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WESTERN CAPE EQUESTRIAN FEDERATION

(Registration number 2015/311359/08)
ANNUAL FINANCIAL STATEMENTS
for the year ended 31 December 2020

ALICE LE ROUX

INDEX

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

Contents **Pages**

The supplementary information presented does not form part of the financial statements and is not audited:

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GENERAL INFORMATION

Country of Incorporation	**South Africa**	
Nature of business	**Promote, co-ordinate, manage and protect interests of the Western Cape Equestrian Federation**	
Provincial committee	**President**	**S Bruckner**
	Treasurer	**KJ Hunter**
Business address	**9 Elizabeth Lane** **CONSTANTIA** **7806**	
Postal address	**PO Box 788** **OUDTSHOORN** **6620**	
Registered address	**141 High Street** **OUDTSHOORN** **6625**	
Bankers	**Nedbank Limited**	
Company Registration Number	**2015/311359/08**	
Income Tax Reference Number	**9383136182**	

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INDEPENDENT REVIEWER'S REPORT

To the Provincial committe of WESTERN CAPE EQUESTRIAN FEDERATION

Report on the Financial Statements

I have reviewed the financial statements of Western Cape Equestrian Federation Ltd set out on pages 6 to 16, which comprise the statement of financial position as at 31 December 2020, and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

Directors' Responsibility for the Annual Financial Statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa, and for such internal control as the director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Independent Reviewer's Responsibility

My responsibility is to express a conclusion on these financial statements. I conducted my review in accordance with the International Standard on Review Engagements (ISRE) 2400 (Revised), Engagements to Review Historical Financial Statements (ISRE 2400 (Revised)). ISRE 2400 (Revised) requires me to conclude whether anything has come to my attention that causes me to believe that the financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires me to comply with relevant ethical requirements.

A review of financial statements in accordance with ISRE 2400 (Revised) is a limited assurance engagement. The independent reviewer performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, I do not express an audit opinion on these financial statements.

My responsibility is to express a conclusion on these financial statements. Because of the matters described in the Basis for Disclaimer of Conclusion paragraph, however, I was not able to obtain sufficient appropriate evidence as a basis for expressing a conclusion on the financial statements.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that these financial statements do not present fairly, in all material respects, the financial position of the company as at 31 December 2020, 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 Companies Act of South Africa.

for Alice le Roux Inc.

Per: AM LE ROUX
Chartered Accountant (SA)
ALICE LE ROUX INCORPORATED

12.04.2021
Date

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DIRECTORS' RESPONSIBILITIES AND APPROVAL

The directors are required by the South African Companies Act 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 satisfy the financial reporting standards as to form and content and present fairly the statement of financial position, results of operations and business of the company, and explain the transactions and financial position of the business of the company at the end of the financial year. The annual financial statements are based upon appropriate accounting policies consistently applied throughout the company and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and places considerable importance on maintaining a strong controlled environment. To enable the directors to meet these responsibilities, they 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 company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach.

The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are 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 going-concern basis has been adopted in preparing the annual financial statements. Based on forecasts and available cash resources the directors have no reason to believe that the company will not be a going concern in the foreseeable future. The annual financial statements support the viability of the company.

The independent reviewer is responsible for independently reviewing and reporting on the company's annual financial statements. The independent reviewer's report is presented on page 4.

The annual financial statements as set out on pages 6 to 16 were approved by the directors and are signed by them.

SU Bruckner	12-04-2021 **Date**
KJ Hunter	12-04-2021 **Date**

DIRECTORS' REPORT

The directors present their report for the year ended 31 December 2020.

1. Review of activities

Main business and operations

The principal activity of the company is to promote, co-ordinate, manage and protect interests of the Western Cape Equestrian Federation and there were no major changes herein during the year.

The operating results and statement of financial position of the company are fully set out in the attached financial statements and do not in my opinion require any further comment.

2. Going concern

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 directors believe that the company 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 directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements.

The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

3. Events after reporting

The directors are not aware of any matter or circumstance arising since the end of the financial year to the date of this report that could have a material effect on the financial position of the company.

