

**Dressage South Africa**  
**(Registration number 133-147 NPO)**  
**Annual Financial Statements**  
**for the year ended 31 December 2021**

# Dressage South Africa

(Registration number: 133-147 NPO)

Annual Financial Statements for the year ended 31 December 2021

## General Information

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<b>Country of incorporation and domicile</b>	South Africa
<b>Nature of business and principal activities</b>	The control of the equestrian discipline of dressage in South Africa
<b>Registered office</b>	477 Papenfus Drive Beaulieu Estate Kyalami 1684
<b>Postal address</b>	PO Box 30875 Kyalami 1684
<b>Auditor</b>	Nolands Jhb Inc. Chartered Accountants (SA) Registered Auditor Practice number: 905119
<b>Company registration number</b>	133-147 NPO
<b>Tax reference number</b>	9197655195
<b>Level of assurance</b>	These annual financial statements have been audited in compliance with the applicable requirements of the Constitution of association
<b>Preparer</b>	The annual financial statements were independently compiled by: Ryan Lee Smith CA(SA), RA

# Dressage South Africa

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

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### Councils' Responsibilities and Approval

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The Council is required by the Companies Act 71, of 2008, 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 association 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 International Financial Reporting Standard for Small and Medium-sized Entities. The external auditor is engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

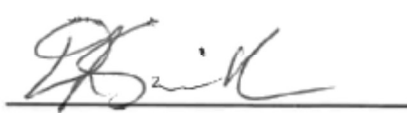
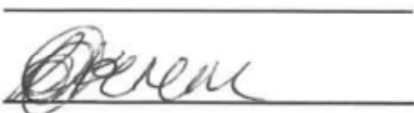
The Council acknowledge that they are ultimately responsible for the system of internal financial control established by the association and place considerable importance on maintaining a strong control environment. To enable the Council to meet these responsibilities, the Council set standards for internal 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 association and all employees are required to maintain the highest ethical standards in ensuring the association's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the association is on identifying, assessing, managing and monitoring all known forms of risk across the association. While operating risk cannot be fully eliminated, the association endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Council is 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 Council has reviewed the association's cash flow forecast for the 12 months from the date of this report, in light of this review and the current financial position, they are satisfied that the association has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditor is responsible for independently auditing and reporting on the association's annual financial statements. The annual financial statements have been examined by the association's external auditors and their report is presented on pages 6 to 7.

The annual financial statements set out on pages 8 to 24, which have been prepared on the going concern basis, were approved and published by the Council and were signed on its behalf by:



Johannesburg

Date: 11/05/2022

# Dressage South Africa

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## Councils' Report

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The Council have pleasure in submitting their report on the annual financial statements of Dressage South Africa for the year ended 31 December 2021.

### 1. Nature of business

Dressage South Africa was incorporated in South Africa on 1 August 2013 and is engaged in the control of the equestrian discipline of dressage in South Africa.

There have been no material changes to the nature of the association's business from the prior year.

### 2. Review of financial results and activities

The annual financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the constitution of the association. 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 association are set out in these annual financial statements.

### 3. Council members interest in contracts

During the financial year, no new contracts were entered into, in which the council or officials of the association had an interest and which significantly affected the business of the association. The IT support contract between S Horne and the association was however extended for the duration of the financial year.

### 4. Property, plant and equipment

There was no change in the nature of the property, plant and equipment of the association or in the policy regarding their use.

### 5. Events after the reporting period

The Council members are not aware of any material events which occurred after the reporting date and up to the date of the report.

### 6. Going concern

The Council believe that the association 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 Council has satisfied themselves that the association is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The Council is not aware of any new material changes that may adversely impact the association. The Council is also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the association.

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

The Council would in addition want to report that the full General Reserve as stipulated in clause 8.20 of the Constitution of the Association has been fully provided for during this financial year.

