

SAFA CAPE WINELANDS

ANNUAL FINANCIAL STATEMENTS

31 May 2018

SAFA CAPE WINELANDS

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APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

The annual financial statements as set out on pages 3 to 11 were approved at the Regional Executive Committee meeting held on 30 November 2019 and are signed on behalf of the Regional Executive Committee by:

.....
PRESIDENT



.....
TREASURER

INDEPENDENT AUDITOR'S REPORT
To the Members of SAFA CAPE WINELANDS

Report on the Audit of the Annual Financial Statements

Qualified Opinion

We have audited the annual financial statements of SAFA Cape Winelands, set out on pages 4 to 11 which comprise the statement of financial position at 31 May 2018, the statement of comprehensive income, statement of changes in equity and statement of cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

There is uncertainty as to the value of the asset recorded as owing from SAFA National amounting to R595 000 at 31 May 2018, and despite grant funds being received subsequent to the year end there has been no confirmation from the national entity that the full stated amount is valid and will be paid.

In common with similar organisations, it is not feasible for the Association to institute accounting controls over cash collections prior to the initial entry in the accounting records. Accordingly, it was not practicable for us to extend our examination beyond the receipts actually recorded.

In our opinion, except for the effects on the financial statements, if any, of the matters referred to in the preceding paragraphs, the annual financial statements present fairly, in all material respects, the financial position of SAFA Cape Winelands as at 31 May 2018, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the basis of accounting set out in note 1 to the financial statements.

Basis for opinion

We conducted our audit in accordance with International Standards of 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 Association 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 financial statements in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants *Code of Ethics for Professional Accountants* (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Regional Executive Committee (REC) members are responsible for the other information. The other information comprises the Regional Executive Committee's report set out on page 4, but does not include the 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 so doing, consider whether the 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 material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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INDEPENDENT AUDITORS' REPORT (Continued)

Responsibilities of the Regional Executive Committee members for the Annual Financial Statements.

The Regional Executive Committee members are responsible for the preparation and fair presentation of these financial statements in accordance with the International Reporting Standard for Small and Medium-sized Entities and the basis of accounting set out in note 1 to the financial statements, as well as such internal control as the REC members 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 REC members are responsible for assessing the Association'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 REC members either intend to liquidate the entity or to cease operations, or have no realistic alternative but to do so.

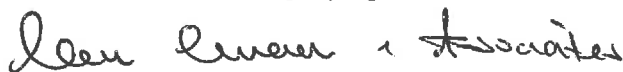
Auditor's responsibilities for the audit of the Annual Financial Statements

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 it is not a guarantee that an audit conducted in accordance with International Standards of 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 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the REC members.
- Conclude on the appropriateness of the REC members' 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 Association'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 Association 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 REC members regarding among other matters, the planned scope and timing of the audit and significant findings, including any significant deficiencies in internal control that we identify during our audit.



Mark Lindon & Associates
Chartered Accountants (S.A.)
Registered Auditors
Cape Town
30 November 2019

SAFA CAPE WINELANDS

REGIONAL EXECUTIVE COMMITTEE'S REPORT for the year ended 31 May 2018

The Regional Executive Committee has pleasure in submitting their report which forms part of the audited annual financial statements of the Association, for the year ended 31 May 2018.

BUSINESS AND OPERATIONS

The Association's business and operations and the results thereof are clearly reflected in the attached financial statements. The Association is responsible for organising and administering amateur football, both seniors and juniors, in the Cape Winelands area and surrounding environs.

FINANCIAL RESULTS

The results of the Association and the state of its affairs are set out in the attached financial statements.

The Association received a grant in the prior financial year from the National Lottery Development Trust Fund amounting to R899 998 which was utilised during this financial year for the development of the game within the region.

The Association's deficit from ordinary activities amounted to R283 220 (2017: deficit R531 233).

SUBSEQUENT EVENTS

Subsequent to the 31 May 2018 year end the offices at Zwelitemba Stadium have been burgled which has resulted in a loss of certain equipment and damage to the property. The financial effect of this event will be recorded in the 2018/19 annual financial statements.

