

NATIONAL SOCCER LEAGUE
(Trading as Premier Soccer League)

SUMMARY FINANCIAL STATEMENTS
for the year ended 31 July 2020

SUMMARY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

CONTENTS	PAGE
Statement of the Executive Committee's responsibility	1
Independent auditor's report on the summary financial statements	2
Report of the Executive Committee	3
Summary statement of financial position	4
Summary statement of profit or loss and other comprehensive income	5
Summary statement of changes in equity	6
Summary statement of cash flows	7
Selected explanatory notes to the summary financial statements	8 - 12

NATIONAL SOCCER LEAGUE
(Trading as Premier Soccer League)

**STATEMENT OF THE EXECUTIVE COMMITTEE'S RESPONSIBILITY
FOR THE YEAR ENDED 31 JULY 2020**

The members of the Executive Committee are responsible for the preparation, integrity and fair presentation of the summary financial statements of the National Soccer League.

The audited financial statements of the league for the year ended 31 July 2020, from which these summary financial statements have been derived, were prepared in accordance with International Financial Reporting Standards (IFRSs).

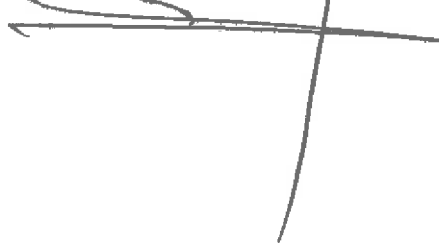
The members of the Executive Committee are responsible for the preparation and fair presentation of the summary financial statements and are satisfied that the systems and internal financial controls implemented by management are effective and that these summary financial statements are a true and accurate extract from the audited financial statements of the League.

The Executive Committee has reviewed the League's budget and cash flow forecast for the year ending 31 July 2021. On the basis of this review and in light of the current financial position and sponsorship facilities, the Executive Committee is satisfied that the National Soccer League is a going concern and has therefore continued to adopt the going concern basis in preparing the financial statements.

The League's external auditors, PricewaterhouseCoopers Inc., have audited the summary financial statements and their report appears on page 2. The summary financial statements for the year ended 31 July 2020 as set out on pages 3 to 12 have been approved by the members of the Executive Committee on the 7th October 2020 and are signed on its behalf by:


CHIEF EXECUTIVE OFFICER


CHAIRMAN - FINANCE COMMITTEE





Independent auditor's report on the summary financial statements

To the Members of the National Soccer League

Opinion

The summary financial statements of the National Soccer League, set out on pages 72 to 84, which comprise the summary statement of financial position as at 31 July 2020, the summary statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and related notes, are derived from the audited financial statements of the National Soccer League for the year ended 31 July 2020.

In our opinion, the accompanying summary financial statements are consistent, in all material respects, with the audited financial statements, in accordance with the basis described in note 1 to the summary financial statements.

Summary Financial Statements

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon.

The Audited Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated 19 October 2020.

Executive Committee's Responsibility for the Summary Financial Statements

The executive committee is responsible for the preparation of the summary financial statements in accordance with the basis described in International Financial Reporting Standards (IFRSs), the presentation and disclosure requirements of IAS 34 Interim Financial Reporting.

Auditor's Responsibility

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), *Engagements to Report on Summary Financial Statements*.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: PJ Mothibe
Registered Auditor
Johannesburg
Date: 19 October 2020

*PricewaterhouseCoopers Inc., 4 Lisbon Lane, Waterfall City, Jukskei View, 2090
Private Bag X36, Sunninghill, 2157, South Africa
T: +27 (0) 11 797 4000, F: +27 (0) 11 209 5800, www.pwc.co.za*

NATIONAL SOCCER LEAGUE
(Trading as Premier Soccer League)

REPORT OF THE EXECUTIVE COMMITTEE FOR THE YEAR ENDED 31 JULY 2020

The executive committee present their report for the year ended 31 July 2020.

1. NATURE OF BUSINESS

The primary objective of the National Soccer League is to promote, organise, control and administer professional and semi-professional soccer in South Africa. The National Soccer League aims to utilise its funds for investments and for such other purposes as shall be in the interest of the League and the affiliated clubs, and the objectives for which the National Soccer League has been established.

2. FINANCIAL REVIEW

The League has recorded a net deficit of R1 317 974 (2019: surplus of R64 438) during the current year. The decrease in revenue from R1 002 878 651 to R968 824 615 is due to the impact of the COVID-19 pandemic which resulted in the deferral of revenue from the year ending 31 July 2020 to year ending 31 July 2021 as a result of the incomplete seasons for the ABSA Premiership, GladAfrica Championship and Nedbank Cup.

