



Professional Accountant (SA) ,Professional Tax Specialist (SA) ,Member: S.B. Roestoff, SAIPA no: 22800

FREE STATE TRIATHLON UNION

FINANCIAL STATEMENTS

30 AUGUST 2016

**Schalk Roestoff**

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23 Brandwag Crescent, Uitsig, Bloemfontein, 9301



**FREE STATE TRIATHLON UNION**

**ANNUAL FINANCIAL STATEMENTS  
30 AUGUST 2016**

**These annual financial statements include statements which have been independently reviewed in compliance with the Companies Act and are presented as follows:**

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General information	2
Independent reviewer's report	3
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Statement of financial position	5
Statement of income and retained earnings	6
Statement of changes in equity	7
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**Preparation of financial statements**

These financial statements were prepared by:

Schalk Roestoff ( Professional Accountant SA)

**Approval**

The annual financial statements set out on pages 1 to 14 are the responsibility of the directors and have been approved for publication by the Committee members on 01 October 2016 and are signed on their behalf by:

\_\_\_\_\_  
Vice-President

\_\_\_\_\_  
Technical

## FREE STATE TRIATHLON UNION

### GENERAL INFORMATION

Company name	Free State Triathlon Union
Country of incorporation and domicile	Republic of South Africa
Nature of business and principal activities	Triathlon Sport Club
Committee Members	Christa Roestoff ( President ) Johan Badenhorst ( Vice-President) Schalk Roestoff ( Treasurer ) Wilna Potgieter ( Secretary Jan Herbst ( Technical ) Adri Vermaas ( Additional Member )
Registered office	23 Brandwag Cresent Uitsig Bloemfontein 9301
Business address	23 Brandwag Cresent Uitsig Bloemfontein 9301
Postal address	23 Brandwag Cresent Uitsig Bloemfontein 9301
Bankers	ABSA
Auditors / Independent Accounting Professional	Schalk Roestoff Financial Services
Accountant / accounting officer	Schalk Roestoff

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## **INDEPENDENT REVIEWER'S REPORT TO THE SHAREHOLDERS OF FREE STATE TRIATHLON UNION**

### **Report on the financial statements**

We have reviewed the financial statements of Free State Triathlon Union set out on pages 5 to 13, which comprise the statement of financial position as at 30 August 2016, the statement of income and retained earnings, the statement of changes in equity and the statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

### **Committee members' responsibility for the financial statements**

The Club Committee members are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa, and for such internal control as the committee members determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Independent Reviewer's responsibility**

"Our responsibility is to express a conclusion on these financial statements. We conducted our review in accordance with the International Standard on Review Engagements (ISRE) 2400 (Revised), Engagements to Review Historical Financial Statements. ISRE 2400 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with ISRE 2400 (Revised) is a limited assurance engagement. The independent reviewer performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these financial statements."

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the annual financial statements do not present fairly, in all material respects, the financial position of Free State Triathlon Union as at 30 August 2016, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa.

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#### **Supplementary information**

We draw attention to the fact that the supplementary schedule set out on page 14 does not form part of the financial statements and is presented as additional information. We have not reviewed this schedule and accordingly do not express a conclusion on it.

#### **Report on other legal and regulatory requirements**

Without qualifying our opinion, we draw attention to the fact that with the written consent of all members, we have performed certain accounting and secretarial duties.

*SB Roestoff*

Schalk Roestoff

**Schalk Roestoff Financial Services**

01 October 2016

## **FREE STATE TRIATHLON UNION**

### **COMMITTEE'S REPORT FOR THE YEAR ENDED 30 AUGUST 2016**

The Committee members have pleasure in submitting their report together with the annual financial statements for the year ended 30 August 2016.

#### **General review**

Free State Triathlon Union is a Club incorporated in the Republic of South Africa. The principal activities of the Club is to present Triathlon and Duathlon event in the Free State

No matter which is material to the financial affairs of the Club has occurred between 30 August 2016 and the date of approval of the financial statements.

#### **Statements of responsibility**

The Committee members are responsible for the maintenance of adequate accounting records and the preparation and integrity of the financial statements and related information.

The reviewers are responsible for expressing a conclusion on the fair presentation of the financial statements. The financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and in the manner required by the Companies Act, 2008.

The committee members are also responsible for the club's system of internal financial controls. This is designed to provide reasonable, but not absolute, assurance as to the reliability of the financial statements, and to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect misstatement and loss. Nothing has come to the attention of the committee members to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The financial statements have been prepared on the going concern basis, since the directors have every reason to believe that the company has adequate resources in place to continue in operation for the foreseeable future.