AUDITORS

Messrs Mark Lindon & Associates continued in office as the auditors of the Association and are available for re-appointment at the forthcoming Annual Congress.

SAFA CAPE WINELANDS

STATEMENT OF FINANCIAL POSITION 31 May 2018

	<u>Notes</u>	<u>2018</u> R	<u>2017</u> R
ASSETS			
Non-current assets			
Property, plant and equipment	2	155 987	255 454
Current assets			
Accounts receivable	4	645 098	331 000
Bank balances	6.2	96 602	608 122
Total assets		<u>897 687</u>	<u>1 194 576</u>
EQUITY AND LIABILITIES			
Reserves			
Retained surplus		571 609	854 829
Current liabilities			
Accounts payable	5	326 078	339 747
Total equity and liabilities		<u>897 687</u>	<u>1 194 576</u>

SAFA CAPE WINELANDS

STATEMENT OF COMPREHENSIVE INCOME for the year ended 31 May 2018

	<u>Note</u>	<u>2018</u> R	<u>2017</u> R
Income		694 265	847 700
Affiliation fees			
- LFA fees		5 000	5 000
- Promotional League: 2015/16		-	13 000
: 2016/17		-	32 580
: 2017/18		39 600	-
- SAB League		64 000	64 000
- Womens Regional League (WRL)		1 000	1 000
Cape Winelands Mass funding		-	100 000
DCAS funding		-	15 000
Fines and defaults		1 200	-
Funeral claims		50 000	10 000
Grants: SAFA National		420 000	420 000
Player registration income – additional cards		17 470	18 800
Sundry income		7 395	-
Tournament income	3	88 600	124 900
Transport and facilities income		-	43 420
Expenses		977 485	1 378 933
Accounting fees		17 300	9 115
Affiliation fees		3 000	3 000
Appeal fees refund		-	600
Audit fees: current year		15 350	18 910
: prior year underprovision		872	-
: other services		-	2 269
Bank charges		6 698	6 948
Depreciation		111 010	66 776
Driver allowance		10 750	8 300
Electricity		2 640	1 980
Employee costs		120 423	141 180
Football development			
- Coaching		14 332	-
- Competitions		29 673	17 365
- Disciplinary		3 716	3 980
- Referees		7 803	3 340
- Schools		3 740	-
- Technical		7 046	35 160
- Women's		8 780	6 836
- Youth		1 100	104 630
Funeral benefit		50 000	10 000
Honorarium – REC		50 000	50 000
LFA expenditure		26 178	17 641
LFA grants		-	60 000
Lotto expenses		-	455 296
Meeting costs – catering		3 060	-
Motor vehicle expenses		59 276	68 640
Office expenses		-	2 488
Petty cash expenses		-	1 000
Printing and stationery		21 448	29 383

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STATEMENT OF COMPREHENSIVE INCOME (Continued) for the year ended 31 May 2018

	<u>2018</u>	<u>2017</u>
	R	R
Prize monies		
- Nedbank Cup	10 000	21 000
- Promotional league: 2015/16	2 500	37 600
- Promotional league: 2016/17	24 500	-
- SAB League: 2014/15	-	4 000
- SAB League:2015/16	9 000	50 000
- SAB League:2016/17	53 000	-
- SAB League Co-ordinator	6 500	14 300
- Womens' Regional League 2012/13	-	5 000
- Womens' Regional League: 2015/16	-	17 000
- Womens' Regional league: 2016/17	20 000	-
- Womens' Regional League Co-ordinator	-	9 100
Regional events	47 044	8 800
Repairs and maintenance	1 350	438
REC and members re-imburement expenses	121 176	41 633
Security services	775	849
Special events – Regional	63 450	-
Telephone and internet	16 863	14 177
: Allowances for President and General Secretary	4 800	7 800
Travelling expenses: SAFA Congress	20 478	19 062
UIF	1 854	3 337
	-----	-----
Operating (deficit) for the year	(283 220)	(531 233)
Retained surplus at beginning of the year	854 829	1 386 062
	-----	-----
Retained surplus at end of the year	571 609	854 829
	=====	=====

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STATEMENT OF CASH FLOWS for the year ended 31 May 2018