The founding guidelines and principles, upon which the League was established, have always been for the development and support of professional soccer in South Africa. Consequently, an amount of R656 000 000 (2019: R616 000 000) has been disbursed to clubs during the year. The Clubs have a reciprocal responsibility to continue to enhance the brand of the League and to be mindful of their obligations to the soccer fraternity.

3. GOING CONCERN

COVID-19 is not expected to have a significant impact on the operations of the League. We have determined that there is no material uncertainty that casts doubt on the League's ability to continue as a going concern. COVID-19 will have some impact on the operations, though not significant, a decrease in revenue from competition gate takings is expected due to government prohibiting large public gatherings.

We believe there will be sufficient funds generated from broadcast rights and sponsorships to enable the League to continue as a going concern in the foreseeable future.

The Executive Committee has reviewed the budget for the year ahead together with the cash forecast and is confident that the League will have sufficient cash resources to meet its obligations as they fall due.

4. INTERNAL CONTROLS

The members of the Executive Committee are responsible for maintaining adequate accounting records and for taking reasonable steps to safeguard the assets of the League to prevent and detect fraud and other irregularities. To enable the members to meet these responsibilities, management sets standards and implements systems of internal control aimed at reducing the risk of error or loss in a cost-effective manner.

The members of the Executive are not aware of any material breakdown in internal controls during the year under review.

5. SUBSEQUENT EVENTS

No events of a material nature have occurred between the accounting date and the date of this report, which would result in an adjustment to or disclosure in the financial statements.

The COVID-19 pandemic and national lockdown that followed had a major impact on the sports industry and professional football in South Africa, resulting in the suspension of the 2019/2020 season in March 2020.

The 2019/2020 season was subsequently completed in a Biologically Safe Environment in the Gauteng Province from 8 August 2020 to 21 September 2020.

This suspension resulted in revenue and specific completion costs for the ABSA Premiership, GladAfrica Championship and Nedbank Cup being deferred into the financial year beginning 1 August 2020 due to their incomplete status at year end.

DStv have been confirmed as the new sponsor of the Premier Division, replacing ABSA who have ended their 16 year relationship with the League, 13 of which as sponsors of the Premier Division.

6. AUDITORS

The League's auditors are PricewaterhouseCoopers Inc.

NATIONAL SOCCER LEAGUE
(Trading as Premier Soccer League)

SUMMARY STATEMENT OF FINANCIAL POSITION AS AT 31 JULY 2020

	Notes	2020 R	2019 R
ASSETS			
Non-current assets			
		17,635,662	17,723,108
Property, plant and equipment		13,745,906	14,415,630
Intangible assets		865,352	684,034
Deferred tax assets		3,024,404	2,623,444
Current assets			
		130,046,492	54,995,206
Trade and other receivables	2	36,597,203	14,605,337
Balances due from teams		30,744	3,693,286
Cash and cash equivalents	3	93,418,545	36,696,583
TOTAL ASSETS		147,682,154	72,718,314
EQUITY AND LIABILITIES			
Capital and reserves			
		19,295,279	20,613,253
Team guarantees		257,393	257,393
Accumulated surplus		19,037,886	20,355,860
Current liabilities			
		128,386,875	52,105,061
Trade and other payables	4	36,325,247	52,031,455
Income received in advance		88,505,907	-
Balances due to teams		3,555,721	73,606
TOTAL EQUITY AND LIABILITIES		147,682,154	72,718,314

NATIONAL SOCCER LEAGUE
(Trading as Premier Soccer League)

SUMMARY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 JULY 2020

	Notes	2020 R	2019 R
INCOME		970,471,807	1,005,845,732
Revenue	5	968,824,615	1,002,878,651
Other income		1,647,192	2,967,081
EXPENDITURE		(983,733,088)	(1,020,349,840)
Administration costs		(173,487,151)	(181,078,613)
Competition expenditure		(131,598,336)	(201,711,645)
Grants		(656,000,000)	(616,000,000)
Development expenditure		(11,807,000)	(11,539,384)
Marketing and media		(10,840,601)	(10,020,198)
(Deficit) from operations		(13,261,281)	(14,504,108)
Finance cost		(3,476,982)	(2,587)
Finance income		17,076,203	15,543,556
Surplus before taxation		337,940	1,036,861
Income tax expense		(1,655,914)	(972,423)
(Deficit)/Surplus for the year		(1,317,974)	64,438
Other comprehensive income		-	-
Total comprehensive (loss)/income for the year		(1,317,974)	64,438

