

THE WELSH PONY AND COB SOCIETY OF SOUTH AFRICA
FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 DECEMBER 2016

<u>CONTENTS</u>	<u>FORM</u>
REPORT OF FACTUAL FINDINGS	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.


.....
PRESIDENT – PAUL CARSTENS


.....
TREASURER – GEORGE MULLER



Accountants | Auditors | Consultants

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REPORT OF FACTUAL FINDINGS TO THE COMMITTEE OF THE WELSH PONY AND COB SOCIETY OF SOUTH AFRICA

We have performed the procedures agreed with you and described below in respect of the financial records of The Welsh Pony and Cob Society of South Africa for the year ended 31 December 2016.

SCOPE

The Committee appointed us in accordance with the requirements of the Constitution of the society to inspect the accounting records and financial statements of the club.

We have performed the procedures agreed with you in accordance with the International Standard on Related Services for agreed upon procedures in respect of financial information. The procedures were performed exclusively to enable the Committee to comply with the stipulations of the abovementioned Constitution and the use of our report on the factual findings of the procedures performed is limited to this objective.

Our report is solely for the purpose set fourth in the first paragraph of this report and for your information and is not to be used for any other purpose or to be distributed to any other parties. This report relates only to the accounts and items specified below and do not extend to any financial statements of The Welsh Pony and Cob Society of South Africa, taken as a whole.

It is the responsibility of the Committee to keep accounting records, prepare financial statements and to determine the adequacy of the agreed upon procedures to be performed by ourselves.

The procedures were performed solely to assist you in evaluating the reasonability of the financial records and are summarised as follows

- Verify a sample of income received transactions to supporting documentation and to bank records.
- Verify a sample of expense transactions to supporting documentation and to bank records.
- Verify bank and investment accounts to confirmations from the relevant financial institutions.
- Compile your financial information into a meaningful format.
- Agree the financial statements to the underlying Trial Balance and General Ledger accounts.
- Report any suspected cases of mismanagement or irregularities identified during the performance of the abovementioned procedures to the society.

FINDINGS

During the course of performance of the abovementioned procedures the following findings were made:

1. The inspected sample of income received transactions agreed to supporting documentation and to bank records.
2. The inspected sample of expense transactions agreed to supporting documentation and to bank records.
3. Bank and investment accounts agreed with supporting documentation from financial institutions.
4. The financial statements agree to the underlying Trial Balance and General Ledger accounts.
5. We did not observe the counting of the physical inventories at year-end stated in the financial statements at R11 485.
6. No suspected cases of mismanagement or irregularities came to our attention during the performance of the agreed upon procedures.

Because the above procedures do not constitute either an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements, we do not express any assurance on the financial statements for the year end 31 December 2016.

Had we performed additional procedures or had we performed an audit or review of the financial statements in accordance with International Standards on Auditing or International Standards on Review Engagements, other matters might have come to our attention that would have been reported to you.



GERBER, BOTHA & GOWAR (CRADOCK) INC.

Chartered Accountants (SA)

Registered Auditors

Per: TN Van Der Walt

27 MARCH 2017

Cradock

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Gerber, Botha & Gowar (Cradock) Inc (2013/002729/21)

Chartered Accountants (SA) • Geoktrooieerde Rekenmeesters (SA) • Registered Auditors • Geregistreeerde Ouditeure
Cradock: R.D. Gowar B. Comm., C.A. (SA) • T.N. van der Walt B. Comm. (Hons) C.A. (S.A.)

WELSH PONY AND COB SOCIETY**STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016**

	<u>Notes</u>	<u>2016</u> R	<u>2015</u> R
<u>ASSETS</u>			
NON - CURRENT ASSETS		3	2,221
Property, plant and equipment	2	3	2,221
CURRENT ASSETS		164,852	159,792
Cash and cash equivalents	4	71,589	82,837
Accounts receivable	5	81,778	65,751
Stock on hand - Rosettes		11,485	11,204
TOTAL ASSETS		<u>164,855</u>	<u>162,013</u>
<u>CAPITAL AND LIABILITIES</u>			
Capital and reserves		149,269	143,522
Capital and Accumulated funds		83,269	77,522
Non - distributable reserve		66,000	66,000
CURRENT LIABILITIES		15,586	18,491
Accounts receivable paid in advance	5	14,586	18,491
Accounts payable - S. Cook		1,000	-
TOTAL CAPITAL AND LIABILITIES		<u>164,855</u>	<u>162,013</u>

WELSH PONY AND COB SOCIETY

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2016

	<u>Notes</u>	<u>2016</u> R	<u>2015</u> R
<u>INCOME</u>		91,437	95,560
Annual Subscriptions		71,042	73,020
Annual Pony Levy		20,395	22,540
		91,437	95,560
<u>LESS: COST OF SALES</u>		7,314	2,220
Stock - Beginning of the year (Rosettes)		11,204	13,424
Purchases - Rosettes		7,595	-
		18,799	13,424
Stock - end of the year (Rosettes)		11,485	11,204
		84,123	93,340
GROSS PROFIT/(LOSS)		165,141	183,542
<u>LESS: EXPENDITURE</u> (page 6)		-81,018	-90,202
<u>ADD: OTHER INCOME</u>		86,765	51,532
Other Income	3	85,336	48,795
Interest received		1,429	2,737
		5,747	-38,670
<u>NET SURPLUS/(DEFICIT) FOR THE YEAR</u>		5,747	-38,670

