Western Province Athletics
(PBO number 930007993)
Annual Financial Statements
for the year ended 31 December 2020

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

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These annual financial statements were prepared by:

Patricia Andrews
CA(SA), RA

Independent Auditor's Report

To the Shareholders of Western Province Athletics

Qualified Opinion

We have audited the annual financial statements of Western Province Athletics (the federation) set out on pages 7 to 18, which comprise the balance sheet as at 31 December 2020, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effect of the matter described in the Basis of Qualified Opinion section of our report, the annual financial statements are prepared, in all material aspects, the financial position of Western Province Athletics as at 31 December 2019, and its financial performance and cash flows for the year then ended in accordance with the basis of accounting described in note 1 to the financial statements.

Basis for Qualified Opinion

We were unable to verify operating expenses relating to alleged fraudulent expenses, disclosed in note 17 to the annual financial statements. The alleged fraudulent expenses related to alleged unauthorised, fraudulent payments made by the previous finance officer of Western Province Athletics PBO. We were unable to obtain sufficient appropriate audit evidence to satisfy ourselves that the fraudulent expenses presented did occur in the name of Western Province Athletics PBO and are accurate and complete, in all material respects.

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 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 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 corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Material Uncertainty Related to Going Concern

We draw attention to note 16 of the annual financial statements, which indicates that certain factors exist which have had a negative impact on the operations of Western Province Athletics. The note states that these events or conditions, along with other matters as set forth in Note 16 to the annual financial statements, indicate that a material uncertainty exists that may cast significant doubt on the federation's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Emphasis of Matter - Basis of accounting

We draw attention to Note 1 to the annual financial statements which describes the basis of accounting. The annual financial statements are prepared in accordance with the federation's own accounting policies to satisfy the financial information needs of the federation. As a result, the annual financial may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Other Information

The board is responsible for the other information. The other information comprises the information included in the document titled "Western Province Athletics Annual Financial Statements for the year ended 31 December 2020", which includes the Western Province Athletics Board Report and the Detailed Income Statement, as set out on pages 5 to 6 and 19 to 20 respectively, which we obtained prior to the date of this report. The other information does not include the financial statements and our auditor's report thereon.

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.

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PKF

chartered accountants
& business advisers

Independent Auditor's Report

Responsibilities of the Board for the Annual Financial Statements

The board is responsible for the preparations and fair presentation of the annual financial statements in accordance with the basis of accounting described in note 1 to the annual financial statements, for determining that the basis of preparation is acceptable in the circumstances and for such internal control as the board 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 annual financial statements, the board is responsible for assessing the federation's '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 board either intend to liquidate the federation or to cease operations, or have no realistic alternative but to do so.

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.

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 federation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board.
- Conclude on the appropriateness of the board 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 federation'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 company to cease to continue as a going concern.

We communicate with the directors 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.

PKF Constantia Valley Cape Town

PKF Constantia Valley Cape Town Inc.
Director: Frans Boonzaaier
Registered auditor
Date: 25/10/2021
Cape Town

Board's Responsibilities and Approval

The board is required to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the federation as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the accounting policies as set out in note 1 to the annual financial statements. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the accounting policies as set out in note 1 to the annual financial statements and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The board acknowledge that they are ultimately responsible for the system of internal financial control established by the federation and place considerable importance on maintaining a strong control environment. To enable the board to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the federation and all employees are required to maintain the highest ethical standards in ensuring the federation's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the federation is on identifying, assessing, managing and monitoring all known forms of risk across the federation. While operating risk cannot be fully eliminated, the federation endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The board is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The board has reviewed the federation's cash flow forecast for the year to 31 December 2021 and, in the light of this review and the current financial position, They are satisfied that the federation has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company's annual financial statements. The annual financial statements have been examined by the federation's external auditors and their report is presented on page 2 - 3.

The annual financial statements set out on pages 5 to 20, which have been prepared on the going concern basis, were approved by the board on 25 OCTOBER 2021 and were signed on their behalf by:

Jakes Jacobs (President)

Achmat Jacobs (Vice president)

Western Province Athletics Board Report

The board has the pleasure in submitting their report on the annual financial statements of Western Province Athletics for the year ended 31 December 2020.

1. Nature of business

The federation is engaged in promotion and development of athletes and operates principally in the Western Cape.

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

There have been no material changes to the nature of the company's business from the prior year.

