

THE SOUTH AFRICAN NATIONAL EQUESTRIAN CENTRE (PTY) LTD
Registration number: 1972 / 005124 / 07

ANNUAL FINANCIAL STATEMENTS

for the year ended 31 July 2022

The South African National Equestrian Centre (Pty) Ltd
Registration Number: 1972 / 005124 / 07

Annual Financial Statements

For the period ended 31 July 2022

Company registration number:	1972 / 005124 / 07
Country of incorporation:	South Africa
Independent Auditor:	Thort Chartered Accountants Inc.
Nature of business:	Property investment company and has interests in the property rental industry.
Directors:	S L Atkinson J S Curtin A M K Esslinger G A Mowatt G Reid G R J Walker
Registered Office:	1 Dahlia Road Kyalami Midrand 1684
Business address:	1 Dahlia Road Kyalami Midrand 1684
Postal address:	1 Dahlia Road Kyalami Midrand 1684
Bankers:	First National Bank, South Africa
Tax reference number:	9568 / 077 / 84 / 7

The South African National Equestrian Centre (Pty) Ltd
Registration Number: 1972 / 005124 / 07

Annual Financial Statements

For the period ended 31 July 2022

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

Index	Page
Directors' Responsibilities and Approval	3
Directors' Report	4 - 5
Independent Auditor's Report	6 - 7
Statement of Financial Position	8
Statement of Profit or Loss and Other Comprehensive Income	9
Statement of Changes in Equity	10
Statement of Cash Flows	11
Accounting Policies	12 - 14
Notes to the Annual Financial Statements	15 - 20

The following supplementary information does not form part of the annual financial statements and are not reviewed:

Detailed Income Statement	21
Taxation Computation	22

Level of Assurance

These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa, 71 of 2008.

Preparer

These annual financial statements were independently prepared by J A Telle.

The South African National Equestrian Centre (Pty) Ltd
Registration Number: 1972 / 005124 / 07

Directors' Responsibilities and Approval

For the period ended 31 July 2022

Business and operations

The company's business and operations and the results thereof are clearly reflected in the attached annual financial statements. No material fact or circumstance has occurred between the accounting date and the date of this report.

Approval and statement of responsibility

The directors are required in terms of the Companies Act of South Africa, 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 company 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 International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors set standards of 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 control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company's cash flow forecast for the year ended 31 July 2023 and, in the light of this review and the current financial position, the directors are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company's annual financial statements.

The annual financial statements have been examined by the company's external auditors and their report is presented on pages 6 - 7.

The annual financial statements set out on pages 4 to 22, which have been prepared on the going concern basis, were approved by the board on the 26th April 2023, and were signed on its behalf by:

Director

Director

Director

The South African National Equestrian Centre (Pty) Ltd

Registration Number: 1972 / 005124 / 07

Directors' Report

For the period ended 31 July 2022

The directors have pleasure in submitting their report on the annual financial statements of The South African National Equestrian Centre (Pty) Ltd for the year ended 31 July 2022.

1 Incorporation

The company was incorporated in South Africa on the 19th May 1972, and obtained its certificate to commence business on the same day. The company is domiciled in South Africa.

2 Nature of Business

The South African National Equestrian Centre (Pty) Ltd is a property investment company and has interests in the rental property industry. The company operates in South Africa.

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

3 Review of Financial Results and Activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa. The accounting policies have been applied consistently compared to the prior year.

The operating results and state of affairs of the company are fully set out in the attached annual financial statements and do not in our opinion require any further comment.

Net (loss) of the company was R 671 790 (2021: R 63 185).

4 Authorised and Issued Share Capital

There have been no changes in the authorised or issued share capital of the company during the year under review.

5 Dividends

The company's dividend policy is to consider an interim and a final dividend in respect of each financial year. At its discretion the board of directors may consider a special dividend, where appropriate. Depending on the perceived need to retain funds for expansion or operating purposes, the board of directors may pass on the payment of dividends.