NATIONAL SOCCER LEAGUE
(Trading as Premier Soccer League)

SUMMARY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 JULY 2020

	Team guarantees R	Accumulated surplus R	Total R
Year ended 31 July 2019	257 393	20,291,422	20,548,815
Total surplus for the year	-	64 438	64,438
Balance at 31 July 2019	<u>257,393</u>	<u>20,355,860</u>	<u>20,613,253</u>
Total (deficit) for the year	-	(1,317,974)	(1,317,974)
Balance at 31 July 2020	<u>257,393</u>	<u>19,037,886</u>	<u>19,295,279</u>

NATIONAL SOCCER LEAGUE
(Trading as Premier Soccer League)

SUMMARY STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 JULY 2020

	Notes	2020 R	2019 R
Cash flows from operating activities			
Cash generated from/(used in) operating activities		47,297,166	(14,874,690)
Finance cost		(3,476,982)	(2,587)
Finance income		17,076,203	15,543,556
Taxation (paid)/received		(3,500,000)	712,802
Net cash generated from operating activities		57,396,387	1,379,081
Cash flows from investing activities			
Additions to property, plant and equipment		(228,026)	(49,830)
Additions to intangible assets		(446,400)	(399,599)
Net cash used in investing activities		(674,426)	(449,429)
Net increase in cash and cash equivalents		56,721,962	929,653
Cash and cash equivalents at beginning of year		36,696,583	35,766,929
CASH AND CASH EQUIVALENTS AT END OF YEAR	3	93,418,545	36,696,583

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

1.1 Basis of preparation

The summary financial statements have been prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and also, as a minimum, the information required by IAS 34: Interim Financial Reporting.

The accounting policies applied in the preparation of the financial statements from which the summary financial statements were derived are in terms of International Financial Reporting Standards and are consistent with those accounting policies applied in the preparation of the previous financial statements. New and revised accounting standards became effective during the year, but their implementation had no significant impact on the results of either the current or the previous year. The significant accounting policies are listed below:

1.2 Property, plant and equipment

Land is stated at historical cost and is not depreciated. Other property, plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Depreciation is calculated on historical cost using the straight line basis to reduce the carrying amount to the estimated residual value of the asset, over its useful life.

The following annual depreciation rates apply:

Buildings	5%
Motor vehicles	20%
Office equipment	15%
Office furniture	10%
Computer equipment	20%

Property, plant and equipment are derecognised upon disposal or where no future economic benefits are expected to arise from continued use of the asset.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in income.

It is the policy to review the residual values used for the purpose of depreciation calculations in the light of the definition of residual value in IAS 16 Property, Plant and Equipment. The review did not highlight any requirements for an adjustment to the residual values used in the current or prior period. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

1.3 Revenue recognition

The League recognises revenue from the following major sources:

- ~ Broadcast rights
- ~ Sponsorship rights
- ~ Ticket sales

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties.

Television broadcasting rights are granted to broadcast the television signal for a defined period of time. The performance obligation is defined as the right to access and broadcast the PSL's League and Cup Competition matches over a period of time. Revenue related to television broadcasting rights is recognised over the rights period measured based on the broadcasting of the contractual events.

Sponsorship rights provide the PSL Sponsors with access to the naming rights of the various league and cup competitions that the PSL is responsible for organizing as the administrator of professional football in South Africa which also includes a set of predefined rights. The performance obligations under sponsorship rights contracts consist of event-related media and advertising rights which result in revenue recognition as the contractual events take place.

Ticket sales in connection with the PSL Cup Competitions are recognised in the period that the competition takes place based on sales of tickets at a point in time.

1.4 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable surplus for the year. Taxable surplus differs from surplus as reported in the statement of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The League's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable surplus. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable surpluses will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable surplus nor the accounting surplus.

The carrying amount of deferred tax assets is reviewed at each reporting period and reduced to the extent that it is no longer probable that sufficient taxable surpluses will be available to allow all or part of the asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the League expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the League intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period

Current and deferred tax are recognised in surplus or deficit, except when they relate to items credited or debited directly to equity, in which case the current and deferred tax is also recognised directly in equity.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.5 Financial instruments

Classification

The League classifies financial assets and financial liabilities into the following categories:

- Financial assets measured at amortised cost
- Financial liabilities measured at amortised cost

Classification depends on the purpose for which the financial instruments were obtained / incurred and takes place at initial recognition.