The Council is aware of the COVID-19 pandemic as well as the country's downgrade to sub-investment grade. Management have established processes detailed below to assess and monitor the risks affecting the company as a result of the pandemic and therefore do not believe that there is an immediate concern around going concern.

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## Councils' Report

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### 7. Council

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

Council	Title	Association	Changes
D Smith	President	Dressage South Africa	Appointed 03 May 2021
S Horne	Vice president	Dressage South Africa	Appointed 03 May 2021
C Oberem	Treasurer	Dressage South Africa	
C Engelbrecht	Finance and administration	Dressage South Africa	Resigned 31 March 2021
E Vuorinen	Technical	Dressage South Africa	
K Pukstys	Finance and administration	Dressage South Africa	Appointed 03 May 2021
L Cutting	Development and transformation	Dressage South Africa	
I Sanne	International affairs	Dressage South Africa	
C Potts	Judges and Officials	Dressage South Africa	Appointed 03 May 2021 Resigned 25 November 2021
R Niehus	Co-opted to assist with Coaches	Dressage South Africa	
J Silen	Assist: schedules and venues and DSA Convenor	Dressage South Africa	
B Sandwith	Co-opted Judicial Body Member	Dressage South Africa	
O Stigakis	Co-opted Judicial Body Member	Dressage South Africa	
D Grey	President	Limpopo	
H Jacobs	President	Northern Cape	
K Sutton	Acting President	KwaZulu Natal	Appointed 06 March 2021
S Coetzee	President	Mpumalanga	
R Bush	President	Eastern Cape	
J Smith	President	Gauteng	
R Balmer	President	Free state	
C Engelbrecht	President	Northern Cape	Appointed 31 December 2021
E Hopkins	President	Western Cape	

### 8. Litigation statement

The association becomes involved from time to time in various claims and lawsuits incidental to the ordinary course of business. The association is not currently involved in any such claims or lawsuits, which individually or in the aggregate, are expected to have a material adverse effect on the business or its assets.

### 9. Auditors

Nolands Jhb Inc. continued in office as auditors for the association for 2021.

At the AGM, the Council will be requested to reappoint Nolands Jhb Inc. as the independent external auditors of the association and to confirm DW Fordham (CA)SA, RA as the designated lead audit partner for the 2022 financial year.

### 10. Date of authorisation for issue of annual financial statements

The annual financial statements have been authorised for issue by the directors on the date of this report. No authority was given to anyone to amend the annual financial statements after the date of being published.

## Independent Auditor's Report

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### To the Members of Dressage South Africa

#### Opinion

We have audited the financial statements of Dressage South Africa (the association) set out on pages 8 to 24, which comprise the statement of financial position as at 31 December 2021, 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 Dressage South Africa as at 31 December 2021, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the constitution of association.

#### 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 association 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 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 corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Other Information

The Council is responsible for the other information. The other information comprises the information included in the document titled "Dressage South Africa annual financial statements for the year ended 31 December 2021", which includes the Councils' Report as required by the Companies Act 71, of 2008 and the supplementary information as set out on pages 25 to 26. 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.

#### Responsibilities of the Council for the Annual Financial Statements

The Council is responsible for the preparation and fair presentation of the annual financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71, of 2008, and for such internal control as the Council determines 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 Council is responsible for assessing the Association'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 Council either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

CHIEF EXECUTIVE OFFICER: DARRYL FORDHAM CA (SA) DIRECTORS: RYAN SMITH CA (SA), ANTONIO CIANFANELLI CA (SA), ROMY COPE CA (SA), PORTIA NTLATLENG CA (SA) SENIOR ASSOCIATE: DAVE OSHRY CA (SA)

Chartered Accountants (SA) Registered Auditors, Geneva Group International GGI, Independent Member Firm, Nolands Jhb Inc. Reg No 2000/008947/21. All professional firms practising in the Republic of South Africa under Nolands ("Member Firms") are licensed by Nolands South Africa (Pty) Ltd (Registration number: 1987/008839/07) ("Nolands SA") save for member firms practising outside of the Republic of South Africa which member firms are licensed by Nolands International Limited (BRN No: C16141706) (FSC No: C116016185). Each member firm is an independent contractor practising for its own risk and benefit. No member firms are partners, agents, representatives, joint ventures, fiduciaries or the like (collectively "Associates") of each other. Likewise, no member firms and Nolands South Africa or Nolands International Limited are Associates of each other. If any further information is required, kindly contact us. See <http://www.nolands.co.za/disclaimers>.