Given the current state of the global economic environment, the board of directors believes that it would be more appropriate for the company to conserve cash and maintain adequate debt headroom to ensure that the company is best placed to withstand any prolonged adverse economic conditions. Therefore the board of directors has resolved not to declare a dividend for the financial year ended 31 July 2022.

There were no dividends declared in respect of the financial year under review.

The South African National Equestrian Centre (Pty) Ltd
Registration Number: 1972 / 005124 / 07

Directors' Report

For the period ended 31 July 2022

6 Directorate

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

Name	Changes
S L Atkinson	
J S Curtin	
A M K Esslinger	
G A Mowatt	
G Reid	
G R J Walker	

There have been no other changes to the directorate for the year under review.

7 Events after the reporting period

All events subsequent to the date of the annual financial statements and for which the applicable financial reporting framework require adjustment or disclosure have been adjusted or disclosed.

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.

8 Going Concern

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.

9 Auditors

Thort Chartered Accountant Inc continued in office as auditors for the company for 2022 in accordance with Section 90 of the Companies Act 71 of 2008.

10 Business Address

Business address	1 Dahlia Road Kyalami Midrand, 1684 Gauteng
Postal address	1 Dahlia Road Kyalami Midrand, 1685 Gauteng

11 Secretary

The company had no secretary during the year

The South African National Equestrian Centre (Pty) Ltd
Registration Number: 1972 / 005124 / 07

Statement of Financial Position

As at 31 July 2022

	Notes	2022 R	2021 R
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	2	8,146,844	7,708,700
Deferred expenses	3	561,668	226,386
		<u>8,708,512</u>	<u>7,935,086</u>
CURRENT ASSETS			
Trade and other receivables	4	160,244	216,497
Current tax receivable		55,794	9,453
Cash and cash equivalents	5	12,893,289	14,722,481
		<u>13,109,327</u>	<u>14,948,431</u>
TOTAL ASSETS		<u>21,817,839</u>	<u>22,883,517</u>
EQUITY AND LIABILITIES			
EQUITY			
Share capital	6	22,357,938	22,357,938
(Accumulated loss)		(704,049)	(32,259)
		<u>21,653,888</u>	<u>22,325,679</u>
NON-CURRENT LIABILITIES			
Loans from shareholder	7	7,561	76,458
CURRENT LIABILITIES			
Trade and Other payables	8	156,389	481,380
Current taxation liability		-	-
		<u>156,389</u>	<u>481,380</u>
TOTAL EQUITY AND LIABILITIES		<u>21,817,839</u>	<u>22,883,517</u>

The South African National Equestrian Centre (Pty) Ltd
Registration Number: 1972 / 005124 / 07

Statement of Comprehensive Income

For the period ended 31 July 2022

	Notes	2022 R	2021 R
Revenue		2,366,050	1,535,136
Other operating income		276,405	209,580
Operating expenses		(3,821,490)	(2,303,391)
Operating (loss)		(1,179,034)	(558,675)
Investment revenue	9	508,318	501,004
Finance costs		(1,073)	(5,514)
(Loss) before taxation		(671,790)	(63,185)
Taxation	10	-	-
(Loss) for the current year		(671,790)	(63,185)
Other comprehensive income		-	-
Total comprehensive (loss)		(671,790)	(63,185)

The South African National Equestrian Centre (Pty) Ltd
Registration Number: 1972 / 005124 / 07

Statement of Changes in Equity

For the period ended 31 July 2022

	Share Capital R	Retained Earnings R	Total Equity R
Balance at 1 August 2020	22,357,938	30,926	22,388,864
Changes in Equity	-	-	-
Total comprehensive (loss) for the year	-	(63,185)	(63,185)
Dividends	-	-	-
Balance at 31 July 2021	22,357,938	(32,259)	22,325,679
Balance at 1 August 2021	22,357,938	(32,259)	22,325,679
Changes in Equity	-	-	-
Total comprehensive (loss) for the year	-	(671,790)	(671,790)
Dividends	-	-	-
Balance at 31 July 2022	22,357,938	(704,048)	21,653,890

