



## **SOUTH AFRICAN MASTERS SPORTS ASSOCIATION**

Annual financial statements  
for the year ended February 28, 2018

Marais & Alcock  
Chartered Accountants (SA)  
Registered Auditor  
Issued June 18, 2018

# South African Masters Sports Association

Annual Financial Statements for the year ended February 28, 2018

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

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The following supplementary information does not form part of the annual financial statements and is unaudited:

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### **Level of assurance**

The annual financial statements are audited.

### **Published**

June 18, 2018

Draft

# South African Masters Sports Association

Annual Financial Statements for the year ended February 28, 2018

## Members' Report

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The members submit their report for the year ended February 28, 2018.

### 1. Review of activities

#### Main business and operations

The association is engaged in sporting activities and operates principally in South Africa.

The operating results and state of affairs of the association are fully set out in the attached annual financial statements and do not in our opinion require any further comment.

Net profit of the close corporation was R84,326 (2017: loss R83,735), after taxation of R- (2017: R-).

### 2. Events after the reporting period

The members are not aware of any matter or circumstance arising since the end of the financial year that has a material impact on the annual financial statements.

### 3. Auditors

Marais & Alcock will continue in office for the next financial period.

The annual financial statements set out on page 5, which have been prepared on the going concern basis, were approved by the board of members on June 18, 2018, and were signed on its behalf by:

#### Approval of annual financial statements

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President

Monday, June 18, 2018

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Treasurer

Monday, June 18, 2018

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## Independent Auditor's Report

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### To the members of South African Masters Sports Association

#### Opinion

We have audited the annual financial statements of South African Masters Sports Association set out on pages 5 to 11, which comprise the statement of financial position as at February 28, 2018, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, 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 African Masters Sports Association as at February 28, 2018, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Close Corporations Act, 1984 (No. 69 of 1984).

#### 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 close corporation 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 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 members are responsible for the other information. The other information comprises the Members' Report as required by the Close Corporations Act, 1984 (No. 69 of 1984), which we obtained prior to the date of this report. 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.

#### 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.





## Independent Auditor's Report

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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 close corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the members.
- Conclude on the appropriateness of the 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 close corporation'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 close corporation 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 members 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.

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**Marais & Alcock**  
**HIJ Marais**  
**Partner**  
**Chartered Accountants (SA)**  
**Registered Auditor**  
**Member firm**

**June 18, 2018**  
**Place of signature**



# South African Masters Sports Association

Annual Financial Statements for the year ended February 28, 2018

## Statement of Financial Position as at February 28, 2018

Figures in Rand	Note(s)	2018	2017
<b>Assets</b>			
Current Assets			
Cash and cash equivalents	2	332,271	247,946
<b>Total Assets</b>		<b>332,271</b>	<b>247,946</b>
<b>Equity and Liabilities</b>			
<b>Members' interest and reserves</b>			
Retained income		332,272	247,946
<b>Total Equity and Liabilities</b>		<b>332,272</b>	<b>247,946</b>

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# South African Masters Sports Association

Annual Financial Statements for the year ended February 28, 2018

## Statement of Comprehensive Income

Figures in Rand	Note(s)	2018	2017
Other income	3	277,000	200,600
Operating expenses		(192,674)	(297,377)
<b>Operating profit (loss)</b>	4	<b>84,326</b>	<b>(96,777)</b>
Investment revenue	5	-	13,042
<b>Profit (loss) for the year</b>		<b>84,326</b>	<b>(83,735)</b>
Other comprehensive income		-	-
<b>Total comprehensive income (loss) for the year</b>		<b>84,326</b>	<b>(83,735)</b>

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# South African Masters Sports Association

Annual Financial Statements for the year ended February 28, 2018

## Statement of Changes in Equity

Figures in Rand	Retained income	Total equity
<b>Balance at March 1, 2016</b>	<b>331,681</b>	<b>331,681</b>
Loss for the year	(83,735)	(83,735)
Other comprehensive income	-	-
<b>Total comprehensive loss for the year</b>	<b>(83,735)</b>	<b>(83,735)</b>
<b>Balance at March 1, 2017</b>	<b>247,946</b>	<b>247,946</b>
Profit for the year	84,326	84,326
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<b>84,326</b>	<b>84,326</b>
<b>Balance at February 28, 2018</b>	<b>332,272</b>	<b>332,272</b>

Note(s)

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# South African Masters Sports Association