WELSH PONY AND COB SOCIETY

EXPENDITURE FOR THE YEAR ENDED 31 DECEMBER 2016

	<u>Notes</u>	<u>2016</u> R	<u>2015</u> R
Administration and management fees		32,584	23,302
Auditor's and accounting fees		6,122	8,853
Bad debts	5	280	22,124
Bank charges		3,813	3,818
Council meetings		13,994	19,316
Depreciation	2	2,218	2,923
DNA Fees		17,390	17,020
Legal and Professional fees		3,602	7,156
Nationals - General expenses		63,757	29,294
Postage and courier		2,874	4,517
Printing and stationery		3,666	8,420
Printing - Newsletters		200	16,326
Repairs and maintenance - Trophies		900	-
Secretarial Fees		12,000	12,000
Sundry expenses - small tools		-	1,999
Travel and entertainment		-	5,233
Website and computer expenses		1,741	1,241
		<hr/>	<hr/>
Total expenditure		<u>165,141</u>	<u>183,542</u>

WELSH PONY AND COB SOCIETY**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2016**

	<u>Non - distributable reserve</u> R	<u>Accumulated profit/(loss)</u> R	<u>Total</u> R
Balance - 31 December 2014	66,000	116,192	182,192
Net surplus/(deficit) for the year	-	-38,670	-38,670
Balance - 31 December 2015	66,000	77,522	143,522
Net surplus/(deficit) for the year	-	5,747	5,747
Balance - 31 December 2016	<u>66,000</u>	<u>83,269</u>	<u>149,269</u>

WELSH PONY AND COB SOCIETY

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 R	2015 R
<u>Cash flows from operating activities</u>		-11,248	-24,338
Cash receipts and customers		160,465	145,799
Cash payments and suppliers		173,142	172,874
Cash generated from/(utilised by) operations	a	-12,677	-27,075
Interest received		1,429	2,737
<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		-11,248	-24,338
Cash and cash equivalents at the beginning of the year		82,837	107,175
Cash and cash equivalents at the end of the year		71,589	82,837

a CASH GENERATED FROM/(UTILISED BY) OPERATIONS

Net surplus/(deficit) for the year	5,747	-38,670
Adjustments for:		
Depreciation	2,218	2,923
Interest received	-1,429	-2,737
	6,536	-38,484
Changes in working capital	-19,213	11,409
Inventory	-281	2,220
Accounts receivable	-16,027	-776
Accounts payable	-2,905	9,965
	-12,677	-27,075

THE WELSH PONY AND COB SOCIETY OF SOUTH AFRICA
 NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2016

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>
	R	R	R	R
Cost price - beginning of the year	594	14,140	33,648	48,382
Accumulated depreciation - beginning of the year	593	14,139	31,429	46,161
Book value - beginning of the year	1	1	2,219	2,221
Movement during the year	-	-	-2,218	-2,218
Purchases/(Disposals)	-	-	-	-
Depreciation	-	-	-2,218	-2,218
Book value - end of the year	1	1	1	3

WELSH PONY AND COB SOCIETY

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2016

	<u>Notes</u>	<u>2016</u> R	<u>2015</u> R
<u>Cash flows from operating activities</u>		-11,248	-24,338
Cash receipts and customers		160,465	145,799
Cash payments and suppliers		173,142	172,874
Cash generated from/(utilised by) operations	a	-12,677	-27,075
Interest received		1,429	2,737
<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		-11,248	-24,338
Cash and cash equivalents at the beginning of the year		82,837	107,175
Cash and cash equivalents at the end of the year		<u>71,589</u>	<u>82,837</u>
a <u>CASH GENERATED FROM/(UTILISED BY) OPERATIONS</u>			
Net surplus/(deficit) for the year		5,747	-38,670
Adjustments for:			
Depreciation		2,218	2,923
Interest received		-1,429	-2,737
		<u>6,536</u>	<u>-38,484</u>
Changes in working capital		-19,213	11,409
Inventory		-281	2,220
Accounts receivable		-16,027	-776
Accounts payable		-2,905	9,965
		<u>-12,677</u>	<u>-27,075</u>

WELSH PONY AND COB SOCIETY**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2016**

	<u>2016</u>	<u>2015</u>
	R	R
3 OTHER INCOME		
Entrance fee	5,400	9,070
Birth notifications	1,820	805
Registrations	12,620	4,460
Duplicate certificates	1,040	400
Prefix registrations	2,680	2,320
Transfers	6,630	2,975
Website advertising	-	200
Welsh National Championships	41,136	16,150
Miscellaneous income	490	1,500
DNA Fees	13,520	10,915
	<u>85,336</u>	<u>48,795</u>
4 CASH AND CASH EQUIVALENTS		
FNB - Current account	36,481	14,018
FNB - Savings account	17,434	17,262
FNB - Money Market account	17,674	51,557
	<u>71,589</u>	<u>82,837</u>
5 ACCOUNTS RECEIVABLE		
Total outstanding accounts	82,058	87,875
Bad debts written off	280	22,124
	<u>81,778</u>	<u>65,751</u>
Accounts receivable	81,778	65,751
Accounts receivable paid in advance	14,586	18,491
	<u>67,192</u>	<u>47,260</u>
Net accounts receivable	<u>67,192</u>	<u>47,260</u>

See attached debtors age analysis for the year ended 31 December 2016, as supplied by the Welsh Pony and Cob Society.

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