

Western Province Cricket Club
Annual Financial Statements
for the year ended 31 May 2018

These annual financial statements were prepared by:

Alan Billson
CA (SA)

Moore Stephens Cape Town Inc.
Chartered Accountants (SA)
Registered Auditors

Western Province Cricket Club

Annual Financial Statements for the year ended 31 May 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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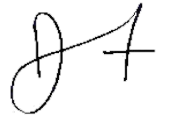
The following supplementary information does not form part of the annual financial statements and is unaudited:

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The annual financial statements set out on pages 4 to 15, which have been prepared on the going concern basis, were approved by the executive committee on 18 July 2018 and were signed on its behalf by:



N Strybis



D de Groot

Cape Town

18 July 2018

Independent Auditors' Report

To the members of Western Province Cricket Club

Opinion

We have audited the financial statements of Western Province Cricket Club set out on pages 4 to 14, which comprise the statement of financial position as at 31 May 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 financial statements present fairly, in all material respects, the financial position of Western Province Cricket Club as at 31 May 2018, and its financial performance and cash flows for the year then ended in accordance with the basis of accounting as set out in Note 1 of the financial statements and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

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 financial statements section of our report. We are independent of the company 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. 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 executive committee is responsible for the other information. Other information does not include the financial statements and our auditor's report thereon, and it is presented as additional information.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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.

Responsibilities of the executive committee for the Financial Statements

The executive committee is responsible for the preparation and fair presentation of the annual financial statements in accordance with the basis of accounting as set out in Note 1 of the financial statements, and for such internal controls as the executive committee 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 financial statements, the executive committee is responsible for assessing the club'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 executive committee either intend to liquidate the club or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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.

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 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 club's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the executive committee.
- Conclude on the appropriateness of the executive committee's 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 club'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 club 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 executive committee 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.

**Moore Stephens Cape Town Inc.
Chartered Accountants (SA)
Registered Auditor**

**Per: Ferdinand Hoffman
Director**

**18 July 2018
Cape Town**

Western Province Cricket Club

Annual Financial Statements for the year ended 31 May 2018

Statement of Financial Position as at 31 May 2018

Figures in Rand	Notes	2018	2017
Assets			
Non-Current Assets			
Property, plant and equipment	2	55,235,315	56,080,706
Current Assets			
Inventories	3	409,524	407,157
Trade and other receivables	4	1,625,547	1,329,196
Cash and cash equivalents	5	2,373,228	546,808
		4,408,299	2,283,161
Total Assets		59,643,614	58,363,867
Equity and Liabilities			
Equity			
Retained income		45,535,728	45,339,052
Liabilities			
Non-Current Liabilities			
Other financial liabilities	6	411,700	435,700
Subscriptions received in advance	7	2,631,201	2,735,641
Discounted life membership subscriptions	8	9,601	15,406
Provisions	9	3,000,000	3,000,000
Deferred revenue	10	4,139,981	3,378,620
		10,192,483	9,565,367
Current Liabilities			
Trade and other payables	11	3,328,542	3,042,686
Provisions	9	586,861	416,762
		3,915,403	3,459,448
Total Liabilities		14,107,886	13,024,815
Total Equity and Liabilities		59,643,614	58,363,867

Western Province Cricket Club

Annual Financial Statements for the year ended 31 May 2018

Statement of Comprehensive Income

Figures in Rand	Note(s)	2018	2017
Revenue	12	12,187,062	11,329,767
Other income		2,642,553	2,557,629
Operating expenses		(14,632,939)	(13,625,246)
Operating profit		196,676	262,150
Profit for the year		196,676	262,150
Other comprehensive income		-	-
Total comprehensive income for the year		196,676	262,150

Western Province Cricket Club

Annual Financial Statements for the year ended 31 May 2018

Statement of Changes in Equity

Figures in Rand	Retained income	Total equity
Balance at 01 June 2016	45,076,902	45,076,902
Profit for the year	262,150	262,150
Other comprehensive income	-	-
Total comprehensive income for the year	262,150	262,150
Balance at 01 June 2017	45,339,052	45,339,052
Profit for the year	196,676	196,676
Other comprehensive income	-	-
Total comprehensive income for the year	196,676	196,676
Balance at 31 May 2018	45,535,728	45,535,728