Initial recognition and measurement

Financial instruments are recognised initially when the League becomes a party to the contractual provisions of the instruments.

The League classifies financial instruments, or their component parts, on initial recognition as a financial asset a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value.

For financial instruments which are measured at amortised cost, transaction costs are included in the initial measurement of the instrument.

Regular way purchases of financial assets are accounted for at settlement date.

Subsequent measurement

Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

Impairment of financial assets

At each reporting date the League assesses all financial assets, other than those at fair value through surplus or deficit, to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired.

For amounts due to the League, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments are all considered indicators of impairment. Impairment losses are recognised in surplus or deficit.

Impairment losses are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognised.

Where financial assets are impaired through use of an allowance account, the amount of the loss is recognised in surplus or deficit within operating expenses. When such assets are written off, the write off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are credited against operating expenses.

Loans to (from) teams

These include loans to and from teams, and are recognised initially at fair value plus direct transaction costs. Loans to teams are classified as loans and receivables. Loans from teams are classified as financial liabilities measured at amortised cost.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in surplus or deficit when there is objective evidence that the asset is impaired.

The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in surplus or deficit within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in surplus or deficit. Trade and other receivables are classified as loans and receivables.

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

1.6 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

NATIONAL SOCCER LEAGUE
(Trading as Premier Soccer League)

SELECTED EXPLANATORY NOTES TO THE SUMMARY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

2. TRADE AND OTHER RECEIVABLES	2020 R	2019 R
<u>Trade receivables</u>		
Municipal Management Services	-	4,455,646
Mandela Bay Development Agency	-	485,108
Mbombela Stadium Management	362,345	-
	<u>362,345</u>	<u>4,940,754</u>
Ageing analysis of receivables		
Not due	-	-
Overdue - less than 30 days	-	-
Overdue - greater than 30 less than 60 days	-	-
Overdue - greater than 60 less than 90 days	362,345	4,940,754
	<u>362,345</u>	<u>4,940,754</u>
<u>Other receivables</u>		
Staff loans	119,655	217,717
Value Added Taxation	32,640,406	7,031,021
South African Revenue Services (SARS)	3,429,003	1,985,877
Other	45,794	429,968
	<u>36,234,858</u>	<u>9,664,583</u>
	<u>36,597,203</u>	<u>14,605,337</u>

The average credit period on trade receivables at year end is 1 day. No interest is charged on outstanding trade receivables.

Before accepting any new sponsorships, the League evaluates potential sponsors to assess the potential sponsor's credit quality and defines credit limits by customer.

Management considers that the carrying amount of trade and other receivables approximates their fair value.

The League applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the recent payment profiles and the corresponding historical credit losses experienced within period. Current and forward-looking information and specific factors affecting the ability of the debtor to settle the receivables are taken into account when determining the expected loss rates.

On that basis, the loss allowance as at 31 July 2020 and 31 July 2019 was determined as minimal.

Trade receivables are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the League, and a failure to make contractual payments for a period of greater than 180 days past due. Impairment losses on trade receivables are presented as net impairment losses within profit from operations. Subsequent recoveries of amounts previously written off are credited against the same line item.

3. CASH AND CASH EQUIVALENTS

Bank balances and cash	93,402,049	36,688,662
Petty cash	16,496	7,921
	<u>93,418,545</u>	<u>36,696,583</u>

Bank balances and cash comprise cash held by the League and short term deposits with an original maturity of three months or less. The carrying amounts of these assets approximate their fair value.

4. TRADE AND OTHER PAYABLES

Accruals	11,344,651	12,036,449
Leave pay accrual	3,738,232	2,842,494
Bonus accrual	7,055,108	6,526,950
Honorarium/Commissions	-	21,530,526
Employees' tax (PAYE)	10,303,900	1,664,022
Trade and other creditors	3,883,356	7,431,014
	<u>36,325,247</u>	<u>52,031,455</u>

Management considers that the carrying amount of trade and other payables approximates their fair value.