## Independent Auditor's Report

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### 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- Conclude on the appropriateness of the Council 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 association'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 association 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 Council 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.



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Nolands Jhb Inc.  
Practice number: 905119  
Per: Darryl Wayne Fordham (CA)SA, RA  
Director  
Registered Auditor

Date: 11/05/2022  
Johannesburg

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# Dressage South Africa

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## Statement of Financial Position as at 31 December 2021

	Note	2021 R	2020 R
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	2	37 615	36 619
<b>Current Assets</b>			
Trade and other receivables	3	93 568	90 468
Cash and cash equivalents	4	2 282 621	2 236 775
		<b>2 376 189</b>	<b>2 327 243</b>
<b>Total Assets</b>		<b>2 413 804</b>	<b>2 363 862</b>
<b>Reserves and Liabilities</b>			
<b>Reserves</b>			
Specific reserves		1 689 679	1 430 166
Accumulated surplus		348 631	526 236
		<b>2 038 310</b>	<b>1 956 402</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	6	373 727	405 540
Bank overdraft	4	1 767	1 920
		<b>375 494</b>	<b>407 460</b>
<b>Total Reserves and Liabilities</b>		<b>2 413 804</b>	<b>2 363 862</b>

## Dressage South Africa

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### Statement of Comprehensive Income

	Note	2021 R	2020 R
Revenue	7	1 329 592	1 477 380
Specific venture cost recovery	8	130 202	67 311
Operating expenses		(1 453 720)	(1 600 458)
<b>Operating surplus/(deficit)</b>	11	<b>6 074</b>	<b>(55 767)</b>
Finance income	12	75 834	101 424
<b>Surplus for the year</b>		<b>81 908</b>	<b>45 657</b>
<b>Other comprehensive income:</b>			
<b>Transfers (to)/from reserves</b>			
Funds transferred (to)/from specific reserves		(213 626)	227 387
Funds transferred to ringfenced reserves		(45 887)	(38 440)
<b>Total transfers for the year</b>		<b>(259 513)</b>	<b>188 947</b>
<b>Other comprehensive (loss) income for the year net of taxation</b>		<b>(259 513)</b>	<b>188 947</b>
<b>(Deficit)/surplus for the year</b>		<b>(177 605)</b>	<b>234 604</b>

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## Statement of Changes in Reserves

	Specific reserves R	Accumulated surplus R	Total R
<b>Balance at 01 January 2020</b>	<b>1 619 113</b>	<b>291 632</b>	<b>1 910 745</b>
Surplus for the year	-	45 657	45 657
<b>Surplus for the year</b>	<b>-</b>	<b>45 657</b>	<b>45 657</b>
Transfer between reserves	(227 387)	227 387	-
Transfer to ringfenced reserves	38 440	(38 440)	-
<b>Total changes</b>	<b>(188 947)</b>	<b>188 947</b>	<b>-</b>
<b>Balance at 01 January 2021</b>	<b>1 430 166</b>	<b>526 236</b>	<b>1 956 402</b>
Surplus for the year	-	81 908	81 908
Other comprehensive income	-	-	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>81 908</b>	<b>81 908</b>
Transfer between reserves	213 626	(213 626)	-
Transfer to ringfenced reserves	45 887	(45 887)	-
<b>Total changes</b>	<b>259 513</b>	<b>(259 513)</b>	<b>-</b>
<b>Balance at 31 December 2021</b>	<b>1 689 679</b>	<b>348 631</b>	<b>2 038 310</b>
Note	5		

