	
8. Finance income			
Bank interest	<u>8,368</u>	<u>1,166</u>	

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Notes to the Financial Statements

Figures in Rand	2015	2013
9. Cash generated from operations		
Profit for the year	(178,245)	1,911,266
Adjustments for:		
Depreciation	4,111	8,064
Finance income	(8,368)	(1,166)
Change in working capital:		
Trade and other receivables	1,187,890	(62,146)
Trade and other payables	(230,779)	(485,884)
	<u>774,609</u>	<u>1,370,134</u>
10. Contingencies		
Contingent Asset		
Funds due by SAEF for funds paid to them from Lotto fund.	<u>-</u>	<u>400,493</u>
Contingent Liability		
SAEF fees under dispute	<u>-</u>	<u>(277,825)</u>
	<u>-</u>	<u>-</u>

At this time, it's not possible to predict the precise financial impact on the NPO until the law suit has been finalised, currently in process with our attorneys.

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Detailed Income Statement

Figures in Rand	Note(s)	2015	2014
Revenue			
Affiliations fees		1,228,743	1,279,901
Ride Levies		500,573	406,280
		<u>1,729,316</u>	<u>1,686,181</u>
Bibs sold		31,618	32,902
Fauresmith National Ride – entries		1,255,289	940,928
FEI Registration Fees recovered		475,391	248,701
Passport Fees Recovered		188,454	240,547
Cost recoveries		419,647	498,867
Lotto Fund / Grants received		-	29,668
Sandy Mount Express		182,666	-
Donations		-	1,729,500
Gross Profit		<u>4,282,381</u>	<u>2,911,310</u>
Interest received		8,368	1,166
Total Income		<u>4,290,749</u>	<u>5,408,460</u>

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Detailed Income Statement

Figures in Rand	Note(s)	2015	2014
Operating expenses			
Accounting fees		69,123	66,000
AGM expenses		1,904	1,747
Bank charges		14,908	12,166
Bib costs		29,252	30,692
Computer costs		7,164	4,451
Consulting fees		18,000	18,000
Council meeting		15,937	3,557
Courier & postage		19,562	29,084
Depreciation		4,111	8,064
Development team		133,222	50,562
Fauresmith national ride expenses		1,715,681	1,099,417
FEI Congress		-	4,725
Insurance		13,327	9,223
Legal fees		260,694	25,710
Printing & stationery		28,184	50,507
Refreshments		7,137	3,386
Rent paid		39,646	40,954
Horse passports		48,176	89,911
SAEF fees		563,271	459,067
SAIC		-	186,184
Salaries and wages		748,965	692,956
Sandy Mount Express		149,921	-
Team Expenses		99,542	81,718
Telephone & fax		47,405	53,218
Travel & accommodation		42,979	102,722
Walvis Bay expenses		249,430	204,467
Website cost		55,199	55,521
Young Riders World Champs		86,254	83,457
		<u>4,468,994</u>	<u>3,467,466</u>
Profit for the year		<u>(178,245)</u>	<u>1,940,994</u>