These financial statements will be presented at the Club's annual general meeting for the approval of members. It is possible that amendments may be required prior to members approval being given.

#### **Financial results**

The results of the club for the year under review are fully set out in the attached financial statements and require no further comment.

#### **Events after the end of the reporting period**

No material fact or circumstance, which requires comment, has occurred between the reporting date and the date of this report.

#### **Auditors**

Your firm will continue in office in accordance with the Companies Act, 2008.

**FREE STATE TRIATHLON UNION**

**STATEMENT OF FINANCIAL POSITION  
AT 30 AUGUST 2016**

	Notes	2016 R	2015 - RESTATED R
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	294 667	199 397
<b>Current assets</b>			
Trade and other receivables	6	1 820	56 834
Bank, cash and cash equivalents	7	429 843	495 133
<b>Total assets</b>		726 330	751 364
<b>Equity and liabilities</b>			
<b>Equity</b>			
Retained earnings		713 019	725 581
<b>Current liabilities</b>			
Trade and other payables	8	13 310	25 780
<b>Total equity and liabilities</b>		726 330	751 364

**FREE STATE TRIATHLON UNION**

**STATEMENT OF INCOME AND RETAINED EARNINGS  
FOR THE YEAR ENDED 30 AUGUST 2016**

	Notes	2016 R	2015 - RESTATED R
<b>Income</b>			
Revenue	9	473 466	976 305
<b>Gross profit</b>		<u>473 466</u>	<u>976 305</u>
Other income		509	762
<b>Total income</b>		<u>473 975</u>	<u>977 067</u>
<b>Expenses</b>			
Operating expenses		(486 537)	(355 017)
<b>(Loss) / profit before taxation</b>	9	<u>(12 562)</u>	<u>622 050</u>
<b>Taxation</b>		-	-
<b>Net (loss) / profit after taxation</b>		<u><u>(12 562)</u></u>	<u><u>622 050</u></u>



**FREE STATE TRIATHLON UNION**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 AUGUST 2016**

	<b>Note</b>	<b>Retained earnings R</b>	<b>Total R</b>
Balance at 30 August 2014		103 531	103 531
Net profit for the year		622 050	622 050
Balance at 31 August 2015		<u>725 581</u>	<u>725 581</u>
Net loss for the year		(12 562)	(12 562)
Balance at 30 August 2016		<u><u>713 019</u></u>	<u><u>713 019</u></u>

**FREE STATE TRIATHLON UNION**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 AUGUST 2016**

	Notes	2016 R	2015 - RESTATED R
<b>Net cash retained in operating activities</b>		67 790	615 012
Cash receipts from customers		528 480	936 411
Cash paid to suppliers and employees		(461 199)	(322 160)
<b>Cash generated from operating activities</b>	10.1	67 281	614 250
Interest received		509	762
 <b>Cash flows from investing activities</b>		 (133 079)	 (131 253)
Purchase of property, plant and equipment	10.2	(133 079)	(131 253)
To increase operating capacity		(133 079)	(131 253)
 <b>Net decrease / increase in cash and cash equivalents</b>		 (65 289)	 483 759
<b>Cash and cash equivalents at beginning of year</b>		495 133	11 372
<b>Cash and cash equivalents at end of year</b>	10.3	429 843	495 133

## FREE STATE TRIATHLON UNION

### NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 AUGUST 2016

#### 1. General information

Free State Triathlon Union is a Club, incorporated in South Africa. The address of the registered office of the club is 23 Brandwag Crescent. Its principal business activity and operations are triathlon and duathlon, which is conducted in the Free State.

#### 2. Basis of preparation and accounting policies

The basis of preparation and principal accounting policies of the company, are consistent in all material respects with those applied in the previous year, except as otherwise indicated.

##### *Basis of preparation*

The financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa. They are presented in South African Rands.

##### *Property, plant and equipment*

Property, plant and equipment are tangible assets that:

- (a) are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and
- (b) are expected to be used during more than one period.

Property, plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The cost of an item is its cash price equivalent at the recognition date.

The company adds to the carrying amount of an item of property, plant and equipment the cost of replacing parts of such an item when that cost is incurred if the replacement part is expected to provide incremental future benefits. The carrying amount of the replaced part is also derecognised. All other repairs and maintenance and servicing costs are charged to profit or loss as incurred.

Depreciation on other assets is charged to profit or loss so as to allocate the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The following rates are used for the depreciation of property, plant and equipment:

	Useful life / Rate
Plant and equipment	5
Computer equipment	3
Motor vehicles	5

The residual values, useful lives and economic consumption patterns for all items of property, plant and equipment are reviewed if there is an indication that there has been a significant change since the last reporting date. If necessary, the consequent depreciable amounts, rates and methods are adjusted. Any changes are accounted for as changes in accounting estimates and included in profit or loss for the current and future periods by adjusting the relevant future depreciation charges.