## Dressage South Africa

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### Statement of Cash Flows

	Note	2021 R	2020 R
<b>Cash flows from/(used in) operating activities</b>			
Cash used in operations	15	(19 739)	(673 319)
Finance income		75 834	101 424
<b>Net cash from/(used in) operating activities</b>		<b>56 095</b>	<b>(571 895)</b>
<b>Cash flows from/(used in) investing activities</b>			
Purchase of property, plant and equipment	2	(16 793)	(1 565)
Disposal of property, plant and equipment	2	6 697	20 624
<b>Net cash (used in)/from investing activities</b>		<b>(10 096)</b>	<b>19 059</b>
<b>Total cash movement for the year</b>		<b>45 999</b>	<b>(552 836)</b>
Cash at the beginning of the year		2 234 855	2 787 691
<b>Total cash at end of the year</b>	4	<b>2 280 854</b>	<b>2 234 855</b>

# Dressage South Africa

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Annual Financial Statements for the year ended 31 December 2021

## Accounting Policies

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### 1. Basis of preparation and summary of significant accounting policies

The annual financial statements have been prepared on a going concern basis in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act 71, of 2008. The annual financial statements incorporate the accounting principles and policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

#### 1.1 Significant judgements and sources of estimation uncertainty

##### Critical judgements in applying accounting policies

In preparing the annual financial statements, management is required to make judgements, estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results in the future could differ from these estimates which may be material to the annual financial statement.

##### Key sources of estimation uncertainty

##### Useful lives and residual values of property, plant and equipment

The association reviews the estimated useful lives of property, plant and equipment when changing circumstances indicate that they may have changed since the most recent reporting date.

#### 1.2 Property, plant and equipment

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

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 association.

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

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Item	Depreciation method	Average useful life
Computer equipment	Straight line	5 years
Furniture and fixtures	Straight line	10 years
Office equipment	Straight line	6 years

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss in the period.

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## Accounting Policies

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### 1.3 Financial instruments

#### Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

#### Financial instruments at amortised cost

These include loans, trade receivables and trade payables. Those debt instruments which meet the criteria in section 11.8(b) of the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

#### Financial instruments at cost

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably without undue cost or effort are measured at cost less impairment.

### 1.4 Leases

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

#### Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term unless:

- another systematic basis is representative of the time pattern of the benefit from the leased asset, even if the payments are not on that basis, or
- the payments are structured to increase in line with expected general inflation (based on published indexes or statistics) to compensate for the lessor's expected inflationary cost increases.

Any contingent rents are expensed in the period they are incurred.

### 1.5 Impairment of assets

The association assesses at each reporting date whether there is any indication that property, plant and equipment may be impaired.

If there is any such indication, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

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Annual Financial Statements for the year ended 31 December 2021

## Accounting Policies

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### 1.5 Impairment of assets (continued)

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of assets) in prior years. A reversal of impairment is recognised immediately in profit or loss.

### 1.6 Employee benefits

#### Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as leave pay and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

### 1.7 Government grants

Grants that do not impose specified future performance conditions are recognised in income when the grant proceeds are receivable.

Grants are measured at the fair value of the asset received or receivable.

### 1.8 Revenue

Revenue is recognised to the extent that the association 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 association. Revenue is measured at the fair value of the consideration received or receivable, excluding sales taxes and discounts.

Revenue from show levies, levies on prize money and membership fees are recognised in profit or loss when the associations right to receive payment has been established.