	<u>Notes</u>	<u>2018</u> R	<u>2017</u> R
Cash utilised in operating activities			
Cash (utilised in) operating activities	6.1	(499 977)	(464 510)
		<hr/>	<hr/>
Net cash (outflow) from operating activities		(499 977)	(464 510)
		<hr/>	<hr/>
Cash utilised in investing activities			
Purchase of property, plant and equipment		(11 543)	(305 804)
		<hr/>	<hr/>
Net cash (outflow) from investing activities		(11 543)	(305 804)
		<hr/>	<hr/>
Net (decrease) in cash and cash equivalents		(511 520)	(770 314)
Cash and cash equivalents at beginning of the year		608 122	1 378 436
		<hr/>	<hr/>
Cash and cash equivalents at end of the year	6.2	96 602	608 122
		<hr/> <hr/>	<hr/> <hr/>

SAFA CAPE WINELANDS

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

31 May 2018

1. ACCOUNTING POLICIES

The following principal accounting policies of the Association have been consistently followed in all material respects:

1.1 Income

Income consists primarily of registration fees and sponsorship income, together with income generated from various other sources.

1.2 Financial instruments

Financial assets are recognised when the Association has rights or other access to economic benefits. Such assets consist of cash, equity instruments, a contractual right to receive cash, or other financial assets, or a contractual right to change financial instruments with another entity on potentially favourable terms.

Financial liabilities are recognised when there is an obligation to transfer benefits and that obligation is a contractual liability to deliver cash or another financial asset or to exchange financial instruments with another entity on potentially unfavourable terms. When these criteria no longer apply, a financial asset or liability is no longer recognised.

Accounts receivable

Accounts receivable are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

1.3 *Property, plant and equipment*

Property, plant and equipment are recorded at cost, which includes all costs directly attributable to bringing the assets to working condition for their intended use.

Depreciation is calculated by a charge to income computed on a straight-line basis over the assets expected useful lives, which are as follows:

Furniture and fixtures	5 years
Office equipment	3 years
Sports equipment	3 years

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)
31 May 2018

2. PROPERTY PLANT AND EQUIPMENT

	<u>2018</u>			<u>2017</u>		
	<u>Cost</u>	<u>Accumulated depreciation</u>	<u>Net book value</u>	<u>Cost</u>	<u>Accumulated depreciation</u>	<u>Net book value</u>
	R	R	R	R	R	R
Furniture and fixtures	43 851	(43 851)	-	43 851	(43 851)	-
Office equipment	152 179	(144 156)	8 023	140 636	(135 070)	5 566
Sports equipment	305 804	(157 840)	147 964	305 804	(55 916)	249 888
	<u>501 834</u>	<u>(345 847)</u>	<u>155 987</u>	<u>490 291</u>	<u>(234 837)</u>	<u>255 454</u>

<i>Owned assets - 2018</i>	Carrying value at beginning of the year			Carrying value at end of year		
	<u>Cost</u>	<u>Accumulated depreciation</u>	<u>Net book value</u>	<u>Additions</u>	<u>Depreciation</u>	<u>Net book value</u>
	R	R	R	R	R	R
Furniture	-	-	-	-	-	-
Office equipment	5 566	-	5 566	11 543	(9 086)	8 023
Sports equipment	249 888	-	249 888	-	(101 924)	147 964
	<u>255 454</u>	<u>-</u>	<u>255 454</u>	<u>11 543</u>	<u>(111 010)</u>	<u>155 987</u>

3. TOURNAMENT INCOME

	<u>2018</u>	<u>2017</u>
Womens Regional League	20 000	20 000
Nedbank Cup	-	35 000
SAB Prize monies	53 000	53 000
SAB Co-ordinators stipend	15 600	6 500
SAFA WRL Co-ordinators stipend	-	10 400
	<u>88 600</u>	<u>124 900</u>

4. ACCOUNTS RECEIVABLE

Affiliation fees – LFAs	16 000	12 000
Registrations (Promo affiliation and players cards)	30 098	-
SAFA National Office – monthly grants	595 000	315 000
SAB League club – affiliation fees (Idas Valley 2016/17)	4 000	4 000
	<u>645 098</u>	<u>331 000</u>

