

*SUMMARY  
FINANCIAL  
STATEMENTS*

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# STATEMENT OF THE EXECUTIVE COMMITTEE'S RESPONSIBILITY

FOR THE YEAR ENDED 31 JULY 2018

presentation of the summary financial statements of the National Soccer League.

The audited annual financial statements of the league for the year ended 31 July 2018, from which these summary consolidated 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 annual financial statements of the League,

The Executive Committee has reviewed the League's budget and cash flow forecast for the year ending 31 July 2019. 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 annual financial statements,

The League's external auditors, PricewaterhouseCoopers Inc., have audited the summary financial statements and their report appears on page 65. The summary financial statements for the year ended 31 July 2018 as set out on pages 67-79 have been approved by the members of the Executive Committee on the 27th September 2018 and are signed on its behalf by:



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**ACTING CHIEF EXECUTIVE OFFICER**



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**CHAIRMAN: FINANCE COMMITTEE**

# INDEPENDENT AUDITOR'S REPORT ON THE SUMMARY FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2018



To the Members of the National Soccer League

## Opinion

The summary financial statements of the National Soccer League, set out on pages 67 to 79, which comprise the summary statement of financial position as at 31 July 2018, the summary statement of profit or loss and other comprehensive income, summary statement of changes in equity and summary statement of 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 2018.

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 summary financial statements and the audited financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial statements.

## The Audited Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated 23 October 2018.

## 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 with the basis described in International Financial Reporting Standards (IFRSs), the presentation and disclosure requirements 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  
4 Lisbon Lane, Waterfall City  
Date: 06 November 2018

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Chief Executive Officer: T D Shango  
Management Committee: S N Makhane, J S Mascardo, P J Mothibe, C Richardson, F Tsimell, C Volechank  
The Firm's principal place of business is at 4 Lisbon Lane, Waterfall City, Jukeskei View, where a list of the partners' names is available for inspection.  
VAT reg no. 4070182128

# REPORT OF THE EXECUTIVE COMMITTEE

FOR THE YEAR ENDED 31 JULY 2018

**The executive committee present their report for the year ended 31 July 2018.**

## 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.

## FINANCIAL REVIEW

The League has recorded a net deficit of R1 525 (2017: surplus of R7 527 433) during the current year.

The increase in revenue from R884 337 938 to R938 331 384 is due to the renewal of the broadcasting agreements.

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 R616 000 000 (2017: R576 960 000) 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.

## GOING CONCERN

We believe there will be sufficient funds generated from 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.

## 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.

## 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.

## AUDITORS

The League's auditors are PricewaterhouseCoopers Inc.

# SUMMARY STATEMENT OF FINANCIAL POSITION

AS AT 31 JULY 2018

	NOTES	2018	2017
		R	R
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>		<b>18 220 645</b>	<b>18 228 969</b>
Property, plant and equipment		15 364 774	16 070 791
Intangible assets		517 038	200 969
Deferred tax assets		2 338 833	1 957 209
<b>CURRENT ASSETS</b>		<b>65 525 316</b>	<b>82 173 034</b>
Trade and other receivables	2	27 120 900	43 371 354
Balances due from teams		2 637 487	2 162 994
Cash and cash equivalents	3	35 766 929	36 638 686
<b>TOTAL ASSETS</b>		<b>83 745 961</b>	<b>100 402 003</b>
<b>EQUITY AND LIABILITIES</b>			
<b>CAPITAL AND RESERVES</b>		<b>20 548 815</b>	<b>20 550 340</b>
Team guarantees		257 393	257 393
Accumulated surplus		20 291 422	20 292 947
<b>CURRENT LIABILITIES</b>		<b>63 197 146</b>	<b>79 851 663</b>
Trade and other payables	4	61 183 690	78 697 322
Balances due to teams		2 013 456	1 154 341
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>83 745 961</b>	<b>100 402 003</b>



