

**South Africa National Equestrian Centre (Pty) Ltd
(Registration number 1972/005124/07)
Annual Financial Statements
for the year ended 31 July 2023**

These annual financial statements were prepared by:
West End Corporate Services (Pty) Ltd

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

Issued 29 February 2024

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

Annual Financial Statements

For the period ended 31 July 2023

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: J S Curtin
A K Dawson
A J Lithgow
G Reid
N E Smith
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 2023

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

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

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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 2023

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 2024 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 20th January 2024, 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 2023

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 2023.

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 707 120 (2022: R 671 790).

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 2023.

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

The South African National Equestrian Centre (Pty) Ltd
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Directors' Report

For the period ended 31 July 2023

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	Resigned 26 July 2023
J S Curtin	Appointed 1 May 2019
A K Dawson	Appointed 26 April 2023
A M K Esslinger	Resigned 26 July 2023
A J Lithgow	Appointed 31 August 2022
G A Mowatt	Removed 26 July 2023 (Deceased)
G Reid	Appointed 10 July 2017
N E Smith	Appointed 26 April 2023
G R J Walker	Appointed 10 July 2017

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 2023 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, 1684
 Gauteng

11 Secretary

The company had no secretary during the year

Independent Auditor's Report

To the Shareholders of South Africa National Equestrian Centre (Pty) Ltd

Opinion

We have audited the annual financial statements of South Africa National Equestrian Centre (Pty) Ltd (the company) set out on page 9 to 22, which comprise the statement of financial position as at 31 July 2023, and notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of South Africa National Equestrian Centre (Pty) Ltd as at 31 July 2023, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Annual Financial Statements section of our report. We are independent of the company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of annual financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "South Africa National Equestrian Centre (Pty) Ltd annual financial statements for the year ended 31 July 2023", which includes the Directors' Report and the Audit Committee's Report as required by the Companies Act of South Africa and the supplementary information as set out on page 9 to 22. The other information does not include the annual financial statements and our auditor's report thereon.

Our opinion on the annual financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Annual Financial Statements

The directors are responsible for the preparation and fair presentation of the annual financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's Report

Auditor's Responsibilities for the Audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Ian Hewett
Partner
Chartered Accountants (SA)
Registered Auditors

20 March 2024
Fourways

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

Statement of Financial Position

As at 31 July 2023

	Notes	2023 R	2022 R
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	2	8,241,343	8,146,844
Deferred expenses	3	428,790	561,668
		<u>8,670,133</u>	<u>8,708,512</u>
CURRENT ASSETS			
Trade and other receivables	4	196,359	216,038
Current tax receivable		-	-
Cash and cash equivalents	5	12,385,772	12,893,289
		<u>12,582,131</u>	<u>13,109,327</u>
TOTAL ASSETS		<u><u>21,252,264</u></u>	<u><u>21,817,839</u></u>
EQUITY AND LIABILITIES			
EQUITY			
Share capital	6	22,357,938	22,357,938
(Accumulated loss)		(1,411,169)	(704,049)
		<u>20,946,769</u>	<u>21,653,889</u>
NON-CURRENT LIABILITIES			
Loans from shareholder	7	106,666	7,561
CURRENT LIABILITIES			
Trade and Other payables	8	198,830	156,389
Current taxation liability		-	-
		<u>198,830</u>	<u>156,389</u>
TOTAL EQUITY AND LIABILITIES		<u><u>21,252,264</u></u>	<u><u>21,817,839</u></u>

The South African National Equestrian Centre (Pty) Ltd
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Statement of Comprehensive Income

For the period ended 31 July 2023

	Notes	2023 R	2022 R
Revenue		2,851,723	2,366,050
Other operating income		274,336	276,405
Operating expenses		(4,685,780)	(3,821,490)
Operating (loss)	9	(1,559,720)	(1,179,034)
Investment revenue		858,618	508,318
Finance costs		(6,018)	(1,073)
(Loss) before taxation		(707,120)	(671,790)
Taxation	10	-	-
(Loss) for the current year		(707,120)	(671,790)
Other comprehensive income		-	-
Total comprehensive (loss)		(707,120)	(671,790)

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Statement of Changes in Equity

For the period ended 31 July 2023

	Share Capital R	Retained Earnings R	Total Equity R
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	(704,049)	21,653,889
Balance at 1 August 2022	22,357,938	(704,049)	21,653,889
Changes in Equity	-	-	-
Total comprehensive (loss) for the year	-	(707,120)	(707,120)
Dividends	-	-	-
Balance at 31 July 2023	22,357,938	(1,411,169)	20,946,769