2. Board of the Federation

The board members in office at the date of this report are as follows:

Board of the Federation	Credentials	Changes
Jakes Jacobs	President	
Achmat Jacobs	Vice President	
Russel Mehl	Cross Country Chairperson	
Malikah Meyer	Road Running Chairperson	Resigned Tuesday, 25 May 2021
Sharief Jefferies	Track & Field Chairperson	
Allen Barnes	Finance Officer	Removed - 16 March 2020
Andre Rix	1st Additional Member	
Norma Nonkonyana	1st Additional Member	

There have been no changes to the board for the period under review.

3. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

4. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The ability of the federation to continue as a going concern is dependent on a number of factors. The most significant of these is that the board continue to procure funding for the ongoing operations for the federation.

The following factors have had a significant impact on the federation and its ability to continue operating as a going concern:

- The alleged fraudulent payments, as set out in note 17, significantly increased the net loss for the year ended 31 December 2019. It also had a negative impact on the cash flows of the federation.
- The emergence of the COVID 19 infectious disease pandemic, during the financial year ended 31 December 2020, has lead to Athletics South Africa NPC placing a ban on all events during the 2020 financial year, which continued into 2021. This has had a negative impact on Western Province Athletic's ability to generate revenue during the 2020 financial year from its membership and events.

In addition, the federation continues to rationalise staff and operational costs and ensuring an overall of systems, procedures and good governance. Procurement and services providers across the organisation is also being relooked. The lowering of the lockdown restrictions has increased the chances for the return of major events during 2021 and 2022, which will lead to increases in the major revenue streams of the federation.

Western Province Athletics Board Report

5. COVID-19 pandemic

As a result of a local and global coronavirus COVID-19 infectious disease pandemic, a national state of disaster was declared in South Africa on 15 March 2020. As a preventive measure, except for certain essential services, a strictly regulated 5 week nationwide stay-at-home total lockdown was implemented from 26 March to 30 April 2020.

As part of a gradual and phased recovery of economic activity and an easing of the lockdown restrictions, a 5 coronavirus alert level approach was adopted by the government on 1 May 2020, where level 5 means only essential services can operate and level 1 means that most normal activities can resume. The alert level is determined by the government and is based on its assessment of the infection rate and the capacity of the country's health system.

As at the date of this report, the country is at adjusted alert level 1 and at this level the federation is permitted to and has commenced operating.

The lockdown and the phased recovery of economic activity, has had a severe negative impact on the federation's business and cash flow. The short to medium term financial effect and the impact on the profitability of the federation remain uncertain and cannot be estimated at this time.

Balance Sheet as at 31 December 2020

Figures in Rand	Note(s)	2020	2019 Restated *
Assets			
Non-Current Assets			
Property, plant and equipment	2	313 126	447 597
Current Assets			
Trade and other receivables	3	387 679	666 263
Cash and cash equivalents	4	1 288 271	421 626
		1 675 950	**1 087 889**
Total Assets		**1 989 076**	**1 535 486**
Equity and Liabilities			
Equity			
Accumulated surplus		698 538	123 427
Liabilities			
Current Liabilities			
Trade and other payables	5	1 211 026	1 265 873
Provisions	6	29 512	61 563
Unspent grant liability	7	50 000	84 623
		1 290 538	**1 412 059**
Total Equity and Liabilities		**1 989 076**	**1 535 486**

* See Note 15

Statement of Comprehensive Income

Figures in Rand	Note(s)	2020	2019 Restated *
Revenue	8	5 230 393	10 246 703
Cost of sales	9	(855 602)	(1 220 475)
Gross surplus		**4 374 791**	**9 026 228**
Operating expenses		(3 807 525)	(11 813 722)
Operating surplus (deficit)	10	**567 266**	**(2 787 494)**
Investment revenue	11	7 914	46 333
Finance costs		(69)	(25)
Surplus (deficit) for the year		**575 111**	**(2 741 186)**
Other comprehensive income		-	-
Total comprehensive surplus (deficit) for the year		**575 111**	**(2 741 186)**

* See Note 15

Statement of Changes in Equity

Figures in Rand	Accumulated surplus	Total equity
Restated* Balance at 01 January 2019	**2 864 613**	**2 864 613**
Deficit for the year	(2 741 186)	(2 741 186)
Other comprehensive income	-	-
Total comprehensive deficit for the year	**(2 741 186)**	**(2 741 186)**
Restated* Balance at 01 January 2020	**123 427**	**123 427**
Surplus for the year	575 111	575 111
Other comprehensive income	-	-
Total comprehensive surplus for the year	**575 111**	**575 111**
Balance at 31 December 2020	**698 538**	**698 538**