# SUMMARY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 JULY 2018

	NOTES	2018	2017
		R	R
<b>INCOME</b>		<b>940 009 850</b>	<b>885 193 384</b>
Revenue	5	938 331 384	884 337 938
Other income		1 678 466	855 446
<b>EXPENDITURE</b>		<b>(954 614 196)</b>	<b>(888 669 608)</b>
Administration costs		(159 817 921)	(133 809 184)
Competition expenditure		(157 616 398)	(156 314 073)
Grants		(616 000 000)	(576 960 000)
Development expenditure		(11 643 634)	(11 193 149)
Marketing and media		(9 536 243)	(10 393 202)
<b>(DEFICIT) FROM OPERATIONS</b>		<b>(14 604 346)</b>	<b>(3 476 224)</b>
Finance cost		(185)	(3 543 758)
Finance income		15 471 300	19 168 172
<b>SURPLUS BEFORE TAXATION</b>		<b>866 769</b>	<b>12 148 190</b>
Income tax expense		(868 294)	(4 620 757)
<b>(DEFICIT)/SURPLUS FOR THE YEAR</b>		<b>(1 525)</b>	<b>7 527 433</b>
Other comprehensive income		–	–
<b>TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR</b>		<b>(1 525)</b>	<b>7 527 433</b>

# SUMMARY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 JULY 2018

	TEAM GUARANTEES	ACCUMULATED SURPLUS/(DEFICIT)	TOTAL
	R	R	R
<b>YEAR ENDED 31 JULY 2016</b>	<b>257 393</b>	<b>12 765 514</b>	<b>13 022 907</b>
Total surplus for the year	–	7 527 433	7 527 433
<b>BALANCE AT 31 JULY 2017</b>	<b>257 393</b>	<b>20 292 947</b>	<b>20 550 340</b>
Total deficit for the year	–	(1 525)	(1 525)
<b>BALANCE AT 31 JULY 2018</b>	<b>257 393</b>	<b>20 291 422</b>	<b>20 548 815</b>



# SUMMARY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JULY 2018

	NOTES	2018	2017
		R	R
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash used in operating activities		(13 695 035)	(106 684 619)
Finance cost		(185)	(3 543 758)
Finance income		15 471 300	19 168 172
Taxation paid		(1 680 000)	(8 400 000)
<b>NET CASH GENERATED/(USED IN) FROM OPERATING ACTIVITIES</b>		<b>96 080</b>	<b>(99 460 205)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Additions to property, plant and equipment		(420 636)	(139 162)
Additions to intangible assets		(547 201)	–
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>(967 837)</b>	<b>(139 162)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Decrease in long-term liabilities		–	(866 461)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>		<b>–</b>	<b>(866 461)</b>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(871 757)</b>	<b>(100 465 827)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>		<b>36 638 686</b>	<b>137 104 513</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	3	<b>35 766 929</b>	<b>36 638 686</b>

# SELECTED EXPLANATORY NOTES TO THE SUMMARY FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2018

## I. 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 annual 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 annual 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

Revenue comprises sponsorship revenue from various sponsors, the sale of broadcasting rights and gate revenue. Revenue which is received in terms of contracts is recognised on an accrual basis. Contracts that are tournament-specific or relate directly to the League season are recognised over the duration of the specific tournament or League season as appropriate. Revenue is measured at the fair value of the consideration received or receivable (excluding VAT).

All other income is accounted for on an accrual basis and when the event takes place. This includes rental income, income from members and other miscellaneous income.

Cash received and earmarked for the administration and management of a specific project on behalf of the sponsor is recorded as a liability on the day of receipt. Subsequent payments of expenses are recorded against the liability.

# SELECTED EXPLANATORY NOTES TO THE SUMMARY FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2018 (CONTINUED)

## 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.

## 1.5 Financial instruments

### CLASSIFICATION

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

- Loans and receivables
- 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 not at fair value through surplus or deficit, 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 RECEIVABLE

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.

# SELECTED EXPLANATORY NOTES TO THE SUMMARY FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2018 (CONTINUED)

## 2. TRADE AND OTHER RECEIVABLES

	2018	2017
	R	R
<b>TRADE RECEIVABLES</b>		
Municipal Management Services	1 360 596	1 360 596
RJ Stephens (Rental Debtor)	–	1 036 400
	<b>1 360 596</b>	<b>2 396 996</b>
<b>OTHER RECEIVABLES</b>		
Deposits	54 000	54 000
Staff loans	228 172	180 822
Value Added Taxation	21 433 975	37 213 138
South African Revenue Services (SARS)	3 955 713	3 525 631
Other	88 444	767
	<b>25 760 304</b>	<b>40 974 358</b>
	<b>27 120 900</b>	<b>43 371 354</b>

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.

