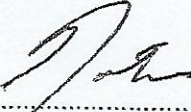



THE WELSH PONY AND COB SOCIETY OF SOUTH AFRICA
FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 DECEMBER 2017

<u>CONTENTS</u>	<u>FORM</u>
INDEPENDENT AUDITOR'S REPORT	2 - 3
STATEMENT OF FINANCIAL POSITION	4
STATEMENT OF COMPREHENSIVE INCOME	5 - 6
STATEMENT OF CHANGES IN EQUITY	7
STATEMENT OF CASH FLOWS	8
NOTES TO THE FINANCIAL STATEMENTS	9 - 10

APPROVAL

The attached annual financial statements set out on pages 4 to 10 have been accepted and approved by the Committee of The Welsh Pony and Cob Society of South Africa on 09 March 2018 and are signed on their behalf by:


.....
PRESIDENT – PAUL CARSTENS


.....
TREASURER – GEORGE MULLER



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Practice number: 900850E

INDEPENDENT AUDITOR'S REPORT TO THE COMMITTEE OF THE WELSH PONY AND COB SOCIETY OF SOUTH AFRICA

Report on the financial statements

We have audited the annual financial statements of The Welsh Pony and Cob Society of South Africa, as set out on pages 4 to 10, which comprise the statement of financial position as at 31 December 2017, and the statement of comprehensive income, the notes, comprising a summary of significant accounting policies and other explanatory information.

Committee's Responsibility for the Annual Financial Statements

The Committee of The Welsh Pony and Cob Society of South Africa is responsible for the preparation and fair presentation of these annual financial statements in accordance with generally accepted accounting practice, and for such internal control as the members determine is necessary to enable the preparation of annual financial statements that are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these annual financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the annual financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the annual financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the annual financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the annual financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Qualifications

A part of the society's revenue comprises cash sales and receipts. There was no system of control over such sales and receipts on which we could rely for the purpose of our audit, and there were no satisfactory auditing procedures that we could perform to obtain reasonable assurance that all cash sales and receipts were properly recorded. Consequently, we were unable to satisfy ourselves as to completeness and accuracy of the accounting records relating to cash sales and receipts.

Qualified audit opinion

In our opinion, except for the effect on the financial statements of the matter referred to in the preceding paragraph, the financial statements fairly present, in all material respects, the financial position of The Welsh Pony and Cob Society of South Africa at 31 December 2017 and the results of its operations and cash flows for the year then ended in accordance with generally accepted accounting practice.



GERBER, BOTHA & GOWAR (CRADOCK) INCORPORATED
Chartered Accountants (SA)
Registered Auditors
Per: T.N. van der Walt

09 March 2018
29 Church Street
Cradock
5880

WELSH PONY AND COB SOCIETY

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2017

	Notes	2017 R	2016 R
<u>ASSETS</u>			
NON - CURRENT ASSETS			
		3	3
Property, plant and equipment	2	3	3
CURRENT ASSETS			
		185 651	164 852
Cash and cash equivalents	4	83 294	71 589
Accounts receivable	5	93 545	81 778
Stock on hand - Rosettes		8 812	11 485
		185 654	164 855
<u>TOTAL ASSETS</u>			
		185 654	164 855
<u>CAPITAL AND LIABILITIES</u>			
Capital and reserves			
		172 838	149 269
Capital and Accumulated funds		106 838	83 269
Non - distributable reserve		66 000	66 000
CURRENT LIABILITIES			
		12 816	15 586
Accounts receivable paid in advance	5	11 816	14 586
Accounts payable - S. Cook		1 000	1 000
		185 654	164 855
<u>TOTAL CAPITAL AND LIABILITIES</u>			
		185 654	164 855

WELSH PONY AND COB SOCIETY

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 R	2016 R
<u>INCOME</u>		80 304	91 437
Annual Subscriptions		61 164	71 042
Annual Pony Levy		19 140	20 395
		80 304	91 437
<u>LESS: COST OF SALES</u>		2 673	7 314
Stock - Beginning of the year (Rosettes)		11 485	11 204
Purchases - Rosettes		-	7 595
		11 485	18 799
Stock - end of the year (Rosettes)		8 812	11 485
		77 631	84 123
<u>GROSS PROFIT/(LOSS)</u>		77 631	84 123
<u>LESS: EXPENDITURE (page 6)</u>		119 371	165 141
		-41 740	-81 018
<u>ADD: OTHER INCOME</u>		65 309	86 765
Other Income	3	64 476	85 336
Interest received		833	1 429
		23 569	5 747
<u>NET SURPLUS/(DEFICIT) FOR THE YEAR</u>		23 569	5 747

WELSH PONY AND COB SOCIETY

EXPENDITURE FOR THE YEAR ENDED 31 DECEMBER 2017

	<u>Notes</u>	<u>2017</u> R	<u>2016</u> R
Administration and management fees		32 760	32 584
Auditor's and accounting fees		6 605	6 122
Bad debts	5	5 675	280
Bank charges		3 578	3 813
Council meetings		9 538	13 994
Depreciation	2	-	2 218
DNA Fees		10 595	17 390
Legal and Professional fees		-	3 602
Nationals - General expenses		4 210	63 757
Postage and courier		6 464	2 874
Printing and stationery		10 501	3 666
Printing - Newsletters		16 204	200
Repairs and maintenance - Trophies		-	900
Secretarial Fees		12 000	12 000
Website and computer expenses		1 241	1 741
Total expenditure		119 371	165 141

