

SAFA CAPE WINELANDS

ANNUAL FINANCIAL STATEMENTS

31 May 2016

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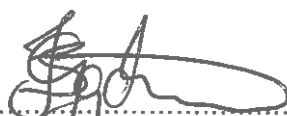
31 May 2016

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APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

The annual financial statements as set out on pages 3 to 10 were approved at the Extraordinary Congress meeting held on 27 January 2018 and are signed on behalf of the Regional Executive Committee by:


.....
PRESIDENT


.....
TREASURER

**REPORT OF THE INDEPENDENT AUDITOR
TO THE MEMBERS OF SAFA CAPE WINELANDS**

We have audited the annual financial statements of SAFA Cape Winelands, which comprise the Regional Executive Committee's report, the statement of financial position at 31 May 2016, the statement of comprehensive income and statement of cash flow for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 3 to 10.

Regional Executive Committee's responsibility for the financial statements.

The Regional Executive Committee is responsible for the preparation and fair presentation of these financial statements in accordance with the basis of accounting set out in note 1 to the financial statements. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. These standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements whether due to fraud or error. In making these risk assessments the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting principles noted and the reasonableness of accounting estimates made by the Executive Committee, as well as evaluating the overall financial statement presentation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Qualifications

There has been no reconciliation undertaken between the independent player registration records and actual cash received into the Association's accounting records pertaining to player registrations. Consequently, it has not been possible to ascertain whether there is a material misstatement of the figure reflected as player registration income for the year.

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.

Qualified Opinion

In our opinion, except for the effects on the financial statements, if any, of the matter referred to in the preceding paragraphs, the financial statements present fairly, in all material respects the financial position of the Association as at 31 May 2016 and of its financial performance and cash flow information for the year then ended in accordance with the basis of accounting set out in note 1 of the financial statements, and in accordance with generally accepted accounting practice.

Emphasis of matter

Without qualifying our opinion, it should be noted that during the financial year the filing of supporting documentation was not well controlled. Furthermore, when documentation was available there was no evidence of such expenditure being authorised for payment by a senior official of the Association. It is imperative that internal control procedures are implemented and followed to ensure that only authorised expenditure is incurred and paid by the Association.



Mark Lindon & Associates
Chartered Accountants (S.A.)
Registered Auditors
Cape Town
27 January 2018

SAFA CAPE WINELANDS

REGIONAL EXECUTIVE COMMITTEE'S REPORT for the year ended 31 May 2016

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 2016.

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 is to be utilised for the development of the game within the region. At 31 May 2016 the funds were separately allocated to a Project banking account, so that control over future expenditure can be maintained.

The Association's surplus from ordinary activities amounted to R 263 862 (2015: R908 987).

SUBSEQUENT EVENTS

There have been no facts or circumstances of a material nature that have occurred between the accounting date and the date of this report.

AUDITORS

Messrs Mark Lindon & Associates continued in office as the auditors of the Association.

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STATEMENT OF FINANCIAL POSITION 31 May 2016

	<u>Notes</u>	<u>2016</u> R	<u>2015</u> R
ASSETS			
Non-current assets			
Property, plant and equipment	2	16 426	29 926
Current assets			
Accounts receivable	4	221 000	108 450
Bank balances		1 378 436	1 218 824
Total assets		<u>1 615 862</u>	<u>1 357 200</u>
EQUITY AND LIABILITIES			
Reserves			
Retained surplus		1 386 062	1 122 200
Current liabilities			
Accounts payable	5	229 800	235 000
Total equity and liabilities		<u>1 615 862</u>	<u>1 357 200</u>

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STATEMENT OF COMPREHENSIVE INCOME for the year ended 31 May 2016

	<u>Note</u>	<u>2016</u> R	<u>2015</u> R
Income		967 937	1 577 478
Affiliation fees			
- LFA fees		5 000	5 000
- Promotional League		19 590	25 360
- SAB League		64 000	56 000
- Womens Regional League (WRL)		3 000	2 500
Appeal & protest fees received		4 500	7 500
DCAS funding		-	19 500
Funeral claims		10 000	-
Grants: SAFA National		420 000	300 000
: 2010 Legacy Trust Fund		250 000	40 000
National Lottery Development Trust Fund		-	899 998
Player registration income		23 347	30 290
- Junior players		-	11 230
- SAB League players		-	11 000
- WRL players		-	1 200
Tournament income	3	137 500	121 300
Transport and facilities income		31 000	46 600
Expenses		704 075	668 491
Accounting fees		3 564	-
Affiliation fees		3 000	3 000
Appeal fees refund		5 000	-
Audit fees: current year		17 500	16 500
: other services		1 851	-
Bank charges		6 282	5 928
Computer costs		6 900	-
DCAS expenses		-	71 500
Depreciation		13 500	7 940
Driver allowance		5 750	5 874
Electricity		1 135	-
Employee costs		51 101	57 825
Football development			
- Administration		7 807	-
- Competitions		7 889	-
- Disciplinary		5 915	-
- Referees		3 705	3 802
- Technical		4 800	2 250
- Women's		4 355	12 080
- Youth		15 810	34 035
Funeral benefit		10 000	-
Honorarium – REC		50 000	50 000
Legacy Fund expenditure		7 619	-
LFA expenditure		20 177	3 062
LFA grants		60 000	-
LFA Youth Co-ordinator		-	4 500
Motor vehicle expenses		56 542	85 069
Office expenses		1 230	-
Printing and stationery		34 545	102 293

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STATEMENT OF COMPREHENSIVE INCOME (Continued) for the year ended 31 May 2016