* See Note 15

Statement of Cash Flows

Figures in Rand	Note(s)	2020	2019 Restated *
Cash flows from operating activities			
Cash receipts from customers		4 375 584	10 725 588
Cash paid to suppliers and employees		(3 482 161)	(12 220 867)
Cash generated from (used in) operations	13	893 423	(1 495 279)
Interest income		7 914	46 333
Finance costs		(69)	(25)
Net cash from operating activities		**901 268**	**(1 448 971)**
Cash flows from investing activities			
Purchase of property, plant and equipment	2	-	(44 748)
Cash flows from financing activities			
Movement in unspent grant liability		(34 623)	84 621
Total cash movement for the year		**866 645**	**(1 409 098)**
Cash at the beginning of the year		421 626	1 830 724
Total cash at end of the year	4	**1 288 271**	**421 626**

* See Note 15

Accounting Policies

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 accounting policies as set out below. The annual financial statements have been prepared on the historical cost basis, 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 Significant judgements and sources of estimation uncertainty

Critical judgements in applying accounting policies

Management did not make critical judgements in the application of accounting policies, apart from those involving estimations, which would significantly affect the annual financial statements.

Key sources of estimation uncertainty

The financial statements do not include assets or liabilities whose carrying amounts were determined based on estimations for which there is a significant risk of material adjustments in the following financial year as a result of the key estimation assumptions.

1.2 Property, plant and equipment

Property, plant and equipment are tangible assets which the federation 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.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the federation and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the period in which they are incurred.

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 federation.

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

Item	Depreciation method	Average useful life
Track equipment	Straight line	10 years
Race equipment	Straight line	10 years
Motor vehicles	Straight line	5 years
Office equipment	Straight line	10 years
IT equipment	Straight line	3 years

When indicators are present that the useful lives and residual values of items of property, plant and equipment have changed since the most recent annual reporting date, they are reassessed. Any changes are accounted for prospectively as a change in accounting estimate.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

Accounting Policies

1.2 Property, plant and equipment (continued)

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

1.3 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.

1.4 Tax

Tax expenses

The organisation is a registered PBO and the income received is except in terms of s10(1)(cN) of the income tax act.

1.5 Impairment of assets

The federation assesses at each reporting date whether there is any indication that property, plant and equipment or goodwill 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.

1.6 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.

1.7 Provisions and contingencies

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

Accounting Policies

1.7 Provisions and contingencies (continued)

Provisions are measured at the present value of the amount expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

Provisions are not recognised for future operating losses.

1.8 Revenue

Revenue is recognised to the extent that the federation 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 federation. 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.

1.9 Borrowing costs

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

Notes to the Annual Financial Statements

Figures in Rand	2020	2019 Restated *

2. Property, plant and equipment

	2020			2019		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Furniture and fixtures	169 859	(120 118)	49 741	169 859	(110 892)	58 967
Motor vehicles	246 103	(198 628)	47 475	246 103	(151 153)	94 950
IT equipment	160 448	(148 244)	12 204	233 544	(189 044)	44 500
Race equipment	678 560	(602 485)	76 075	758 072	(655 246)	102 826
Track equipment	265 209	(137 578)	127 631	265 209	(118 855)	146 354
Total	**1 520 179**	**(1 207 053)**	**313 126**	**1 672 787**	**(1 225 190)**	**447 597**

Reconciliation of property, plant and equipment - 2020

	Opening balance	Depreciation	Closing balance
Furniture and fixtures	58 967	(9 226)	49 741
Motor vehicles	94 950	(47 475)	47 475
IT equipment	44 500	(32 296)	12 204
Race equipment	102 826	(26 751)	76 075
Track equipment	146 354	(18 723)	127 631
	447 597	**(134 471)**	**313 126**

Reconciliation of property, plant and equipment - 2019

	Opening balance	Additions	Depreciation	Closing balance
Furniture and fixtures	75 833	-	(16 866)	58 967
Motor vehicles	142 425	-	(47 475)	94 950
IT equipment	66 797	7 499	(29 796)	44 500
Race equipment	132 977	-	(30 151)	102 826
Track equipment	127 518	37 249	(18 413)	146 354
	545 550	**44 748**	**(142 701)**	**447 597**

3. Trade and other receivables

	2020	2019
Trade receivables	387 679	666 263

4. Cash and cash equivalents

Cash and cash equivalents consist of:

	2020	2019
Cash on hand	26 671	124 310
Bank balances	1 261 600	297 316
	1 288 271	**421 626**

5. Trade and other payables

	2020	2019
Trade payables	751 334	46 655
Amounts received in advance	-	1 155 760
VAT	459 692	63 458
	1 211 026	**1 265 873**

* See Note 15

Notes to the Annual Financial Statements

6. Provisions

Reconciliation of provisions - 2020

	Opening balance	Reversed during the year	Total
Provision for leave pay	61 563	(32 051)	29 512

Reconciliation of provisions - 2019

	Opening balance	Additions	Total
Provision for leave pay	28 961	32 602	61 563

7. Unspent grant liability

Department of Cultural Affairs & Sport grant		
Opening balance	84 623	-
Amounts received from Department of Cultural Affairs & Sport	-	527 391
Amounts paid in accordance with grant agreement	(34 623)	(442 768)
	50 000	**84 623**

8. Revenue

Affiliation fees	59 000	45 895
Department of Cultural Affairs & Sport Grant	-	442 768
Discipline income	36 018	110 932
Donations, grants and sponsorships	336 918	145 974
Equipment rental	9 143	25 670
Event levies	329 629	1 347 558
License fee income	2 518 631	4 083 002
Other services rendered	1 097	140 727
Product sales	19 790	71 583
Special events - ASA events	-	12 909
Special events - Cape Town Marathon	328 943	405 338
Special events - Spar Ladies Race	633 891	2 621 207
Special events - Two Oceans Marathon	957 333	793 140
	5 230 393	**10 246 703**

9. Cost of sales

Sale of goods		
Cost of licences sold	855 602	1 220 475

10. Operating surplus (deficit)

Operating surplus (deficit) for the year is stated after accounting for the following:

Depreciation on property, plant and equipment	134 471	142 701
Employee costs	1 394 258	2 532 124

11. Investment revenue

Interest revenue		
Bank	7 914	46 333

Notes to the Annual Financial Statements

12. Taxation

The organisation is a registered PBO and the income received is exempt in terms of s10(1)(cN) of the Income Tax Act 58 of 1962.

13. Cash generated from (used in) operations

Surplus (deficit) before taxation	575 111	(2 741 186)
Adjustments for:		
Depreciation and amortisation	134 471	142 701
Interest received	(7 914)	(46 333)
Finance costs	69	25
Movements in provisions	(32 051)	32 602
Changes in working capital:		
Trade and other receivables	278 584	330 806
Trade and other payables	(54 847)	786 106
	893 423	**(1 495 279)**

14. Related parties

Relationships

The members of the board	Please see Western Province Athletics Board report for a complete list of the board of Western Province Athletics PBO

It is the policy of Western Province Athletics to not disclose compensation paid to key management other than that of the board members

Related party balances and transactions with key management personnel

Related party transactions

Board allowances paid to:		
Achmat Jacobs	6 000	2 500
Adnaan Mohamed	-	4 050
Allen Barnes	-	16 150
Andre Rix	3 000	1 500
Canyce Hall	-	4 050
Francois Gouws	-	5 400
Gavin Burgess	-	4 050
Jakes Jacobs	6 000	16 150
Lester Cameron	-	13 650
Malikah Meyer	3 000	1 500
Mariana Meyer	-	4 050
Michael Schouw	-	13 650
Norma Nonkonyana	3 000	1 500
Russel Mehl	3 000	1 500
Sharief Jefferies	3 000	1 500
Stefano Kruger	-	2 700
Waleed Donough	-	4 050
	27 000	**97 950**

Notes to the Annual Financial Statements

15. Prior period error

The following prior period error have been identified during the current year:

Unbanked cash was discovered in the office of the federation subsequent to the 2019 year end which was incorrectly classified as fraudulent expenditure in that year.

The correction of the error(s) results in adjustments as follows:

Balance Sheet		
Increase in cash and cash equivalents	-	123 310
Profit or Loss		
Decrease in alleged fraudulent expenses	-	(123 310)

16. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The ability of the federation to continue as a going concern is dependent on a number of factors. The most significant of these is that the board continue to procure funding for the ongoing operations for the federation.