Western Province Cricket Club

Annual Financial Statements for the year ended 31 May 2018

Statement of Cash Flows

Figures in Rand	Note(s)	2018	2017
Cash flows from operating activities			
Cash receipts from customers		11,890,711	11,554,671
Cash paid to suppliers and employees		(9,043,373)	(8,357,462)
Cash generated from operations	13	2,847,338	3,197,209
Non cashflow profit from debentures		(849,067)	(956,533)
Net cash from operating activities		1,998,271	2,240,676
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(804,772)	(4,470,358)
Cash flows from financing activities			
Net movement in other financial liabilities		(24,000)	(130,500)
Net movement in deferred revenue		761,361	749,917
Net movement in subscriptions received in advance		(104,440)	653,720
Net cash from financing activities		632,921	1,273,137
Total cash movement for the year		1,826,420	(956,545)
Cash at the beginning of the year		546,808	1,503,353
Total cash at end of the year	5	2,373,228	546,808

Western Province Cricket Club

Annual Financial Statements for the year ended 31 May 2018

Accounting Policies

1. Basis of preparation and summary of significant accounting policies

The annual financial statements have been prepared in accordance with the accounting policies as set out below. The annual financial statements have been prepared on the historical cost basis. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 Significant judgements and sources of estimation uncertainty

Critical judgements in applying accounting policies

Management are required to make critical judgements in applying accounting policies from time to time. The judgements, apart from those involving estimations, that have the most significant effect on the amounts recognised in the annual financial statements, are outlined as follows:

Key sources of estimation uncertainty

Useful lives of property, plant and equipment

The Club's management determines the estimated useful lives and related depreciation charges for its property, plant and equipment. The estimate is based on projected lifecycles. Management will increase the depreciation charge where useful lives are less than previously estimated, or it will write-off or write-down obsolete assets that have been abandoned or sold.

Provisions

Provisions are inherently based on assumptions and estimates using the best information available. Additional disclosure of these estimates of provisions are included in note 9 - Provisions.

1.2 Property, plant and equipment

Property, plant and equipment are tangible assets which the company holds for its own use or for rental to others and which are expected to be used for more than one period.

Property, plant and equipment is initially measured at cost.

Cost includes costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Buildings	Straight line	50 years
Catering equipment	Straight line	4 years
Computer equipment	Straight line	3 years
Furniture and fixtures	Straight line	10 years
Gym equipment	Straight line	4 years
Land	Straight line	Indefinite
Lifts and hoists	Straight line	14 years
Motor vehicles	Straight line	4 years
Office equipment	Straight line	10 years
Plant and machinery	Straight line	5 years

Western Province Cricket Club

Annual Financial Statements for the year ended 31 May 2018

Accounting Policies

1.3 Financial instruments

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.

Financial instruments at fair value

All other financial instruments, including equity instruments that are publicly traded or whose fair value can otherwise be measured reliably, without undue cost or effort, are measured at fair value through profit and loss.

1.4 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences.

A deferred tax asset is recognised for all deductible temporary differences and for the carry forward of unused tax losses and unused tax credits.

Deferred tax assets and liabilities are measured at an amount that includes the effect of the possible outcomes of a review by the tax authorities using tax rates that, on the basis of enacted or substantively enacted tax law at the end of the reporting period, are expected to apply when the deferred tax asset is realised or the deferred tax liability is settled.

1.5 Inventories

Inventories are measured at the lower of cost and estimated selling price less costs to complete and sell, on the first-in, first-out (FIFO) basis.

1.6 Impairment of assets

The company assesses at each reporting date whether there is any indication that property, plant and equipment may be impaired.

If there is any such indication, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its 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.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of assets) in prior years. A reversal of impairment is recognised immediately in profit or loss.

Western Province Cricket Club

Annual Financial Statements for the year ended 31 May 2018

Accounting Policies

1.7 Provisions and contingencies

Provisions are recognised when the company has an obligation at the reporting date as a result of a past event; it is probable that the company will be required to transfer economic benefits in settlement; and the amount of the obligation can be estimated reliably.