The South African National Equestrian Centre (Pty) Ltd
Registration Number: 1972 / 005124 / 07

Statement of Cash Flows

For the period ended 31 July 2022

	Notes	2022 R	2021 R
Cash flows from operating activities			
Cash used in operations	11	(1,395,918)	(79,507)
Investment revenue		508,318	501,004
Finance costs		(1,073)	(5,514)
Taxation (paid) / received		(46,341)	53
Net cash from operating activities		(935,015)	416,036
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(489,999)	(408,964)
Net movement in financial assets		(335,282)	(226,386)
Net cash from operating activities		(825,280)	(635,350)
Cash flows from financing activities			
(Repayments to) / proceeds from shareholder's loan		(68,897)	62,609
Net cash from operating activities		(68,897)	62,609
Total cash movement for the year		(1,829,192)	(156,705)
Cash at the beginning of year		14,722,481	14,879,186
Total cash at end of the year		12,893,289	14,722,481

The South African National Equestrian Centre (Pty) Ltd

Registration Number: 1972 / 005124 / 07

ACCOUNTING POLICIES

For the period ended 31 July 2022

1 SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these annual financial statement are set out below.

1.1 BASIS OF PREPARATION

The annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these annual financial statements and the Companies Act of South Africa, as amended.

These annual financial statements comply with the requirements of the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council.

The annual financial statements have been prepared on the historical cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Rands, which is the company's functional currency.

These accounting policies are consistent with the previous period:

1.2 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are tangible assets which the company holds for its own use or for rental to others and which are expected to be used for more than one year.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the company, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate.

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 year in which they are incurred.

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 company. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and lease term. Depreciation is not charged to an asset if its residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

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

Item	Depreciation method	Average useful life
Plant and equipment	Straight line	8 years
Furniture and fittings	Straight line	6 years
Office equipment	Straight line	5 years
Audio visual equipment	Straight line	10 years
Other assets	Straight line	5 years

The South African National Equestrian Centre (Pty) Ltd

Registration Number: 1972 / 005124 / 07

ACCOUNTING POLICIES

For the period ended 31 July 2022

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

1.3 FINANCIAL INSTRUMENTS

Initial recognition and measurement

Financial instruments are recognised initially when the company becomes a party to the contractual provisions of the instruments.

The company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangements.

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available -for-sale financial assets.

For financial instruments which are not at fair value through profit or loss, transaction costs are included in the initial measurement of the instrument.

Loans to / (from) group companies

These include loans to and from holding companies, fellow subsidiaries, subsidiaries, joint ventures and associates and are recognised initially at fair value plus direct transaction costs.

Loans to group companies are classified as loans and receivables.

Loans from group companies are classified as financial liabilities measured at amortised cost.

Loans to shareholders, directors, managers and employees

These financial assets are classified as loans and receivables

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written are credited against operating expenses in profit or loss.

Trade and other receivables are classified as loans and receivables.

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

The South African National Equestrian Centre (Pty) Ltd

Registration Number: 1972 / 005124 / 07

ACCOUNTING POLICIES

For the period ended 31 July 2022

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

1.4 TAX

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities / (assets) for the current and prior periods are measured at the amount expected to be paid to / (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- * a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- * a business combination

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

1.5 SHARE CAPITAL AND EQUITY

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

1.6 REVENUE

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- a) the amount of revenue can be measured reliably
- b) it is probable that the economic benefits associated with the transaction will flow to the company.
- c) The stage of completion of the transaction at the end of the reporting period can be measured reliably, and
- d) the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognised only to the extent of the expenses recognised that are recoverable.