4. Directors interest in contracts

To our knowledge, the directors have no interest in any contracts entered not already disclosed in these financial statements during the year under review.

5. Dividends

Surplus income may not be distributed as per the terms of the companies policy.

6. Directors

The directors of the company during the year and to the date of this report are as follows:

WCEF	S Bruckner
	KJ Hunter

7. Independent Auditor

Alice le Roux Incorporated was the independent auditor for the year under review.

WESTERN CAPE EQUESTRIAN FEDERATION
ANNUAL FINANCIAL STATEMENTS
for the year ended 31 December 2020

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STATEMENT OF FINANCIAL POSITION

	NOTES	2020	2019
ASSETS			
Current Assets			
Debtors	3	875	890
Bank	4	88 061	82 807
TOTAL ASSETS		88 936	83 697
EQUITY AND LIABILITIES			
Equity			
Non- distributable reserve		56 035	52 199
Current Liabilities		32 902	31 498
Trade and other payables	5	838	579
Maskforce fund		5 538	-
Transformation fund	6	26 526	30 919
TOTAL EQUITY AND LIABILITIES		88 936	83 697

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STATEMENT OF COMPREHENSIVE INCOME

	NOTES	2020	2019
Revenue	7	5 984	342 397
DCAS income		30 000	24 000
SAEF income		60 000	-
WCPSC income		15 000	15 000
Other income		18 130	84 904
Gross income		129 114	466 301
Operating costs		(128 958)	(476 163)
Operating profit/(loss)		156	(9 862)
Finance income	8	3 679	3 749
Net surplus/(deficit) for the year		3 836	(6 114)

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STATEMENT OF CHANGES IN EQUITY

	2020	2019
Capital on 1 January	52 199	58 313
Net surplus/(deficit) for the year	3 836	(6 114)
Capital 31 December	56 035	52 199

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STATEMENT OF CASH FLOWS

	2020	2019
Cash flows from/(to) operating activities	7 515	(2 365)
Surplus/(deficit) for the year	3 836	(6 114)
Adjustments for:		
Finance income	3 679	3 749
Operating cash flow before working capital changes	1 418	36 442
Working capital changes		
Decrease in trade and other receivables	15	6 219
Decrease in inventory	-	1 162
Increase in trade and other payables	1 403	29 061
Cash generated by operating activities		
Finance income	(3 679)	(3 749)
Net cash from operating activities	5 253	30 328
Movement in cash and cash equivalents	5 253	30 328
Cash and cash equivalents at beginning of the year	82 807	52 478
Cash and cash equivalents at end of the year	88 061	82 807

1. General information

Western Cape Equestrian Federation is a non-profit company incorporated in South Africa.

2. Summary of significant accounting policies

These annual financial statements have been prepared in accordance with the International Financial Reporting Standards for Small and Medium-sized Entities issued by the International Accounting Standards Board. The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

These financial statements have been prepared under the historical cost convention and are presented in South African Rands.

The preparation of annual financial statements in conformity with the IFRS for SMEs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies.

2.2 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and/or services in the ordinary course of the company's activities. Revenue is shown net of value-added tax, returns, and

The company recognises revenue when: the amount of revenue can be reliably measured; it is probable that future economic benefits will flow to the entity; and specific criteria have been met for each of the company's activities, as described below:

2.2.1 Sales of goods – retail

Sales of goods are recognised when an entity sells a product to the customer as control passes to the customer on the day the transaction takes place.

2.3 Income taxation

The taxation expense for the year comprises current and deferred taxation. Taxation is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income taxation charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred taxation is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and their corresponding taxation bases (known as temporary differences). Deferred taxation liabilities are recognised for all temporary differences that are expected to increase taxable profit in the future. Deferred taxation assets are recognised for all temporary differences that are expected to reduce taxable profit in the future, and any unused taxation losses or unused taxation credits. Deferred taxation assets are measured at the highest amount that, on the basis of current or estimated future taxable profit, is more likely than not to be recovered.

The net carrying amount of deferred taxation assets is reviewed at each reporting date and is adjusted to reflect the current assessment of future taxable profits. Any adjustments are recognised in profit or loss.

