



VITAFIN
Accounting Services

STELLENBOSCH DISTRICT RIDING CLUB
(Registration number 127-132 NPO)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

STELLENBOSCH DISTRICT RIDING CLUB
(Registration number: 127-132 NPO)
Financial Statements for the year ended 31 December 2021

GENERAL INFORMATION

Country of incorporation and domicile	South Africa	
Nature of business and principal activities	Non profit organisation promoting horse riding activities	
Committee	S Arnot T Oudewortel M Lustgarten D Arnold K Muller J Jacobs S Swart	Chairman Vice Chairman Finances Secretary Member Member Member
Registered office	Off R44 Stellenbosch 7600	
Business address	Off R44 Stellenbosch 7600	
Postal address	PO Box 1157 Somerset West 7129	
Reviewers	Vitafin Accounting Services (Pty) Ltd Professional Accountants (SA)	
Company registration number	127-132 NPO	
Tax reference number	90991428240	
Level of assurance	These financial statements have been independently reviewed in compliance with the applicable requirements of the Companies Act of South Africa.	
Preparer	The financial statements were independently compiled by: DA America Accountant	
Issued	30 April 2024	

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

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A report of the directors has not been prepared as the company is a wholly owned subsidiary of which is incorporated in South Africa

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COMMITTEES' RESPONSIBILITIES AND APPROVAL

The committee is required to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the club 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 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 committee acknowledge that they are ultimately responsible for the system of internal financial control established by the club and place considerable importance on maintaining a strong control environment. To enable the committee to meet these responsibilities, the committee sets 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 club and all employees are required to maintain the highest ethical standards in ensuring the club's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the club is on identifying, assessing, managing and monitoring all known forms of risk across the club. While operating risk cannot be fully eliminated, the club endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The committee 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 financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The committee have reviewed the club's cash flow forecast for the year to 31 December 2022 and, in the light of this review and the current financial position, they are satisfied that the club has or has access to adequate resources to continue in operational existence for the foreseeable future.

The independent reviewer is responsible for independently reviewing and reporting on the club's financial statements. The financial statements have been examined by the club's independent reviewer and their report is presented on page 4 - 3.

The financial statements set out on pages 5 to 13, which have been prepared on the going concern basis, were approved by the committee on 30 April 2024 and were signed on its behalf by:

Approval of financial statements



Committee member
Somerset West

30 April 2024



Committee member

INDEPENDENT REVIEWER'S REPORT

To the Shareholder of Stellenbosch District Riding Club

We have reviewed the financial statements of Stellenbosch District Riding Club, set out on pages 5 to 13, which comprise the statement of financial position as at 31 December 2021 and the statement of income and retained earnings, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

Committees' Responsibility for the Financial Statements

The committee 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 committee determine 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

Our responsibility is to express a conclusion on these financial statements. We conducted our 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 us to conclude whether anything has come to our attention that causes us 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 us 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, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these financial statements do not present fairly, in all material respects the financial position of Stellenbosch District Riding Club 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 Companies Act of South Africa.

Other Reports Required by the Companies Act of South Africa

The financial statements include the Committees' Report as required by the Companies Act of South Africa. The directors are responsible for the Committees' Report. Our conclusion on the financial statements does not cover the Committees' Report and we do not express any form of assurance conclusion thereon.

In connection with our independent review of the financial statements, we have read the Committees' Report and, in doing so, considered whether the Committees' Report is materially inconsistent with the financial statements or our knowledge obtained in the independent review, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the Committees' Report, we will report that fact. We have nothing to report in this regard.

Vitafin Accounting Services (Pty) Ltd
Professional Accountants (SA)

30 April 2024
Somerset West

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STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

Figures in Rand	Note(s)	2021	2020
ASSETS			
Non-Current Assets			
Property, plant and equipment	2	328,596	328,604
Current Assets			
Trade and other receivables	3	-	355
Cash and cash equivalents	4	56,521	69,513
		56,521	69,868
Total Assets		385,117	398,472
EQUITY AND LIABILITIES			
EQUITY			
Retained income		385,117	364,960
LIABILITIES			
Current Liabilities			
Trade and other payables	5	-	33,512
Total Equity and Liabilities		385,117	398,472