### 3. CASH AND CASH EQUIVALENTS

	2018	2017
	R	R
Bank balances and cash	35 766 929	36 638 686
	<b>35 766 929</b>	<b>36 638 686</b>
<p>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.</p> <p>Included in cash and cash equivalents is an amount of R16 828 354 (2017: R14 187 413) relating to the MultiChoice Diski Challenge which is restrictive cash and can only be used for the MultiChoice Diski Challenge.</p> <p><b>SECURITIES ARE HELD OVER THE FOLLOWING ITEMS:</b></p> <p>Mortgage Bond – Portion 1 of ERF 1, Vandia Grove 3 500 000 3 500 000</p> <p>Mortgage Bond – ERF 309 Parktown of Nedbond 2 000 000 2 000 000</p> <p>Mortgage Bond – ERF 215, RE PTN 1 of ERF 216 Parktown 6 000 000 6 000 000</p> <p>Mortgage Bond – Portion 7 of ERF 502, Morningside Manor 1 595 000 1 595 000</p> <p><b>EXTENT OF FACILITIES:</b></p> <p>Overdraft – current account 2 000 000 2 000 000</p>		

# SELECTED EXPLANATORY NOTES TO THE SUMMARY FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2018 (CONTINUED)

## 4. TRADE AND OTHER PAYABLES

	2018	2017
	R	R
Accruals	15 657 954	16 113 797
Leave pay accrual	3 116 720	2 473 146
Bonus accrual	5 236 258	4 516 888
Honorarium/Commissions	2 720 767	28 396 734
Employees' tax (PAYE)	7 795 377	3 171 292
MultiChoice Diski Challenge	16 828 354	14 187 413
Trade and other creditors	9 828 260	9 838 054
	<b>61 183 690</b>	<b>78 697 322</b>

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

The MultiChoice Diski Challenge (MDC) payable relates to the cumulative surplus on the 2016/2017 and 2017/2018 MDC which is payable to MultiChoice on request or for exclusive use in future MDC's.

## 5. REVENUE

Sponsorship income	306 731 905	309 108 470
Broadcasting rights	600 000 000	519 466 413
Supplier contributions	19 723 068	43 456 554
Revenue from tournament gate takings	11 876 411	12 306 501
	<b>938 331 384</b>	<b>884 337 938</b>



## 6. RELATED PARTY TRANSACTIONS

The following related party transaction occurred during the year:

	2018	2017
	R	R
REMUNERATION	3 037 320	1 900 218
HONORARIA	11 863 793	11 051 586
COMMISSIONS	35 000 000	25 000 000

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.

# SELECTED EXPLANATORY NOTES TO THE SUMMARY FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2018 (CONTINUED)

## 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 50 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 50 basis points higher / lower and all other variables were held constant, the entity's surplus for the year ended 31 July 2018 would have decreased / increased by R178 779 (2017: R180 474).

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 2018, 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
<b>AT JULY 2018</b>		
Borrowings	–	–
Trade and other payables	61 183 690	–
<b>AT JULY 2017</b>		
Borrowings	–	–
Trade and other payables	78 697 322	–

**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 2018 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****FINANCIAL ASSET****LOANS AND RECEIVABLES  
(INCLUDING CASH AND CASH EQUIVALENTS)**

Cash and cash equivalents

Trade and other receivables

Balances due from teams

**FINANCIAL LIABILITIES****FINANCIAL LIABILITIES AT AMORTISED COST**

Trade and other payables

Balances due to teams

	2018	2017
	R	R
	65 525 316	82 173 034
Cash and cash equivalents	35 766 929	36 638 686
Trade and other receivables	27 120 900	43 371 354
Balances due from teams	2 637 487	2 162 994
	63 197 146	79 851 663
Trade and other payables	61 183 690	78 697 322
Balances due to teams	2 013 456	1 154 341

NOTES