

SAFA CAPE WINELANDS

ANNUAL FINANCIAL STATEMENTS

31 May 2015

SAFA CAPE WINELANDS

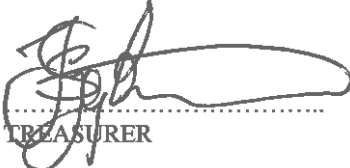
ANNUAL FINANCIAL STATEMENTS
31 May 2015

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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 Regional General Council meeting held on 03 June 2017 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 2015, 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.

Qualification

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 2015 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

Mark Lindon & Associates
Chartered Accountants (S.A.)
Registered Auditors
Cape Town
16 July 2017

SAFA CAPE WINELANDS

REGIONAL EXECUTIVE COMMITTEE'S REPORT for the year ended 31 May 2015

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 2015.

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 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 2015 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 908 987 (2014: R69 036).

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 2015

	<u>Notes</u>	<u>2015</u> R	<u>2014</u> R
ASSETS			
Non-current assets			
Property, plant and equipment	2	29 926	17 158
Current assets			
Accounts receivable	4	108 450	-
Bank balances		1 218 824	401 660
Total assets		<u>1 357 200</u>	<u>418 818</u>
EQUITY AND LIABILITIES			
Reserves			
Retained surplus		1 122 200	213 213
Current liabilities			
Accounts payable	5	235 000	205 605
Total equity and liabilities		<u>1 357 200</u>	<u>418 818</u>

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STATEMENT OF COMPREHENSIVE INCOME for the year ended 31 May 2015

	<u>Note</u>	<u>2015</u> R	<u>2014</u> R
Income		1 577 478	707 269
Affiliation fees			
- LFA fees		5 000	-
- Promotional League		25 360	-
- SAB League		56 000	46 470
- Womens Regional League (WRL)		2 500	-
Appeal & protest fees received		7 500	13 000
DCAS funding		19 500	52 000
Grants: SAFA National		300 000	300 000
: 2010 Legacy Trust Fund		40 000	100 000
National Lottery Development Trust Fund		899 998	-
Player registration income		30 290	41 687
- Junior players		11 230	-
- SAB League players		11 000	17 600
- WRL players		1 200	-
Sundry income		-	2 812
Tournament income	3	121 300	133 700
Transport and facilities income		46 600	-
Expenses		668 491	638 233
Accounting fees		-	5 550
Affiliation fees		3 000	2 900
Appeal fees refund		-	1 000
Audit fees		16 500	15 000
Bank charges		5 928	5 381
Cash stolen during burglary		-	6 390
Computer costs		-	3 600
DCAS expenses		71 500	-
Depreciation		7 940	2 636
Driver allowance		5 874	-
Employee costs		57 825	73 667
Football development – Referees		3 802	-
- Technical		2 250	-
- Women’s trials		12 080	-
- Youth		34 035	-
Honorarium – REC		50 000	50 000
Labour dispute settlement		-	47 618
LFA expenditure		3 062	6 726
LFA Youth Co-ordinator		4 500	-
Motor vehicle expenses		85 069	56 536
Office expenses		-	9 460
Petty cash expenses		-	500
Printing and stationery		102 293	102 873
Prize monies – Juniors		-	11 744
- Promotional League		41 000	22 500
- SAB League		45 750	44 500
- SAB League Co-ordinator		10 400	1 300
- Womens Regional League		-	22 500
Regional events		5 428	-
Repairs and maintenance		3 004	4 399

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STATEMENT OF COMPREHENSIVE INCOME (Continued) for the year ended 31 May 2015

	<u>2015</u> R	<u>2014</u> R
REC and members re-imburement expenses	62 328	76 393
SAB National championships	-	10 000
SAFA Congress	-	12 400
Security services	1 032	7 205
Telephone	9 663	13 429
Training expenses	-	17 250
Travelling expenses	22 976	3 570
UIF	1 252	1 206
	<hr/>	<hr/>
Operating surplus for the year	908 987	69 036
Retained surplus at beginning of the year	213 213	144 177
	<hr/>	<hr/>
Retained surplus at end of the year	1 122 200	213 213
	<hr/> <hr/>	<hr/> <hr/>

SAFA CAPE WINELANDS

STATEMENT OF CASH FLOWS for the year ended 31 May 2015

	<u>Notes</u>	<u>2015</u> R	<u>2014</u> R
Cash generated from operating activities			
Cash receipts from members		1 469 028	730 214
Cash paid suppliers and employees		(631 156)	(536 718)
		<hr/>	<hr/>
Cash generated from operating activities	6.1	837 872	193496
		<hr/>	<hr/>
Net cash inflow from operating activities		837 872	193 496
		<hr/>	<hr/>
Cash utilised by investing activities			
Purchase of property, plant and equipment		(20 708)	(19 794)
		<hr/>	<hr/>
Net cash outflow from investing activities		(20 708)	(19 794)
		<hr/>	<hr/>
Net increase in cash and cash equivalents		817 164	173 702
Cash and cash equivalents at beginning of the year		401 660	227 958
		<hr/>	<hr/>
Cash and cash equivalents at end of the year	6.2	<u>1 218 824</u>	<u>401 660</u>

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
31 May 2015

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 2015

2. PROPERTY PLANT AND EQUIPMENT

	<u>2015</u>			<u>2014</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	140 636	(110 710)	29 926	119 928	(102 770)	17 158
	<u>163 779</u>	<u>(154 561)</u>	<u>29 926</u>	<u>163 779</u>	<u>(146 621)</u>	<u>17 158</u>
			Carrying value at beginning of the year			Carrying value at end of year
<i>Owned assets - 2015</i>			R	<u>Additions</u>	<u>Depreciation</u>	R
Furniture			-			-
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>
			Carrying value at beginning of the year	<u>Additions</u>	<u>Depreciation</u>	Carrying value at end of year
<i>Owned assets - 2014</i>			R	R	R	R
Furniture and fixtures			-	-	-	-
Office equipment			-	19 794	(2 636)	17 158
			<u>-</u>	<u>19 794</u>	<u>(2 636)</u>	<u>17 158</u>

3. TOURNAMENT INCOME

	<u>2015</u>	<u>2014</u>
Womens Regional League	-	20000
Nedbank Cup	30 000	10000
SAB Prize monies	53 000	53000
SAB Co-ordinators stipend	14 300	11700
SAB National Championships	-	10 000
SAFA Juniors	24 000	29000
	<u>121 300</u>	<u>197 770</u>

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued) 31 May 2015

	<u>2015</u> R	<u>2014</u> R
4. ACCOUNTS RECEIVABLE		
Affiliation fees – LFAs	4 000	-
SAFA National Office – monthly grants	100 000	-
SAB League team – affiliation fees	4 450	-
	<u>108 450</u>	<u>-</u>
5. ACCOUNTS PAYABLE		
Affiliation fees	3 000	-
Audit fees	31 500	31 781
DCAS expenses payable	50 500	-
Honoraria	150 000	100 000
Labour dispute settlement	-	47 618
Payment received in advance (SAFA HO Grant)	-	25 000
UIF	-	1 206
	<u>235 000</u>	<u>205 605</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	908 987	69 036
Adjusted for:		
Depreciation	7 940	2 636
	<u>916 927</u>	<u>71 672</u>
Working capital changes		
(Increase) in accounts receivable	(108 450)	-
Increase in accounts payable	29 395	121 824
	<u>837 872</u>	<u>193 496</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	318 986	401 660
Projects	899 838	-
	<u>1 218 824</u>	<u>401 660</u>