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STATEMENT OF INCOME AND RETAINED EARNINGS

Figures in Rand	Note(s)	2021	2020
Revenue		1,913,065	1,116,503
Other income		1,866	5,000
Operating expenses		(1,895,562)	(1,216,782)
Operating profit (loss)		19,369	(95,279)
Investment revenue	9	788	1,175
Profit (loss) for the year		20,157	(94,104)
Opening balance		364,960	459,064
Retained income at the end of the year		385,117	364,960

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STATEMENT OF CASH FLOWS

Figures in Rand	Note(s)	2021	2020
Cash flows from operating activities			
Cash receipts from customers		1,915,286	1,116,503
Cash paid to suppliers and employees		<u>(1,871,776)</u>	<u>(1,102,283)</u>
Cash generated from operations	11	43,510	14,220
Interest income		788	1,175
Net cash from operating activities		<u>44,298</u>	<u>15,395</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	2	<u>(57,290)</u>	<u>-</u>
Total cash movement for the year		(12,992)	15,395
Cash and cash equivalents at the beginning of the year		<u>69,513</u>	<u>54,118</u>
Total cash at end of the year	4	<u>56,521</u>	<u>69,513</u>

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ACCOUNTING POLICIES

1. Basis of preparation and summary of significant accounting policies

The 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 of South Africa. The financial statements have been prepared on the historical cost basis, and incorporate the principal accounting 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

Management did not make critical judgements in the application of accounting policies, apart from those involving estimations, which would significantly affect the financial statements.

1.2 Property, plant and equipment

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

Cost includes costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the period in which they are incurred.

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 club.

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

Item	Depreciation method	Average useful life
Buildings	Straight line	10 years
Equipment and vehicles	Straight line	5 years
Fencing	Straight line	5 years

When indicators are present that the useful lives and residual values of items of property, plant and equipment have changed since the most recent annual reporting date, they are reassessed. Any changes are accounted for prospectively as a change in accounting estimate.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

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ACCOUNTING POLICIES

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. They 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 fair value

All other financial instruments, including equity instruments that are publicly traded or whose fair value can otherwise be measured reliably, without undue cost or effort, are measured at fair value through profit or loss.

1.4 Tax

Tax expenses

The club is exempt from taxation in terms of Section 10(1)(cE) of the income Tax Act of South Africa.

1.5 Impairment of assets

The club assesses at each reporting date whether there is any indication that assets 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.

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 Revenue

Revenue comprises income from horse riding activities, competition and fundraising and related activities and is recognised to the extent that the club 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 club.

Interest is recognised, in profit or loss, using the effective interest rate method.

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ACCOUNTING POLICIES

1.8 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

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NOTES TO THE FINANCIAL STATEMENTS

Figures in Rand 2021 2020

2. Property, plant and equipment

	2021			2020		
	Cost or revaluation	Accumulated depreciation and impairment	Carrying value	Cost or revaluation	Accumulated depreciation and impairment	Carrying value
Buildings and arenas	2,365,719	(2,097,388)	268,331	2,365,719	(2,048,324)	317,395
Equipment and vehicles	558,353	(534,183)	24,170	538,353	(527,144)	11,209
Fencing	63,920	(63,920)	-	63,920	(63,920)	-
Jumping equipment	37,290	(1,195)	36,095	-	-	-
Total	3,025,282	(2,696,686)	328,596	2,967,992	(2,639,388)	328,604

Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Depreciation	Closing balance
Buildings and arenas	317,395	-	(49,064)	268,331
Equipment and vehicles	11,209	20,000	(7,039)	24,170
Jumping equipment	-	37,290	(1,195)	36,095
	328,604	57,290	(57,298)	328,596

Reconciliation of property, plant and equipment - 2020

	Opening balance	Depreciation	Closing balance
Buildings and arenas	413,904	(96,509)	317,395
Equipment and vehicles	17,976	(6,767)	11,209
	431,880	(103,276)	328,604

Details of properties

The club buildings are erected on land and leased long term from the Stellenbosch Municipality.