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

1.7 BORROWING COSTS

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

The South African National Equestrian Centre (Pty) Ltd
Registration Number: 1972 / 005124 / 07

Notes to the Annual Financial Statements

For the period ended 31 July 2022

2 PROPERTY, PLANT AND EQUIPMENT

	Cost	2022 Accumulated Depreciation	Carrying Value
Buildings	7,678,928	-	7,678,928
Plant and machinery	305,296	(4,818)	300,478
Furniture and fixtures	169,623	(74,286)	95,336
Office equipment	41,705	(40,111)	1,594
Other assets	10,350	(3,105)	7,245
Audio visual equipment	103,496	(40,233)	63,263
	<u>8,309,398</u>	<u>(162,553)</u>	<u>8,146,844</u>

	Cost	2021 Accumulated Depreciation	Carrying Value
Buildings	7,470,472	-	7,470,472
Plant and machinery	23,753	(1,849)	21,904
Furniture and fixtures	169,623	(46,162)	123,461
Office equipment	41,705	(31,770)	9,935
Other assets	10,350	(1,035)	9,315
Audio visual equipment	103,496	(29,883)	73,613
	<u>7,819,399</u>	<u>(110,699)</u>	<u>7,708,700</u>

Reconciliation of Property, Plant and Equipment - 2022

	Opening Balance	Additions / Disposals	Depreciation	Total
Buildings	7,470,472	208,456	-	7,678,928
Plant and machinery	21,904	281,543	(2,969)	300,478
Furniture and fixtures	123,461	-	(28,125)	95,336
Office equipment	9,935	-	(8,341)	1,594
Other assets	9,315	-	(2,070)	7,245
Audio visual equipment	73,613	-	(10,350)	63,263
	<u>7,708,700</u>	<u>489,999</u>	<u>(51,854)</u>	<u>8,146,844</u>

Notes to the Annual Financial Statements

For the period ended 31 July 2022

Reconciliation of Property, Plant and Equipment - 2021

	Opening Balance	Additions / Disposals	Depreciation	Total
Buildings	7,105,327	365,145	-	7,470,472
Plant and machinery	-	23,753	(1,849)	21,904
Furniture and fixtures	141,734	9,716	(27,989)	123,461
Office equipment	18,276	-	(8,341)	9,935
Other assets	-	10,350	(1,035)	9,315
Audio visual equipment	83,963	-	(10,350)	73,613
	<u>7,349,300</u>	<u>408,964</u>	<u>(49,564)</u>	<u>7,708,700</u>

Depreciation calculated as per Note 1.2

2022	2021
R	R

2 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Portion 114 of the Farm Witpoort No. 406, Registration Division
J.R. District of Pretoria

- Purchase price: 20 April 2001	130,410	130,410
- Additions since purchase or valuation	1,700,541	1,700,541
- Additions at cost - 2004	213,545	213,545
- Additions at cost - 2005	281,488	281,488
- Additions at cost - 2006	356,124	356,124
- Additions at cost - 2007	36,000	36,000
- Additions at cost - 2008	157,818	157,818
- Additions at cost - 2010	459,327	459,327
- Additions at cost - 2011	758,241	758,241
- Additions at cost - 2012	62,465	62,465
- Additions at cost - 2013	54,725	54,725
- Additions at cost - 2018	2,777,966	2,777,966
- Additions at cost - 2019	116,677	116,677
- Additions at cost - 2021	365,145	365,145
- Additions at cost - 2022	208,456	-
	<u>7,678,928</u>	<u>7,470,472</u>

3 DEFERRED EXPENSES

Deferred expenses

The deferred expenses have been incurred on the leasehold property and will be written off over a 4 year period.

Non-current assets

Deferred expenses

561,668	226,386
<u>561,668</u>	<u>226,386</u>

561,668	226,386
<u>561,668</u>	<u>226,386</u>

Notes to the Annual Financial Statements

For the period ended 31 July 2022

	2022	2021
	R	R
4 TRADE AND OTHER RECEIVABLES		
Financial Instruments:		
Trade receivables	146,582	169,955
Deposits	13,663	13,663
Non-financial Instruments:		
VAT	55,794	32,879
Total trade and other receivables	<u>216,038</u>	<u>216,497</u>
Split between non-current and current portions		
Current assets	<u>216,038</u>	<u>216,497</u>

Exposure to credit risk

Trade receivables inherently expose the company to credit risk, being the risk that the company will incur financial loss if customers fail to make payments as they fall due.