# Dressage South Africa

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Annual Financial Statements for the year ended 31 December 2021

## Accounting Policies

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### 1.9 Specific reserves

#### Provincial Reserves

In the 2019 financial year 60% of membership fees and show levies were transferred to the National Reserve and 40% to the Provincial Reserve for each province that can be spent by the various provinces for the advancement of the discipline of dressage. However in 2020, there was a change in the allocation of Provincial funds to financially assist the smaller provinces. A National base cost was calculated and all provinces were given an options of 3 pricing levels for the membership fees. The base cost per member was transferred to the National reserve and therefore the spending of the provinces was dependent on the membership fee level chosen. Due to Covid 19 and the lack of shows and levy income, the council has reverted to the 60%/40% split for the 2021 financial year. Included in the province reserves are other income items specifically approved by the Council which the association may collect from time to time on behalf of each province and expenses incurred on behalf of each province. The income is reflected in the statement of comprehensive income and transferred to specific reserves. The related expenditure from each province is recorded directly to each reserve and the surplus/ deficit for the year for all provinces is shown as a separate line item on the Statement of Changes in Reserves.

#### Equestrian Development Scheme (EDS) Levies Reserve

EDS levies are amounts retained for future use. The EDS levies are received from show entries and form part of the FEI Solidarity Program set up to provide the National Sports Federation with the tools to develop equestrian sport in their own country in a sustainable, structured, progressive and professional manner. EDS levies income is reflected in the statement of comprehensive income and transferred to specific reserves. The related expense is recorded directly to the reserve and the surplus/deficit for the year is shown as a separate line item on the Statement of Changes in Reserves.

#### The Adriaan Van Wyk Fund

Adriaan Van Wyk raised money on behalf of Dressage SA, to subsidise the funding of high level dressage events. The surplus after paying expenses was used to create a perpetual fund for the purpose of facilitating and subsidising essential high level FEI Dressage events that are limited due to economic considerations. The funds received and expenses incurred are recognised directly in reserves.

#### Judges Training Reserve

This fund was established from the surplus derived from the hosting of the Dressage SA 2016 Stephen Clarke Seminar. The main purpose of purchasing an airline ticket for the equivalent 2017 seminar. Subsequent and related funds received and expenses incurred are recognised directly in reserves.

#### Riders Fund Reserve

Riders Fund are amounts retained for future use for riders. The funds are received from prize money received by riders at certain status level shows, as well as any income specifically approved by the Council to be designated as such. These funds are utilised in such a fashion as may be determined by the DSA council for the benefit of the discipline and the athletes. Riders Fund income is reflected in the statement of comprehensive income and transferred to specific reserves. The related expense is recorded directly to reserves and the surplus/deficit for the year is shown as a separate line item on the Statement of Changes in Reserves.

All transactions in foreign currencies are initially recorded in Rand, using the spot rate at the date of the transaction. Foreign currency monetary items at the reporting date are translated using the closing rate. All exchange differences arising on settlement or translation are recognised in profit or loss.



# Dressage South Africa

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Annual Financial Statements for the year ended 31 December 2021

## Accounting Policies

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### 1.10 Finance income and finance costs

Finance income comprises interest income on funds invested, that is recognised in profit or loss. Interest income is recognised as it accrues, using the effective interest rate method.

Finance expenses comprise interest expense on borrowings, that is recognised in profit or loss. All borrowing costs are recognised in profit or loss in the period they are incurred, using the effective interest rate method.

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### Notes to the Annual Financial Statements

	2021 R	2020 R
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#### 2. Property, plant and equipment

	2021			2020		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Computer equipment	19 675	(6 666)	13 009	33 509	(27 636)	5 873
Furniture and fixtures	29 447	(13 795)	15 652	31 614	(12 707)	18 907
Office equipment	17 306	(8 352)	8 954	17 306	(5 467)	11 839
<b>Total</b>	<b>66 428</b>	<b>(28 813)</b>	<b>37 615</b>	<b>82 429</b>	<b>(45 810)</b>	<b>36 619</b>

#### Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Disposals	Depreciation	Closing balance
Computer equipment	5 873	10 789	(2 312)	(1 341)	13 009
Furniture and fixtures	18 907	6 004	(6 700)	(2 559)	15 652
Office equipment	11 839	-	-	(2 885)	8 954
	<b>36 619</b>	<b>16 793</b>	<b>(9 012)</b>	<b>(6 785)</b>	<b>37 615</b>

#### Reconciliation of property, plant and equipment - 2020

	Opening balance	Additions	Disposals	Depreciation	Closing balance
Computer equipment	10 006	-	-	(4 133)	5 873
Furniture and fixtures	45 299	-	(20 624)	(5 768)	18 907
Office equipment	12 705	1 565	-	(2 431)	11 839
	<b>68 010</b>	<b>1 565</b>	<b>(20 624)</b>	<b>(12 332)</b>	<b>36 619</b>

Registers with details of property, plant and equipment are available for inspection by council members or their duly authorised representatives at the registered office of the association.