	<u>2016</u> R	<u>2015</u> R
Prize monies		
- Promotional League: 2013/14	-	41 000
- Promotional League: 2014/15	24 000	-
- SAB League: 2014/15	48 250	-
- SAB League: 2013/14	33 822	45 750
- SAB League Co-ordinator	10 400	10 400
- Womens' Regional League: 2014/15	28 000	-
- Womens' Regional League Co-ordinator	9 100	-
Regional events	22 830	5 428
Repairs and maintenance	-	3 004
REC and members re-imburement expenses	68 961	62 328
Security services	-	1 032
Telephone	10 433	9 663
: Allowances for President and General Secretary	7 800	-
Travelling expenses	32 434	22 976
UIF	2 068	1 252
	<hr/>	<hr/>
Operating surplus for the year	263 862	908 987
Retained surplus at beginning of the year	1 122 200	213 213
	<hr/>	<hr/>
Retained surplus at end of the year	<u>1 386 062</u>	<u>1 122 200</u>

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STATEMENT OF CASH FLOWS for the year ended 31 May 2016

	<u>Notes</u>	<u>2016</u> R	<u>2015</u> R
Cash generated from operating activities			
Cash generated from operating activities	6.1	159 612	837 872
		<hr/>	<hr/>
Net cash inflow from operating activities		159 612	837 872
		<hr/>	<hr/>
Cash utilised by investing activities			
Purchase of property, plant and equipment			(20 708)
		<hr/>	<hr/>
Net cash outflow from investing activities		-	(20 708)
		<hr/>	<hr/>
Net increase in cash and cash equivalents		159 612	817 164
Cash and cash equivalents at beginning of the year		1 218 824	401 660
		<hr/>	<hr/>
Cash and cash equivalents at end of the year	6.2	1 378 436	1 218 824
		<hr/> <hr/>	<hr/> <hr/>

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

31 May 2016

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

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)
31 May 2016

2. PROPERTY PLANT AND EQUIPMENT

	<u>Cost</u>	<u>2016</u> <u>Accumulated</u> <u>depreciation</u>	<u>Net book</u> <u>value</u>	<u>Cost</u>	<u>2015</u> <u>Accumulated</u> <u>depreciation</u>	<u>Net book</u> <u>value</u>
	R	R	R	R	R	R
Furniture and fixtures	43 851	(43 851)	-	43 851	(43 851)	-
Office equipment	140 636	(124 210)	16 426	140 636	(110 710)	29 926
	<u>184 487</u>	<u>(168 061)</u>	<u>16 426</u>	<u>184 487</u>	<u>(154 561)</u>	<u>29 926</u>

<i>Owned assets - 2016</i>	<u>Carrying value</u> <u>at beginning</u> <u>of the year</u>	<u>Additions</u>	<u>Depreciation</u>	<u>Carrying value</u> <u>at end of year</u>
	R	R	R	R
Furniture	-	-	-	-
Office equipment	29 926	-	(13 500)	16 426
	<u>29 926</u>	<u>-</u>	<u>(13 500)</u>	<u>16 426</u>

<i>Owned assets - 2015</i>	<u>Carrying value</u> <u>at beginning</u> <u>of the year</u>	<u>Additions</u>	<u>Depreciation</u>	<u>Carrying value</u> <u>at end of year</u>
	R	R	R	R
Furniture and fixtures	-	-	-	-
Office equipment	17 158	20 708	(7 940)	29 926
	<u>17 158</u>	<u>20 708</u>	<u>(7 940)</u>	<u>29 926</u>

	<u>2016</u>	<u>2015</u>
3. TOURNAMENT INCOME		
Womens Regional League	40 000	-
Nedbank Cup	25 000	30 000
SAB Prize monies	53 000	53 000
SAB Co-ordinators stipend	10 400	14 300
SAFA Juniors	-	24 000
SAFA WRL Co-ordinators stipend	9 100	-
	<u>137 500</u>	<u>121 300</u>

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

31 May 2016

	<u>2016</u>	<u>2015</u>
	R	R
4. ACCOUNTS RECEIVABLE		
Affiliation fees – LFAs	7 000	4 000
SAFA National Office – monthly grants	210 000	100 000
SAB League team (Maties) – affiliation fees	4 000	4 450
	<u>221 000</u>	<u>108 450</u>
5. ACCOUNTS PAYABLE		
Affiliation fees (SAFA National, Boland SC)	6 000	3 000
Audit fees (2014/15 and 2015/16)	34 000	31 500
DCAS expenses payable	50 500	50 500
Honoraria (2014/15 and 2015/16)	100 000	150 000
LFA grants	38 000	-
SAB Co-ordinators fee	1 300	-
	<u>229 800</u>	<u>235 000</u>
6. NOTES TO THE CASH FLOW STATEMENT		
6.1 Reconciliation of operating surplus to cash flows from operating activities:		
Operating surplus before working capital changes	263 862	908 987
Adjusted for:		
Depreciation	13 500	7 940
	<u>277 362</u>	<u>916 927</u>
Working capital changes		
(Increase) in accounts receivable	(112 550)	(108 450)
(Decrease) increase in accounts payable	(5 200)	29 395
	<u>159 612</u>	<u>837 872</u>
Cash generated from operating activities	<u>159 612</u>	<u>837 872</u>
6.2 Cash and cash equivalents		
Cash and cash equivalents consist of balances held at banks. Cash and cash equivalents included in the cash flow statement comprise the following Statement of financial position amount:		
Nedbank current account: Operations	228 269	318 986
: Projects	1 150 167	899 838
	<u>1 378 436</u>	<u>1 218 824</u>