



Wagyu Cattle Breeders Society of South Africa

Financial Committee

As the board representative of finances, together with the CEO, we are pleased to present the financial report for the Wagyu Society of South Africa for the 2020-2021 financial year, ending June 2021.

Executive summary

The overall financial position of the WSA is positive with a profit of R395 000 and is supported by a steady R 908 000 bank balance (growing in the money market account) at 30 June 2021. The dampened membership growth, sponsorships and semen and royalties, has however meant that mitigation steps have been put in place. As reported last year, the CEO now has a shared responsibility with Wagyu and the Livestock Registering Federation (LRF). Due to Covid 19, the board closed the office and it then reopened this year.

Key financial considerations for July 2020 till June 2021:

- a) CWB is a standalone entity
- b) CWB owes WSA R894 000. Of this, R300 000 will be paid during the financial year 2021-2022. A five year payment plan has been implemented.
- c) Paying off the MIJ camera continues and will end in June 2022
- d) Fee / Levy structure adjustments. Increased by 3%.
- e) The World Congress realized and income of R470 000. The Dept of tourism contributed R150 000.

Overview:

During the previous financial year (2010/2020), the key income was membership fees (R683 000) and the per capita levy (R613 000). Compare this to 2018/2019 when the income from sponsorships alone was R800 000. WSA did well running a world congress and realized a net profit of R150 000.

The overall asset position has increased from R1.8 million to R2.07 million The outstanding & repayable loan amount from CWB is R894 000 and increased because the courier fees were being invoiced from WSA. This has moved to CWB and R300 000 will be moved to repay part of the loan account.

Non-Current Liabilities has reduced from R463 000 to R268 000, partly due to the loan being paid off. Once the CWB loan is repaid to WSA by June 2022, these figures should also be reduced to zero.

Revenue increased slightly by 8% (R 2454 000 to 2591 810), and at the same time operating costs reduced by 8% (R2 370 000 to R2 195 865). Key considerations in the expenses sections are staff

salaries, breed promotion and Conference and office expenses. The staff expenses are 39% of turnover. When CWB is included, these drop to 26% of total turnover.