The South African National Equestrian Centre (Pty) Ltd
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Statement of Cash Flows

For the period ended 31 July 2023

	Notes	2023 R	2022 R
Cash flows from operating activities			
Cash (utilised in) / generated from operations	11	(1,370,045)	(1,395,918)
Investment revenue		858,618	508,318
Finance costs		(6,018)	(1,073)
Taxation (paid) / received		-	(46,341)
Net cash from operating activities		(517,445)	(935,015)
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(222,053)	(489,999)
Net movement in financial assets		132,877	(335,282)
Net cash from operating activities		(89,176)	(825,280)
Cash flows from financing activities			
Proceeds from / (repayments to) shareholder		99,104	(68,897)
Net cash from operating activities		99,104	(68,897)
Total cash movement for the year		(507,517)	(1,829,192)
Cash at the beginning of year		12,893,289	14,722,481
Total cash at end of the year		12,385,771	12,893,289

The South African National Equestrian Centre (Pty) Ltd

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ACCOUNTING POLICIES

For the period ended 31 July 2023

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

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ACCOUNTING POLICIES

For the period ended 31 July 2023

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.

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ACCOUNTING POLICIES

For the period ended 31 July 2023

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 2023

2 PROPERTY, PLANT AND EQUIPMENT

	Cost	2023 Accumulated Depreciation	Carrying Value
Buildings	7,758,541	-	7,758,541
Plant and machinery	317,296	(75,615)	241,680
Furniture and fixtures	300,063	(117,033)	183,029
Office equipment	41,705	(41,702)	3
Other assets	10,350	(5,175)	5,175
Audio visual equipment	103,496	(50,582)	52,914
	<u>8,531,451</u>	<u>(290,108)</u>	<u>8,241,343</u>

	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>

Reconciliation of Property, Plant and Equipment - 2023

	Opening Balance	Additions / Disposals	Depreciation	Total
Buildings	7,678,928	79,613	-	7,758,541
Plant and machinery	300,478	12,000	(70,798)	241,680
Furniture and fixtures	95,336	130,440	(42,747)	183,029
Office equipment	1,594	-	(1,591)	3
Other assets	7,245	-	(2,070)	5,175
Audio visual equipment	63,263	-	(10,349)	52,914
	<u>8,146,844</u>	<u>222,053</u>	<u>(127,555)</u>	<u>8,241,343</u>

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Notes to the Annual Financial Statements

For the period ended 31 July 2023

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>

Depreciation calculated as per Note 1.2

2023	2022
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	208,456
- Additions at cost - 2023	79,613	-
	<u>7,758,541</u>	<u>7,678,928</u>

3 DEFERRED EXPENSES

Deferred expenses	428,790	561,668
The deferred expenses have been incurred on the leasehold property and will be written off over a 3 year period.		

Non-current assets		
Deferred expenses	<u>428,790</u>	<u>561,668</u>

The South African National Equestrian Centre (Pty) Ltd

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Notes to the Annual Financial Statements

For the period ended 31 July 2023

	2023 R	2022 R
4 TRADE AND OTHER RECEIVABLES		
Financial Instruments:		
Trade receivables	182,697	146,582
Deposits receivable	13,663	13,663
Non-financial Instruments:		
VAT	-	55,794
Total trade and other receivables	<u>196,359</u>	<u>216,038</u>
Split between non-current and current portions		
Current assets	<u>196,359</u>	<u>216,038</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	(910)	3,280
Bank balances	12,386,682	12,890,009
	<u>12,385,772</u>	<u>12,893,289</u>

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

The South African National Equestrian Centre (Pty) Ltd

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Notes to the Annual Financial Statements

For the period ended 31 July 2023

	2023 R	2022 R
6 SHARE CAPITAL		
Authorised		
2 800 Ordinary Class A no par value shares		
7 200 Ordinary Class B no par value shares		
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>
7 LOAN FROM SHAREHOLDER		
Kyalami Park Club	106,666	7,561
	<u>106,666</u>	<u>7,561</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	(2,377)	8,678
Deposits payable	107,756	108,720
Other payables	52,838	38,991
Non-financial instruments:		
Value Added Tax	40,613	-
	<u>198,830</u>	<u>156,389</u>