The following factors have had a significant impact on the federation and its ability to continue operating as a going concern:

- The alleged fraudulent payments, as set out in note 17, significantly increased the net loss for the year ended 31 December 2019. It also had a negative impact on the cash flows of the federation.
- The emergence of the COVID 19 infectious disease pandemic, during the financial year ended 31 December 2020, has lead to Athletics South Africa NPC placing a ban on all events during the 2020 financial year, which continued into 2021. This has had a negative impact on Western Province Athletic's ability to generate revenue during the 2020 financial year from its membership and events

In addition, the federation continues to rationalise staff and operational costs and ensuring an overall of systems, procedures and good governance. Procurement and services providers across the organisation is also being relooked. The lowering of the lockdown restrictions has increased the chances for the return of major events during 2021 and 2022, which will lead to increases in the major revenue streams of the federation.

Notes to the Annual Financial Statements

Figures in Rand	2020	2019 Restated *

17. Alleged fraudulent expenses

Included in operating expenses are the following alleged fraudulent expenditure, which relate to unauthorised EFT payments made by the former finance officer, for which no supporting documentation were available:

For the year ended 31 December 2018 (included in opening accumulated surplus)	217 415
For the year ended 31 December 2019 (included in opening accumulated surplus)	1 632 330
For the year ended 31 December 2020	160 000
	2 009 745

In addition to the above amounts, alleged fraudulent petty cash withdrawals for which no supporting documentation were available were discovered during the following years:

For the year ended 31 December 2018 (included in opening accumulated surplus)	305 953
For the year ended 31 December 2019 (includeed in opening accumulated surplus)*	168 492
	474 445

The above amounts identified are disclosed in the detailed income statement as alleged fraudulent expenses paid.

Furthermore, a criminal case has been opened with the South African Police Services against the former finance officer (Case number: CAS 120/01/22) regarding these alleged fraudulent payments.

*This amount has been restated as a result of the prior period error, as disclosed in note 15.

Detailed Income Statement

Figures in Rand	Note(s)	2020	2019 Restated *
Revenue			
Affiliation fees		59 000	45 895
Department of Cultural Affairs & Sport Grant		-	442 768
Discipline income		36 018	110 932
Donations, grants and sponsorships		336 918	145 974
Equipment rental		9 143	25 670
Event levies		329 629	1 347 558
License fee income		2 518 631	4 083 002
Other services rendered		1 097	140 727
Product sales		19 790	71 583
Special events - ASA events		-	12 909
Special events - Cape Town Marathon		328 943	405 338
Special events - Spar Ladies Race		633 891	2 621 207
Special events - Two Oceans Marathon		957 333	793 140
	8	**5 230 393**	**10 246 703**
Cost of sales			
Cost of licences sold		(855 602)	(1 220 475)
Gross surplus		**4 374 791**	**9 026 228**
Expenses (Refer to page 20)		**(3 807 525)**	**(11 813 722)**
Operating surplus (deficit)	10	**567 266**	**(2 787 494)**
Investment income	11	7 914	46 333
Finance costs		(69)	(25)
		7 845	**46 308**
Surplus (deficit) for the year		**575 111**	**(2 741 186)**

* See Note 15

Detailed Income Statement

Figures in Rand	Note(s)	2020	2019 Restated *
Operating expenses			
Accounting fees		154 783	53 319
Administration and management fees		-	800
Advertising		-	3 480
Alleged fraudulent expenses		160 000	1 800 822
Bad debts		-	113 306
Bank charges		38 105	51 611
Board expenses		255 749	372 707
Coaches		-	47 835
Committee expenses		-	27 675
Computer expenses		74 908	141 295
Cross country expenses		600	283 191
DCAS club event expenses		108 160	442 768
Depreciation, amortisation and impairments		134 471	142 701
Development		14 583	1 457 214
Donations - funeral cost		21 500	-
Employee costs		1 394 258	2 532 124
Equipment rentals		1 115	120 687
Incentives		312 600	206 430
Motor vehicle expenses		18 856	7 967
Municipal expenses		4 783	17 391
Office expenses		41 389	62 538
Printing and stationery		8 846	34 328
Personal protective clothing		15 500	-
Race walking		7 809	60 092
Repairs and maintenance		4 302	1 639
Security		6 539	5 442
Special event - Spar Ladies Race		469 602	2 024 496
Special events - ASA events		8 265	167 552
Special events - Cape Town Marathon		7 915	13 708
Staff welfare		17 537	11 773
Subscriptions		-	2 881
Technical officials		126 656	336 150
Telephone and fax		35 529	46 643
Track and field expenses		270 279	429 302
Training		-	2 200
Travel - local		20 056	85 090
Venue hire		26 030	17 375
WP teams expenses		46 800	689 190
		3 807 525	**11 813 722**