There have been no significant changes in the foreign credit risk management policies and processed since the prior reporting period.

The majority of receivables relates to customers with low credit risk. The entity identifies specific credit loss allowances if these receivables are greater than 90 days. Receivables are written-off after 365 days. No specific write-offs were recognised by the entity during the current year or prior year. Defaults are considered based on contractual terms which are determined on a contract by contract basis.

The company's historical credit loss experience does not show significant loss patterns for customers. Accordingly no allowance for credit losses has been raised.

The carrying amount of trade and other receivables is reasonable approximation of the fair value.

5 CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

Cash on hand	3,280	2,317
Bank balances	12,890,009	14,720,164
	<u>12,893,289</u>	<u>14,722,481</u>

The carrying amount of cash and cash equivalents is reasonable approximation of the fair value.

The South African National Equestrian Centre (Pty) Ltd
Registration Number: 1972 / 005124 / 07

Notes to the Annual Financial Statements

For the period ended 31 July 2022

	2022	2021
	R	R
6 SHARE CAPITAL		
Authorised		
2 800 Ordinary Class A no par value shares	-	-
7 200 Ordinary Class B no par value shares	-	-
	<u>-</u>	<u>-</u>
	<u><u>-</u></u>	<u><u>-</u></u>
Unissued ordinary shares are under the control of the directors in terms of a resolution of members passed at the last annual general meeting. This authority remains in force until the next annual general meeting.		
Issued		
Ordinary shares	22,357,938	22,357,938
Share premium	-	-
	<u>22,357,938</u>	<u>22,357,938</u>
	<u><u>22,357,938</u></u>	<u><u>22,357,938</u></u>
7 LOANS FROM SHAREHOLDERS		
Kyalami Park Club	7,561	76,458
	<u>7,561</u>	<u>76,458</u>
	<u><u>7,561</u></u>	<u><u>76,458</u></u>
The loan is unsecured, bears interest at variable interest rates and has no fixed terms of repayment		
8 TRADE AND OTHER PAYABLES		
Trade and other payables consist of:		
Financial instruments:		
Trade payables	8,678	397,809
Deposits received	108,720	23,350
Other payables	38,991	60,221
	<u>156,389</u>	<u>481,380</u>
	<u><u>156,389</u></u>	<u><u>481,380</u></u>
Non-financial instruments:		
Value Added Tax	-	-

Fair value of trade and other payables
The fair value of trade and other payables approximates their carrying amounts.

The South African National Equestrian Centre (Pty) Ltd
Registration Number: 1972 / 005124 / 07

Notes to the Annual Financial Statements

For the period ended 31 July 2022

	2022	2021
	R	R
9 OPERATING LOSS		
Operating loss for the year is stated after charging the following, amongst others:		
Auditor's Remuneration		
Audit fees	(1,620)	39,840
Other professional fees	31,325	-
	<u>29,705</u>	<u>39,840</u>
Remuneration, other than to employees		
Consulting and professional services	496,349	431,520
Secretarial services	3,000	3,000
	<u>499,349</u>	<u>434,520</u>
Employee costs		
Salaries, wages, bonuses and other benefits	<u>1,187,146</u>	<u>750,229</u>
Depreciation and amortisation		
Depreciation of property, plant and equipment	<u>51,854</u>	<u>49,564</u>
10 TAXATION		
Current		
Local income tax - current period	-	-
Underprovision of prior year taxation	-	-
	<u><u>-</u></u>	<u><u>-</u></u>
Reconciliation of the tax expense		
Reconciliation between accounting profit and tax expense		
Accounting (loss)	(671,790)	(63,185)
Tax at the applicable tax rate of 28% (2021 - 28%)	(188,101)	(17,692)
Tax effect of adjustments on taxable income		
Interest and penalties		
Tax losses carried forward	65,835	6,128
	<u><u>(122,266)</u></u>	<u><u>(11,564)</u></u>