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 2023

	2023 R	2022 R
9 OPERATING (LOSS)		
Operating (loss) for the year is stated after charging the following, amongst others:		
Auditor's Remuneration		
Audit fees	30,250	32,705
Other professional fees	25,000	-
	<u>55,250</u>	<u>32,705</u>
Remuneration, other than to employees		
Consulting and professional services	457,254	496,349
Secretarial services	-	-
	<u>457,254</u>	<u>496,349</u>
Employee costs		
Salaries, wages, bonuses and other benefits	<u>1,392,484</u>	<u>1,187,146</u>
Depreciation and amortisation		
Depreciation of property, plant and equipment	<u>127,555</u>	<u>51,854</u>
10 TAXATION		
Current		
Local income tax - current period	-	-
Underprovision of prior year taxation	-	-
	<u>-</u>	<u>-</u>
Reconciliation of the tax expense		
Reconciliation between accounting profit and tax expense		
Accounting (loss)	(701,103)	(670,716)
Tax at the applicable tax rate of 28% (2022 - 28%)	(196,309)	(187,801)
Tax effect of adjustments on taxable income		
Interest and penalties		
Tax losses carried forward	68,708	65,730
	<u>(127,601)</u>	<u>(122,070)</u>

The South African National Equestrian Centre (Pty) Ltd
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Notes to the Annual Financial Statements

For the period ended 31 July 2023

	2023	2022
	R	R
11 CASH (UTILISED IN) / GENERATED FROM OPERATIONS		
(Loss) before taxation	(707,120)	(671,790)
Adjustments for:		
Interest received	(858,618)	(508,318)
Depreciation and amortisation	127,555	51,854
Finance costs	6,018	1,073
	<u>(1,432,166)</u>	<u>(1,127,180)</u>
<i>Changes in working capital</i>		
Trade and other receivables	19,679	56,253
Trade and other payables	42,441	(324,991)
	<u><u>(1,370,045)</u></u>	<u><u>(1,395,918)</u></u>

12 RELATED PARTIES

Relationships

Shareholder with significant influence

Kyalami Park Club

Related party balances

Loan account - Owing to related parties

Kyalami Park Club

106,666

7,551

106,666

7,551

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
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Detailed Income Statement

For the period ended 31 July 2023

	2023 R	2022 R
GROSS REVENUE		
Rental income	2,851,723	2,366,050
OTHER INCOME	274,336	276,405
Advertising income	68,684	44,000
Venue hire	203,425	231,231
Discount received	2,228	1,174
GROSS EARNINGS	3,126,059	2,642,456
OPERATING EXPENSES	(4,685,780)	(3,821,490)
Accounting fees	25,975	675
Advertising and promotion	93,900	83,600
Auditors remuneration	55,250	32,705
Bank charges	5,093	7,490
Cleaning	6,932	25,441
Computer expenses	4,577	3,266
Consulting and professional fees	457,254	496,349
Depreciation	127,555	51,854
Employee costs	1,392,484	1,187,146
Entertainment	19,439	-
Insurance	165,458	96,671
Motor vehicle expenses	62,307	96,106
Municipal expenses	723,279	577,522
Printing and stationery	1,759	2,160
Repairs and maintenance	1,198,356	900,020
Security	299,122	239,153
Staff Uniform	14,054	11,033
Staff welfare	-	750
Subscriptions	32,985	9,148
Telephone and fax	-	400
OPERATING (LOSS)	(1,559,720)	(1,179,034)
Investment income	858,618	508,318
Finance costs	(6,018)	(1,073)
(LOSS) BEFORE TAXATION	(707,120)	(671,790)
Taxation expense	-	-
(LOSS) FOR THE YEAR	(707,120)	(671,790)

The South African National Equestrian Centre (Pty) Ltd
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Taxation Computation

For the period ended 31 July 2023

	2023 R	2022 R
Net (loss) per income statement	(707,120)	(671,790)
Permanent differences:		
Interest Paid - SARS Interest and Penalties	6,018	1,073
Temporary differences:		
Depreciation according to financial statements	127,555	51,854
Wear and Tear Allowance (s11)	(127,555)	(51,854)
Taxable income for the year	<u>(701,103)</u>	<u>(670,716)</u>
Taxation thereon at 28%	<u>-</u>	<u>-</u>
 <u>Reconciliation of tax balance</u>		
Taxation payable at beginning of year	-	-
SARS Interest and Penalties	-	-
Taxation (paid)	-	-
Tax owing for the current year:		
Normal tax		
Per calculation	-	-
First Provisional payment	-	-
Second Provisional payment	-	-
	<u>-</u>	<u>-</u>