#### 3. Trade and other receivables

Trade receivables	72 033	73 294
Prepayments	10 500	6 674
Deposits	10 500	10 500
VAT receivable	535	-
	<b>93 568</b>	<b>90 468</b>

As the terms and conditions relating to trade and other receivables fall within industry norms as well as normal business practice, discounting of the trade and other receivables is not material.

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Annual Financial Statements for the year ended 31 December 2021

## Notes to the Annual Financial Statements

	2021 R	2020 R
<b>4. Cash and cash equivalents</b>		
Cash and cash equivalents consist of:		
Cash on hand	831	57
Bank balances	2 281 790	2 236 718
Credit card	(1 767)	(1 920)
	<b>2 280 854</b>	<b>2 234 855</b>
Current assets	2 282 621	2 236 775
Current liabilities	(1 767)	(1 920)
	<b>2 280 854</b>	<b>2 234 855</b>
<b>5. Specific Reserves</b>		
<b>Movement in reserves</b>		
Balance at the beginning of the year	1 430 166	1 619 112
Funds transferred to ringfenced reserves	45 887	38 440
Funds transferred from/(to) provincial reserves	213 626	(227 386)
	<b>1 689 679</b>	<b>1 430 166</b>

# Dressage South Africa

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Annual Financial Statements for the year ended 31 December 2021

## Notes to the Annual Financial Statements

	2021 R	2020 R
<b>5. Specific Reserves (continued)</b>		
Provincial reserves		
Gauteng Province	314 881	229 948
KwaZulu-Natal Province	79 484	55 170
Western Cape Province	157 594	97 786
Eastern Cape Province	60 385	45 820
Free State Province	18 898	10 920
Mpumalanga Province	15 117	14 985
Limpopo Province	5 786	4 350
Northern Cape Province	42 578	26 069
North West Province	55 242	51 291
Ringfenced reserves		
Equestrian Development Scheme (EDS)	442 137	380 308
The Adriaan Van Wyk Fund	33 835	33 835
Judges Training Reserve	33 757	49 699
Riders Fund	4 285	4 285
General reserves		
Limpopo Province	2 000	2 000
Northern Cape Province	3 600	3 600
National General Reserve	280 000	280 000
North West Province	1 600	1 600
Gauteng Province	76 000	76 000
KwaZulu-Natal Province	15 000	15 000
Western Cape Province	35 000	35 000
Eastern Cape Province	6 000	6 000
Free State Province	3 000	3 000
Mpumalanga Province	3 500	3 500
	<b>1 689 679</b>	<b>1 430 166</b>
<b>6. Trade and other payables</b>		
Trade payables	178 847	187 829
Amounts received in advance	104 700	107 200
VAT payable	-	6 118
Accrued expense	90 180	104 393
	<b>373 727</b>	<b>405 540</b>

As the terms and conditions relating to trade and other payables fall within industry norms as well as normal business practice, discounting of the trade and other payables is not material.