The South African National Equestrian Centre (Pty) Ltd
Registration Number: 1972 / 005124 / 07

Notes to the Annual Financial Statements

For the period ended 31 July 2022

	2022	2021
	R	R
11 CASH USED IN OPERATIONS		
(Loss) before taxation	(671,790)	(63,185)
Adjustments for:		
Interest received	(508,318)	(501,004)
Depreciation and amortisation	51,854	49,564
Finance costs	1,073	5,514
	<hr/>	<hr/>
	(1,127,180)	(509,111)
<i>Changes in working capital</i>		
Trade and other receivables	56,253	128,044
Trade and other payables	(324,991)	301,560
	<hr/>	<hr/>
	<u>(1,395,918)</u>	<u>(79,507)</u>
12 RELATED PARTIES		
Relationships		
Shareholder with significant influence	Kyalami Park Club	
Related party balances		
Loan accounts - Owing to related parties		
Kyalami Park Club	7,551	76,458
	<hr/>	<hr/>
	<u>7,551</u>	<u>76,458</u>

13 DIRECTORS' EMOLUMENTS

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

The South African National Equestrian Centre (Pty) Ltd
Registration Number: 1972 / 005124 / 07

Detailed Income Statement

For the period ended 31 July 2022

	2022 R	2021 R
GROSS REVENUE		
Sales	2,366,050	1,535,136
OTHER INCOME	276,405	209,580
Advertising income	44,000	48,800
Venue hire	231,231	160,093
Discount received	1,174	687
GROSS EARNINGS	2,642,456	1,744,716
OPERATING EXPENSES	(3,821,490)	(2,303,391)
Accounting fees	675	-
Advertising and promotion	83,600	1,195
Auditors remuneration	32,705	39,840
Bank charges	7,490	6,502
Cleaning	25,441	8,699
Computer expenses	3,266	34,983
Consulting and professional fees	496,349	431,520
Depreciation	51,854	49,564
Employee costs	1,187,146	750,229
Entertainment	-	975
Insurance	96,671	111,764
Motor vehicle expenses	96,106	23,877
Municipal expenses	577,522	211,691
Printing and stationery	2,160	2,712
Repairs and maintenance	900,020	474,358
Security	239,153	122,261
Staff Uniform	11,033	3,000
Staff welfare	750	30,071
Subscriptions	9,148	-
Telephone and fax	400	150
OPERATING (LOSS)	(1,179,034)	(558,675)
Investment income	508,318	501,004
Finance costs	(1,073)	(5,514)
(LOSS) BEFORE TAXATION	(671,790)	(63,185)
Taxation expense	-	-
(LOSS) FOR THE YEAR	(671,790)	(63,185)

The South African National Equestrian Centre (Pty) Ltd
Registration Number: 1972 / 005124 / 07

Taxation Computation

For the period ended 31 July 2022

	2022 R	2021 R
Net (loss) per income statement	(671,790)	(63,185)
Permanent differences:		
Interest Paid - SARS Interest and Penalties	1,073	5,514
Temporary differences:		
Depreciation according to financial statements	51,854	49,564
Wear and Tear Allowance (s11)	(51,854)	(49,564)
Taxable income for the year	<u>(670,716)</u>	<u>(57,671)</u>
Taxation thereon at 28%	<u>-</u>	<u>-</u>
 <u>Reconciliation of tax balance</u>		
Taxation payable at beginning of year	-	9,514
SARS Interest and Penalties	-	-
Taxation (paid)	-	(9,514)
Tax owing for the current year:		
Normal tax		
Per calculation	-	-
First Provisional payment	-	-
Second Provisional payment	-	-
	<u>-</u>	<u>-</u>