1.8 Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

Income from members

Income from members fees (subscriptions; entrance fees; levies) and life memberships are recognised when received and/or when the club becomes entitled to such income.

Income from bar sales, sport sections and sundries are recognised when received.

Income from discounted life membership subscriptions are deferred and released to income over the expected lives of the members.

Representative cricket income

Income from ground rental is recognised when the club becomes entitled to such income. Income from members' guests is recognised when received.

Other income

All other income is recognised when received.

1.9 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

1.10 Debentures

Redeemable debentures

Redeemable debentures bear no interest and are redeemed at cost on redemption date.

Non-redeemable debentures

Non-redeemable debentures bear no interest and income is recognised evenly over the life of the debentures.

Western Province Cricket Club

Annual Financial Statements for the year ended 31 May 2018

Notes to the Annual Financial Statements

Figures in Rand 2018 2017

2. Property, plant and equipment

	2018			2017		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Furniture and fixtures	1,027,243	(772,875)	254,368	1,027,243	(713,811)	313,432
Land and buildings	73,204,906	(19,809,993)	53,394,913	73,051,149	(18,579,894)	54,471,255
Lifts & hoists	314,901	(314,901)	-	314,901	(314,901)	-
Motor vehicles	381,493	(381,493)	-	381,493	(381,493)	-
Plant and machinery	6,730,962	(5,144,928)	1,586,034	6,079,947	(4,783,928)	1,296,019
Total	81,659,505	(26,424,190)	55,235,315	80,854,733	(24,774,027)	56,080,706

Reconciliation of property, plant and equipment - 2018

	Opening balance	Additions	Depreciation	Closing balance
Furniture and fixtures	313,432	-	(59,064)	254,368
Land and buildings	54,471,255	153,757	(1,230,099)	53,394,913
Plant and machinery	1,296,019	651,015	(361,000)	1,586,034
	56,080,706	804,772	(1,650,163)	55,235,315

Reconciliation of property, plant and equipment - 2017

	Opening balance	Additions	Depreciation	Closing balance
Furniture and fixtures	332,752	40,192	(59,512)	313,432
Land and buildings	51,366,257	4,332,019	(1,227,021)	54,471,255
Plant and machinery	1,550,213	98,147	(352,341)	1,296,019
	53,249,222	4,470,358	(1,638,874)	56,080,706

Land and buildings comprises of
 - Erf 166015 situated at 146 Camground Road, Newlands
 - Erf 166062 situated at Avenue de Mist, Newlands.

3. Inventories

Bar stock	263,536	236,528
Merchandise	145,988	170,629
	409,524	407,157

4. Trade and other receivables

Trade receivables	1,467,973	1,229,322
Prepayments	11,222	10,018
VAT	122,012	72,609
Other receivables	24,340	17,247
	1,625,547	1,329,196

Western Province Cricket Club

Annual Financial Statements for the year ended 31 May 2018

Notes to the Annual Financial Statements

Figures in Rand	2018	2017
5. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	39,118	42,862
Bank balances	2,334,110	503,946
	2,373,228	546,808
6. Other financial liabilities		
Redeemable debentures		
10 (2017: 10) non-interest bearing debentures of R6,000 each	60,000	60,000
27 (2017: 27) non-interest bearing debentures of R4,500 each	121,500	121,500
4 (2017: 4) non-interest bearing debentures of R4,300 each	17,200	17,200
14 (2017: 16) non-interest bearing debentures of R4,500 each	63,000	72,000
12 (2017: 14) non-interest bearing debentures of R7,500 each	90,000	105,000
10 (2017: 10) non-interest bearing debentures of R6,000 each	60,000	60,000
	411,700	435,700
Non-current liabilities		
At amortised cost	411,700	435,700
7. Subscriptions received in advance		
Opening balance	2,735,641	2,081,921
Add: Subscriptions raised during the year	5,942,115	6,599,027
Less: Released to income during the year	(6,046,555)	(5,945,307)
	2,631,201	2,735,641
8. Discounted life membership subscriptions		
Opening balance	15,406	22,264
Less: Short term portion (see note 11)	(5,805)	(6,858)
	9,601	15,406