Deferred taxation is calculated at the tax rates that are expected to apply to the taxable profit (tax loss) of the periods in which it expects the deferred taxation asset to be realised or the deferred taxation liability to be settled, on the basis of tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.4 Trade and other receivables

Trade receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

2.5 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown under current liabilities on the statement of financial position.

2.6 Trade payables

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest rate method.

NOTES TO THE FINANCIAL STATEMENTS

		2020	2019
3. TRADE AND OTHER RECEIVABLES			
Trade debtors		875	890
4. CASH AND CASH EQUIVALENTS			
Favourable cash balances			
Nedbank Limited	- Acc no 1083590944	6 307	6 732
Nedbank Limited	- Acc no 63913263	81 754	76 075
		88 061	82 807
Current assets		88 061	82 807
5. TRADE AND OTHER PAYABLES			
Trade creditors		838	579
6. TRANSFORMATION FUND			
Transformation fund - Assisting athletes		26 526	30 919

The transformation fund consists of the net proceeds of fund raising and donations towards the fund.

		2020	2019
7. REVENUE			
Team clothing		1 359	338 997
District levies		4 625	3 400
		5 984	342 397
8. FINANCE INCOME			
Interest income			
Nedbank Limited	- Acc no 63913263	3 679	3 749
9. OPERATING PROFIT			
Operating profit is arrived at after taking into			
Auditor's remuneration			
Accounting fees and auditor's remuneration		2 392	2 935

10. INCOME TAX EXPENSE

Current taxation

Taxation has not been provided because the taxation loss brought forward exceeds the taxable income for the year. The estimated taxation loss available for set off against future taxable income amounts to R 283 315.

	2020
Calculated surplus for the year	3 836
Less: Non-taxable income	
Grants received	(106 000)
Less: Assessed loss 2019	(181 151)
Taxable loss for the year	(283 315)

11. CONTIGENT LIABILITIES

No known contingent liabilities existed at 31 December 2020 that would have a material effect on the results of the financial statements or the continued existence of the company as a going concern.

12. EVENTS AFTER THE BALANCE SHEET DATE

No events occurred between 31 December 2020 and the date the directors approved the financial statements that would have a material impact on the results as disclosed in the financial statements or the continued existence of the company as a going concern.

13. GOING CONCERN

The directors believe that the company will be a going concern in the year ahead. For this reason we continue to adopt the going concern basis in preparing the annual financial statements.

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DETAILED INCOME STATEMENT

	Notes	2020	2019
Revenue	7	5 984	342 397
Other Income		126 809	127 653
Grants received - Administration WCPSC		15 000	15 000
Grants received - Administration SAEF		60 000	-
Grants received - Administration District		1 000	-
Grants received - Disbursement DCAS		-	24 000
Grants received - COVID 19 relief - DCAS		30 000	-
Fund raising		17 130	80 300
Funds received - Transformation		-	1 500
Funds received - Other		-	3 104
Interest received	8	3 679	3 749
Gross income		132 793	470 050
Less: Expenditure		(128 958)	(476 163)
Accounting fees and auditor's remuneration	9	2 392	2 935
Administration fees - Secretary		60 000	40 000
Bank charges		2 294	2 389
CIPC Annual return		100	-
Disbursement of grants - DCAS		25 000	24 000
Fund raising - Purchases		11 592	45 317
- Provision for disbursements		5 538	-
Internet - Website expenses		1 231	1 231
Meeting costs - Catering		1 531	-
Postage		198	-
Printing and stationery		-	333
Purchases - Team Clothing		99	307 655
Purchases - Flags/Gazebos		16 009	3 327
Rent paid - Meeting rooms		-	9 349
Transformation costs		-	34 983
Travel and accommodation		2 975	4 644
Net surplus/(deficit) for the year		3 836	(6 114)

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TAXATION CALCULATION

	2020
Net surplus per income statement	3 836
Less: Non-taxable income	
Grants received	(106 000)
Calculated loss	(102 164)
Less: Assessed loss 2019	(181 151)
Taxable loss for the year	(283 315)