Annual Financial Statements for the year ended February 28, 2018

## Statement of Cash Flows

Figures in Rand	Note(s)	2018	2017
<b>Cash flows from operating activities</b>			
Cash receipts from customers		277,000	213,642
Cash paid to suppliers and employees		(192,674)	(325,419)
Cash generated from (used in) operations	8	84,326	(111,777)
Interest income		-	13,042
<b>Net cash from operating activities</b>		<b>84,326</b>	<b>(98,735)</b>
<b>Total cash movement for the year</b>			
Cash at the beginning of the year		247,946	346,681
<b>Total cash at end of the year</b>	2	<b>332,272</b>	<b>247,946</b>

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# South African Masters Sports Association

Annual Financial Statements for the year ended February 28, 2018

## Accounting Policies

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### 1. Basis of preparation and summary of significant accounting policies

The annual financial statements have been prepared on a going concern basis in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Close Corporations Act, 1984 (No. 69 of 1984). The annual financial statements have been prepared on the historical cost basis, except for biological assets at fair value less point of sale costs, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

#### 1.1 Financial instruments

##### Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

##### Financial instruments at amortised cost

These include loans, trade receivables and trade payables. Those debt instruments which meet the criteria in section 11.8(b) of the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

##### Financial instruments at cost

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably without undue cost or effort are measured at cost less impairment.

#### 1.2 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. All other leases are operating leases.

##### Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term unless:

- another systematic basis is representative of the time pattern of the benefit from the leased asset, even if the payments are not on that basis, or
- the payments are structured to increase in line with expected general inflation (based on published indexes or statistics) to compensate for the lessor's expected inflationary cost increases.

Any contingent rents are expensed in the period they are incurred.

#### 1.3 Employee benefits

##### Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as leave pay and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

#### 1.4 Government grants

Grants that do not impose specified future performance conditions are recognised in income when the grant proceeds are receivable.

# South African Masters Sports Association

Annual Financial Statements for the year ended February 28, 2018

## Accounting Policies

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### 1.4 Government grants (continued)

Grants that impose specified future performance conditions are recognised in income only when the performance conditions are met.

Grants received before the revenue recognition criteria are satisfied are recognised as a liability.

Grants are measured at the fair value of the asset received or receivable.

### 1.5 Revenue

Revenue is recognised to the extent that the close corporation has transferred the significant risks and rewards of ownership of goods to the buyer, or has rendered services under an agreement provided the amount of revenue can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the close corporation. Revenue is measured at the fair value of the consideration received or receivable, excluding sales taxes and discounts.

Interest is recognised, in profit or loss, using the effective interest rate method.

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# South African Masters Sports Association

Annual Financial Statements for the year ended February 28, 2018

## Notes to the Annual Financial Statements

Figures in Rand	2018	2017
<b>2. Cash and cash equivalents</b>		
Cash and cash equivalents consist of:		
Bank balances	258,742	174,417
Short-term deposits	73,529	73,529
	<b>332,271</b>	<b>247,946</b>
<b>3. Other income</b>		
Other income	7,000	-
Government grants	270,000	200,600
	<b>277,000</b>	<b>200,600</b>
<b>4. Operating profit (loss)</b>		
Operating profit (loss) for the year is stated after accounting for the following:		
<b>Operating lease charges</b>		
Equipment		
• Contractual amounts	14,850	20,200
<b>5. Investment revenue</b>		
<b>Interest revenue</b>		
Bank	-	13,042
<b>6. Taxation</b>		
No provision has been made for 2018 tax as the association has no taxable income.		
<b>7. Auditors' remuneration</b>		
Fees	34,500	26,000
<b>8. Cash generated from (used in) operations</b>		
Profit (loss) before taxation	84,326	(83,735)
<b>Adjustments for:</b>		
Interest received	-	(13,042)
<b>Changes in working capital:</b>		
Trade and other payables	-	(15,000)
	<b>84,326</b>	<b>(111,777)</b>

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# South African Masters Sports Association

Annual Financial Statements for the year ended February 28, 2018

## Detailed Income Statement

Figures in Rand	Note(s)	2018	2017
<b>Other income</b>			
Other income		7,000	-
Interest received	5	-	13,042
Government grants		270,000	200,600
		<u>277,000</u>	<u>213,642</u>
<b>Operating expenses</b>			
Administration and management fees		56,500	48,000
Auditors' remuneration	7	34,500	26,000
Bank charges		2,101	2,370
Computer expenses		10,535	4,750
Lease rentals on operating lease		14,850	20,200
Legal expenses		119	-
Motor vehicle expenses		9,043	-
Postage		760	-
Printing and stationery		894	4,623
Secretarial fees		39,500	40,500
Staff welfare		2,620	78,345
Subscriptions		12,500	51,600
Telephone and fax		8,752	20,989
		<u>192,674</u>	<u>297,377</u>
<b>Profit (loss) for the year</b>		<u>84,326</u>	<u>(83,735)</u>

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