NATIONAL SOCCER LEAGUE
(Trading as Premier Soccer League)

SELECTED EXPLANATORY NOTES TO THE SUMMARY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2019

	2020 R	2019 R
5. REVENUE		
Revenue from contracts with customers:		
<u>Recognised over time:</u>		
- Sponsorship income	345,887,351	358,989,927
- Broadcasting rights	586,764,706	600,000,000
- Supplier contributions	21,802,419	20,843,613
	<u>954,454,476</u>	<u>979,833,540</u>
<u>Recognised at a point in time:</u>		
Revenue from tournament gate takings	14,370,139	23,045,111
	<u>14,370,139</u>	<u>23,045,111</u>
Total Revenue	<u>968,824,615</u>	<u>1,002,878,651</u>
Disaggregation of revenue from contracts with customers		
Revenue from Broadcasting rights		
SuperSport International	<u>586,764,706</u>	<u>600,000,000</u>
Revenue from Sponsorship contracts		
ABSA	115,545,638	136,366,666
GladAfrica Championship	20,652,174	-
MTN8	45,508,804	43,507,460
Telkom Knockout	59,922,669	57,287,446
Nedbank Cup	72,258,066	80,000,001
MultiChoice Diski Challenge	32,000,000	41,828,354
	<u>345,887,351</u>	<u>358,989,927</u>
Revenue from Supplier cash contribution contracts		
SA Breweries	21,802,419	20,843,613
	<u>21,802,419</u>	<u>20,843,613</u>
Total revenue from sponsorships	<u>367,689,770</u>	<u>379,833,540</u>
Revenue from competition gate takings		
MTN8	1,133,646	3,455,052
Telkom Knockout	12,051,171	10,242,956
Nedbank Cup	1,185,322	9,042,420
Promotion Playoff	-	304,683
	<u>14,370,139</u>	<u>23,045,111</u>
6. RELATED PARTY TRANSACTIONS		
The following related party transaction occurred during the year:		
Remuneration	<u>3,444,194</u>	<u>3,395,114</u>
Honoraria	<u>13,688,235</u>	<u>12,736,590</u>
Commissions	<u>45,000,000</u>	<u>55,000,000</u>

Related party transactions are defined as transactions with key senior management, Board of Governors, members of the Executive Committee and all other sub-committees, and entities over which they have significant influence or control.

NATIONAL SOCCER LEAGUE
(Trading as Premier Soccer League)

SELECTED EXPLANATORY NOTES TO THE SUMMARY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2019

7. FINANCIAL INSTRUMENTS

Exposure to interest rate and credit risk arises in the normal course of the League's business.

Interest rate risk

The League manages risk through the compilation and monitoring of cash flow forecasts, as well as ensuring that adequate borrowing facilities and resources are maintained within the League.

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for deposits and the overdraft facility. A 300 basis point increase or decrease in interest rates is used as this was the movement noted in interest rates during the financial period.

If interest rates had been 300 basis points higher / lower and all other variables were held constant, the entity's surplus for the year ended 31 July 2020 would have decreased / increased by R2 802 061.

The League only deposits cash surpluses with major banks of high quality credit standing.

Credit risk management

Credit risk relates to the potential exposure on trade receivables. Credit exposure in respect of trade receivables is controlled by a review of outstanding accounts receivable by management. At 31 July 2020, the League did not consider there to be any significant concentration of credit risk which had not been adequately provided for.

Liquidity risk management

The League manages liquidity risk by reviewing the bank and cash balances on a regular basis.

The table below analyses the League's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than one year	More than one year
At July 2020		
Balance due to teams	3,555,721	-
Trade and other payables	36,325,247	-
At July 2019		
Balance due to teams	73,606	-
Trade and other payables	52,031,455	-

Fair values

The carrying values of the financial instruments reflected in the statement of financial position are substantially equal to the fair values of these items.

Capital risk management

The League manages its capital to ensure that it will be able to continue as a going concern. The capital structure of the League consists of debt, cash and cash equivalents and team guarantees.

There were no changes in the League's objective, or policies and processes for managing capital from the previous financial year. The League is not subject to externally imposed capital requirements.

Fair value of financial instruments

At 31 July 2020 the carrying amounts of cash and cash equivalents, trade and other receivables, including balances due by the teams and trade and other payables, balances due to teams, and provisions approximate their fair values due to the short-term maturities of these assets and liabilities. The net fair value of the League's financial assets and liabilities are stated below.

Categories of financial instruments

	2020 R	2019 R
Financial Assets		
Financial assets at amortised cost	93,977,083	45,978,308
Cash and cash equivalents	93,418,545	36,696,583
Trade and other receivables	527,794	5,588,439
Balances due from teams	30,744	3,693,286
Financial liabilities		
Financial liabilities at amortised cost	39,880,968	52,105,061
Trade and other payables	36,325,247	52,031,455
Balances due to teams	3,555,721	73,606