# Dressage South Africa

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Annual Financial Statements for the year ended 31 December 2021

## Notes to the Annual Financial Statements

	2021 R	2020 R
<b>7. Revenue</b>		
Membership fees	816 727	1 174 830
Show levies	512 865	302 550
	<b>1 329 592</b>	<b>1 477 380</b>
Gross revenue comprises turnover which excludes value-added tax and represents the fair value of services supplied.		
<b>8. Specific venture cost recovery</b>		
Fines levied	1 217	-
Net income on ringfenced reserves	61 829	38 440
Other income	46 158	10 918
Cost recoveries for events	16 748	15 673
Other income	4 250	-
Bad debts recovered	-	2 280
	<b>130 202</b>	<b>67 311</b>
Please refer to Note 9 and Note 10 for additional detail on the income/(expenses) on specific reserves and cost recoveries.		
<b>9. Income/(expenses) on ringfenced reserves</b>		
<b>EDS Levies Reserve</b>		
Income	61 829	38 401
<b>Riders Fund Reserve</b>		
Income	-	39
<b>Total income/(transfers) relating to ringfenced reserves</b>		
Income	61 829	38 440
<b>Total income to reserves</b>	<b>61 829</b>	<b>38 440</b>
<b>10. Cost (under recoveries)/ over recoveries</b>		
<b>FEI Handbooks</b>		
Income	18 748	-
Expenses	(22 563)	-
	<b>(3 815)</b>	<b>-</b>
<b>Coaches Training</b>		
Income	78 260	-
Expenses	(61 512)	-
	<b>16 748</b>	<b>-</b>
<b>FEI Solidarity Funds</b>		
Expenses	-	(22 285)

# Dressage South Africa

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Annual Financial Statements for the year ended 31 December 2021

## Notes to the Annual Financial Statements

	2021 R	2020 R
<b>10. Cost (under recoveries)/ over recoveries (continued)</b>		
<b>Organising Fees</b>		
Expenses	-	(1 362)
<b>Event Costs</b>		
Income	-	40 415
Expenses	-	(24 741)
	-	15 674
<b>Judges Training</b>		
Income	12 696	-
Expenses	(28 638)	-
	(15 942)	-
<b>Provincial Awards</b>		
Income	81 948	-
Expenses	(97 997)	(41 254)
	(16 049)	(41 254)
	(19 058)	(49 227)
<b>Total cost (under recoveries)/over recoveries</b>	<b>(19 058)</b>	<b>(49 227)</b>
<b>11. Operating surplus/(deficit)</b>		
Operating surplus/(deficit) for the year is stated after accounting for the following:		
<b>Operating lease charges</b>		
Lease rentals		
• Contractual amounts	126 000	115 024
Loss on disposal of property, plant and equipment	2 315	-
Depreciation on property, plant and equipment	6 785	12 332
Employee costs	662 575	607 520
<b>12. Finance income</b>		
<b>Interest revenue</b>		
Bank	75 834	101 424
<b>13. Taxation</b>		

The association is a public benefit organisation in terms of Section 30 of the Income Tax Act and the receipts and accruals are exempt from tax in terms of Section 10 (1)(cN) of the Income Tax Act.

# Dressage South Africa

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Annual Financial Statements for the year ended 31 December 2021

## Notes to the Annual Financial Statements

	2021 R	2020 R
<b>14. Bad debts</b>		
The association has addressed an average debtors exposure and have raised a provision for bad debts which is a realistic yet conservative figure for the year.		
<b>15. Cash used in operations</b>		
Surplus before taxation	81 908	45 657
<b>Adjustments for:</b>		
Depreciation	6 785	12 332
Loss on disposal of property, plant and equipment	2 315	-
Finance income	(75 834)	(101 424)
<b>Changes in working capital:</b>		
Trade and other receivables	(3 084)	26 900
Trade and other payables	(31 829)	(656 784)
	<b>(19 739)</b>	<b>(673 319)</b>
<b>16. Commitments</b>		
<b>Operating leases - as lessee (expense)</b>		
<b>Minimum lease payments due</b>		
- within one year	84 000	84 000

Operating lease payments represent rentals payable by the association for certain of its office properties. Leases are negotiated for an average of one year. No contingent rent is payable.