WELSH PONY AND COB SOCIETY

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2017

	<u>Non - distributable reserve</u> R	<u>Accumulated profit/(loss)</u> R	<u>Total</u> R
Balance - 31 December 2015	66 000	77 522	143 522
Net surplus/(deficit) for the year	-	5 747	5 747
	<hr/>	<hr/>	<hr/>
Balance - 31 December 2016	66 000	83 269	149 269
Net surplus/(deficit) for the year	-	23 569	23 569
	<hr/>	<hr/>	<hr/>
Balance - 31 December 2017	<u>66 000</u>	<u>106 838</u>	<u>172 838</u>

WELSH PONY AND COB SOCIETY

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 R	2016 R
<u>Cash flows from operating activities</u>		11 705	-11 248
Cash receipts and customers		135 686	160 465
Cash payments and suppliers		124 814	173 142
Cash generated from/(utilised by) operations	a	10 872	-12 677
Interest received		833	1 429
<u>Cash flows from financing activities</u>		-	-
Assets - Purchases/(Disposals)		-	-
<u>Cash flows from financing activities</u>		-	-
Increase in capital and reserves		-	-
Net increase/(decrease) in cash and cash equivalents		11 705	-11 248
Cash and cash equivalents at the beginning of the year		71 589	82 837
Cash and cash equivalents at the end of the year		83 294	71 589
a <u>CASH GENERATED FROM/(UTILISED BY) OPERATIONS</u>			
Net surplus/(deficit) for the year		23 569	5 747
Adjustments for:			
Depreciation		-	2 218
Interest received		-833	-1 429
Changes in working capital		22 736	6 536
Decrease/(increase) in Inventory		-11 864	-19 213
Decrease/(increase) in Accounts receivable		2 673	-281
Increase/(decrease) in Accounts payable		-11 767	-16 027
		-2 770	-2 905
		10 872	-12 677

THE WELSH PONY AND COB SOCIETY OF SOUTH AFRICA
NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2017

1 PRESENTATION OF THE ANNUAL FINANCIAL STATEMENTS

The annual financial statements have been prepared in accordance with the International Financial Reporting Standard. The annual financial statements have been prepared on the historical cost basis except for certain properties and financial instruments that are measured at revalue amounts or fair values, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

These accounting policies are consistent with the previous period.

1.1 Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

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

1.2 Property, Plant and Equipment

Property, plant and equipment are tangible items that:

- are held for use in the production or supply of goods or services, for rental to others or for administrative purposes and,
- are expected to be used during more than one period.

Costs include 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.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Depreciation is provided using the straight-line method to write down the cost, less estimated residual value over the useful life of the property, plant and equipment, which is as follows:

<u>Item</u>	<u>Average useful life</u>
Furniture and fittings	20%
Office equipment	15%
Computer equipment	33%
Computer software	50%

2 PROPERTY, PLANT AND EQUIPMENT

	<u>Furniture & Fittings</u>	<u>Office Equipment</u>	<u>Computer Equipment</u>	<u>Total</u>
	<u>R</u>	<u>R</u>	<u>R</u>	<u>R</u>
Cost price - beginning of the year	594	14 140	33 648	48 382
Accumulated depreciation - beginning of the year	593	14 139	33 647	48 379
Book value - beginning of the year	1	1	1	3
Movement during the year	-	-	-	-
Purchases/(Disposals)	-	-	-	-
Depreciation	-	-	-	-
Book value - end of the year	<u>1</u>	<u>1</u>	<u>1</u>	<u>3</u>

WELSH PONY AND COB SOCIETY

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2017

	<u>2017</u>	<u>2016</u>
	R	R
3 <u>OTHER INCOME</u>		
Entrance fee	5 400	5 400
Birth notifications	2 450	1 820
Registrations	12 170	12 620
Duplicate certificates	1 120	1 040
Prefix registrations	5 301	2 680
Transfers	6 545	6 630
Welsh National Championships	6 375	41 136
Miscellaneous income	11 980	490
DNA Fees	13 135	13 520
	<u>64 476</u>	<u>85 336</u>
4 <u>CASH AND CASH EQUIVALENTS</u>		
FNB - Current account	44 151	36 481
FNB - Savings account	17 622	17 434
FNB - Money Market account	18 243	17 674
Petty Cash	2 578	-
TVL Regional Interbranch account	700	-
	<u>83 294</u>	<u>71 589</u>
5 <u>ACCOUNTS RECEIVABLE</u>		
Total outstanding accounts	99 220	82 058
Bad debts written off	5 675	280
	<u>93 545</u>	<u>81 778</u>
Accounts receivable	93 545	81 778
Accounts receivable paid in advance	11 816	14 586
	<u>81 729</u>	<u>67 192</u>

See attached debtors age analysis for the year ended 31 December 2017, as supplied by the Welsh Pony and Cob Society of South Africa.

Inspection of a selection of bank deposits after year end, confirmed the recoverability of the accounts receivable.