3. Trade and other receivables

Prepayments	-	355
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4. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	56,521	69,513
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5. Trade and other payables

Trade payables	-	9,277
Amounts received in advance	-	24,235
	-	33,512

6. Reviewer remuneration

Fees	-	8,260
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Figures in Rand	2021	2020
7. Employee cost		
Employee costs		
Basic	297,645	355,260
8. Depreciation, amortisation and impairments		
The following items are included within depreciation, amortisation and impairments:		
Depreciation		
Property, plant and equipment	57,298	103,276
9. Investment revenue		
Interest revenue		
Bank	788	1,175
10. Taxation		
The club is exempt from taxation in terms of Section 10(1)(cE) of the income Tax Act of South Africa.		
11. Cash generated from operations		
Net profit (loss) before taxation	20,157	(94,104)
Adjustments for:		
Depreciation, amortisation, impairments and reversals of impairments	57,298	103,276
Investment income	(788)	(1,175)
Changes in working capital:		
(Increase) decrease in trade and other receivables	355	485
Increase (decrease) in trade and other payables	(33,512)	5,738
	43,510	14,220
12. Dressage expenses		
Officials	110,171	-
Prize money	40,080	37,878
Rosettes	7,057	-
	157,308	37,878
13. Equitation expenses		
Officials	1,140	-
Prize money	1,960	-
	3,100	-
14. Eventing expenses		
Course builders	16,101	-
Officials	31,872	-
Prize money	34,349	-
	82,322	-

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Figures in Rand	2021	2020
15. Showing expenses		
Officials	24,905	-
Prize money	12,490	-
Rosettes	10,547	14,574
Showing - other expenses	1,889	-
	<u>49,831</u>	<u>14,574</u>
16. Showjumping expenses		
Course builders	26,509	-
Prize money	90,160	44,780
Rosettes	6,581	-
Officials	55,739	-
	<u>178,989</u>	<u>44,780</u>

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DETAILED INCOME STATEMENT

Figures in Rand	Note(s)	2021	2020
Revenue			
Clinics for horse riders		1,130	118,485
Clubhouse and stall hire		26,145	26,815
Competition entries - graded		687,881	646,272
Competition entries - ungraded		-	147,395
Dressage income		303,783	-
Equitation income		9,370	-
Eventing income		254,930	-
Fundraising		162,245	20,550
Ground levy		113,756	34,579
Lotto funds		65,000	-
Pony club income		24,099	-
Showing income		91,285	-
Subscriptions		173,441	122,407
		1,913,065	1,116,503
Other income			
Carraige driving		1,000	-
Government grants		-	5,000
Rental income		866	-
		1,866	5,000
Expenses (Refer to page 15)		(1,895,562)	(1,216,782)
Operating profit (loss)		19,369	(95,279)
Investment income	9	788	1,175
Profit (loss) for the year		20,157	(94,104)

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DETAILED INCOME STATEMENT

Figures in Rand	Note(s)	2021	2020
Operating expenses			
Accounting fees		(8,863)	(4,807)
Arenas		-	(11,296)
Auditors remuneration	6	-	(8,260)
Bank charges		(11,261)	(8,750)
Casual wages		(256,192)	-
Catering		(86,461)	-
Cleaning		(23,390)	(1,600)
Clinics		(5,500)	(56,130)
Consulting and professional fees		(1,990)	-
Depreciation		(57,298)	(103,276)
Dressage expenses	12	(157,308)	(37,878)
Employee costs		(297,645)	(355,260)
Equitation expenses	13	(3,100)	-
Eventing expenses	14	(82,322)	-
General expenses		(14,050)	-
Hire		(21,566)	-
Judges and official fees		(24,559)	(188,525)
Levies		(160,113)	(88,114)
Medical attendance		(46,284)	(22,925)
Municipal expenses		(108,451)	(83,543)
Open day fees		(595)	-
Permits		(895)	-
Printing and stationery		(6,205)	-
Prize money - other		(17,750)	-
Repairs and maintenance		(181,975)	(106,811)
Rosettes		(9,580)	(37,227)
Security		(70,206)	(35,540)
Showing expenses	15	(49,831)	(14,574)
Showjumping expenses	16	(178,988)	(44,780)
Small tools		(7,400)	-
Staff welfare		(4,239)	-
Subscriptions		(865)	(845)
Telephone and fax		(180)	(6,641)
Travel - local		(500)	-
		<u>(1,895,562)</u>	<u>(1,216,782)</u>