Western Province Cricket Club

Annual Financial Statements for the year ended 31 May 2018

Notes to the Annual Financial Statements

Figures in Rand 2018 2017

9. Provisions

Reconciliation of provisions - 2018

	Opening balance	Additions	Utilised during the year	Total
Provisions for employee benefits	260,186	405,327	(260,186)	405,327
Provision for maintenance	3,000,000	-	-	3,000,000
Sundry provisions	156,576	181,534	(156,576)	181,534
	3,416,762	586,861	(416,762)	3,586,861

Reconciliation of provisions - 2017

	Opening balance	Additions	Utilised during the year	Total
Provisions for employee benefits	253,283	260,186	(253,283)	260,186
Provision for maintenance	3,000,000	-	-	3,000,000
Sundry provisions	138,111	156,576	(138,111)	156,576
	3,391,394	416,762	(391,394)	3,416,762

Non-current liabilities		3,000,000	3,000,000
Current liabilities		586,861	416,762
		3,586,861	3,416,762

10. Deferred revenue

	Astro Turf	Non-redeemable debentures	Total
Total balance at beginning of year	2,819,183	559,437	3,378,620
Add: Prior period current portion	490,022	819,800	1,309,822
Add: Accrued and deferred during the year	-	1,743,600	1,743,600
Less: Released to income during the year	(490,022)	(849,067)	(1,339,089)
Less: Current portion included in trade and other payables (see note 11)	(490,022)	(462,950)	(952,972)
	2,329,161	1,810,820	4,139,981

11. Trade and other payables

Accruals	163,323	42,369
Credit Card	73,187	-
Current portion of deferred revenue	952,972	1,309,822
Current portion of discounted life membership subscriptions	5,805	6,858
Income received in advance	596,533	258,766
Other payables	965,667	826,864
Sectional current accounts	270,880	232,270
Trade payables	300,175	365,737
	3,328,542	3,042,686

Western Province Cricket Club

Annual Financial Statements for the year ended 31 May 2018

Notes to the Annual Financial Statements

Figures in Rand	2018	2017
12. Revenue		
Bars	1,660,839	1,282,301
Entrance fees	20,284	17,851
Membership subscriptions	6,053,413	5,952,867
Rental Income	1,822,043	1,663,081
Sports sections	1,933,126	1,990,401
Suite and advertising income	697,357	423,266
	12,187,062	11,329,767
13. Cash generated from operations		
Profit before taxation	196,676	262,150
Adjustments for:		
Movements in discounted life membership	(5,805)	(6,859)
Movements in provisions	170,099	25,368
Debentures	849,067	956,533
Depreciation	1,650,163	1,638,874
Changes in working capital:		
Inventories	(2,367)	176,858
Trade and other receivables	(296,351)	193,269
Trade and other payables	285,856	(48,984)
	2,847,338	3,197,209

14. Taxation

The club is classified as a recreational club in terms of Section 30A of the Income Tax Act and its income is therefore partially exempt from income tax in terms of section 10(1)(cO) of the income tax act.

Western Province Cricket Club

Annual Financial Statements for the year ended 31 May 2018

Detailed Income Statement

Figures in Rand	Notes	2018	2017
Revenue			
Bars		1,660,839	1,282,301
Entrance fees		20,284	17,851
Membership subscriptions		6,053,413	5,952,867
Representative cricket		1,822,043	1,663,081
Sports sections		1,933,126	1,990,401
Suite and advertising income		697,357	423,266
	12	12,187,062	11,329,767
		-	-
Other income			
Advertising income		434,626	441,901
Debenture income		849,067	956,533
Interest received		63,316	64,753
Rental income		1,053,125	953,352
Sundry income		242,419	141,090
		2,642,553	2,557,629
Operating expenses			
Administration		5,684,346	5,154,672
Grounds		4,195,712	4,318,331
Maintenance		801,056	328,555
Marketing		214,002	381,444
Operations		1,939,772	1,766,058
Representative cricket		376,912	233,694
Sport section		1,421,139	1,442,492
		14,632,939	13,625,246
Profit for the year		196,676	262,150