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Annual Financial Statements for the year ended 31 December 2021

## Notes to the Annual Financial Statements

	2021 R	2020 R
<b>17. Related parties</b>		
<b>Relationships</b>		
Members of key management	D Smith C Oberem S Horne E Vuorinen K Pukstys L Cutting I Sanne R Niehus J Silen B Sandwith O Stigakis R Bush R Balmer J Smith C Engelbrecht D Grey S Coetzee H Jacobs K Sutton E Hopkins	
<b>Related party transactions</b>		
<b>IT support expenses paid to related parties</b>		
S Horne	118 547	72 320

## 18. Council members' remuneration

No emoluments were paid to the council members or any individuals holding a prescribed office during the year.

## 19. Going concern

The Council believe that the association 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 Council has satisfied themselves that the association is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The Council is not aware of any new material changes that may adversely impact the association. The Council is also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the association



# Dressage South Africa

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Annual Financial Statements for the year ended 31 December 2021

## Notes to the Annual Financial Statements

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### 19. Going concern (continued)

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 Council would in addition want to report that the full General Reserve as stipulated in clause 8.20 of the Constitution of the Association has been fully provided for during this financial year.

The Council is aware of the COVID-19 pandemic as well as the country's downgrade to sub-investment grade. Management have established processes detailed below to assess and monitor the risks affecting the company as a result of the pandemic and therefore do not believe that there is an immediate concern around going concern.

### 20. Events after the reporting period

The Council members are not aware of any material events which occurred after the reporting date and up to the date of the report.

## Dressage South Africa

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Annual Financial Statements for the year ended 31 December 2021

### Detailed Income Statement

	Note	2021 R	2020 R
<b>Revenue</b>			
Membership fees		816 727	1 174 830
Show levies		512 865	302 550
	7	<u>1 329 592</u>	<u>1 477 380</u>
<b>Other income</b>			
Bad debts recovered		-	2 280
Cost recoveries		16 748	15 673
Fines levied		1 217	-
Donations received		4 250	-
Ringfenced reserves recoveries		61 829	38 440
Sundry income		46 158	10 918
		<u>130 202</u>	<u>67 311</u>
<b>Operating expenses (Refer to page 26)</b>		<u>(1 453 720)</u>	<u>(1 600 458)</u>
<b>Operating surplus/(deficit)</b>	11	<u>6 074</u>	<u>(55 767)</u>
Finance income	12	75 834	101 424
<b>Surplus for the year</b>		<u>81 908</u>	<u>45 657</u>

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Annual Financial Statements for the year ended 31 December 2021

## Detailed Income Statement

	Note	2021 R	2020 R
<b>Operating expenses</b>			
2020 Tokyo Olympics expenses		(19 804)	-
Accounting fees		(5 450)	(18 340)
Advertising		(2 645)	(2 750)
Auditors remuneration		(59 750)	(56 500)
Bad debts		(4)	(46)
Bank charges		(32 428)	(29 368)
Big show expenses		(61 688)	(18 996)
Computer expenses		(128 966)	(210 860)
Cost under recoveries		(35 807)	(65 510)
DSA challenge expenses		(85 072)	(93 662)
Depreciation		(6 785)	(12 332)
Development expenses		-	(6 557)
Employee costs		(662 575)	(607 520)
Insurance		(14 195)	(12 737)
Lease rentals on operating lease		(126 000)	(115 024)
Legal expenses		(11 000)	(203 875)
Loss on disposal of property, plant and equipment		(2 315)	-
Medical control and drug testing		(9 990)	2 100
Meeting expenses		-	(1 400)
National awards expenses		(4 600)	-
Printing and stationery		(4 412)	(1 827)
Repairs and maintenance		(211)	(56 985)
Staff welfare		(4 844)	(6 751)
Team expenses		(102 507)	(870)
Telephone and fax		(11 939)	(8 241)
Training of officials and athletes		(3 535)	(34 616)
Travel - local		(250)	(4 061)
Trophies and engraving		(56 948)	(33 730)
		<b>(1 453 720)</b>	<b>(1 600 458)</b>