Gains or losses on disposal are calculated by deducting the carrying value from the proceeds on the date of disposal and are included in profit or loss.

All research and development costs are recognised as an expense unless they form part of the cost of another asset that meets the recognition criteria.

**FREE STATE TRIATHLON UNION**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 AUGUST 2016**

*Trade receivables*

Most sales are made on the basis of normal credit terms, and the receivables do not bear interest. Where credit is extended beyond normal credit terms, receivables are measured at amortised cost using the effective interest method. At the end of each reporting period, the carrying amounts of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in profit or loss.

*Cash and cash equivalents*

Cash and cash equivalents includes cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown separately in current liabilities.

*Revenue*

Revenue comprises the invoiced value of sales, recorded in the financial statements at the date goods are Revenue, which excludes Value Added Tax, comprises of the sale of goods, rendering of services and interest received.

Revenue is measured at the fair value of the consideration received or receivable, net of discounts and Value Added Tax.

Revenue from the sale of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer.

Revenue from the rendering of services is recognised on an accrual basis in accordance with the substance of the agreement.

Interest received is recognised on a time proportion basis, taking account of the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the company.

*Cash flows*

For the purposes of the cash flow statement, cash includes cash on hand, deposits held on call with banks, investments in money market instruments, and bank overdrafts.

*Comparative figures*

Where necessary, comparative figures have been reclassified to conform with changes in presentation for the current year.

Reclassification details:

- ( a ) nature of reclassification
- ( b ) amount of each item or class of items reclassified
- ( c ) reasons for reclassification

Reasons why reclassification was not practicable

**FREE STATE TRIATHLON UNION**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 AUGUST 2016**

**3. Significant management judgements in applying the accounting policies**

In the process of applying the company's accounting policies management has made the following judgements which have significantly affected the amounts recognised in the financial statements:

*examples*

- (a) whether financial assets are held-to-maturity investments;
- (b) when substantially all the significant risks and rewards of ownership of financial assets and lease assets are transferred to other entities;
- (c) whether, in substance, particular sales of goods are financing arrangements and therefore do not give rise to revenue

**4. Key sources of estimation uncertainty**

Determining the carrying amounts of some assets and liabilities requires estimation of the effects of uncertain future events on those assets and liabilities at the end of the reporting period. These estimates require management's most difficult, subjective or complex judgements. As the number of variables and assumptions affecting these uncertainties increases, so judgements become more subjective, and the potential for material adjustments to the carrying amounts of assets and liabilities increases.

Certain assets and liabilities (such as biological assets ) are measured at fair value, based on recently observed market prices, at the end of the year. Such fair values may change materially within the next financial year but these changes do not arise from assumptions or management estimates.

Examples of the types of disclosures an entity makes are:

- (a) the nature of the assumption or other estimation uncertainty;
- (b) the sensitivity of carrying amounts to the methods, assumptions and estimates underlying their calculation, including the reasons for the sensitivity;
- (c) the expected resolution of an uncertainty and the range of reasonably possible outcomes within the next financial year in respect of the carrying amounts of the assets and liabilities affected; and
- (d) an explanation of changes made to past assumptions concerning those assets and liabilities, if the uncertainty remains unresolved.

**5. Property, plant and equipment**

	2016			2015 - RESTATED		
	Cost R	Accum. deprec / impair. R	Carrying value R	Cost R	Accum. deprec / impair. R	Carrying value R
Furniture and fittings	590 227	(295 560)	294 667	457 148	(257 751)	199 397
	<u>590 227</u>	<u>(295 560)</u>	<u>294 667</u>	<u>457 148</u>	<u>(257 751)</u>	<u>199 397</u>

**The carrying amounts for 2016 can be reconciled as follows:**

	Carrying value at beginning of year R	Additions R	Disposals R	Other R	Deprec. / impairment R	Carrying value at end of year R
	Furniture and fittings	199 397	133 079			(37 809)
	<u>199 397</u>	<u>133 079</u>	<u>-</u>	<u>-</u>	<u>(37 809)</u>	<u>294 667</u>

**FREE STATE TRIATHLON UNION**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 AUGUST 2016**

	<b>2016 R</b>	<b>2015 - RESTATED R</b>
<b>6. Trade and other receivables</b>		
Trade receivables	1 820	56 834
Provision for doubtful debts	-	-
	<u>1 820</u>	<u>56 834</u>
	<u>1 820</u>	<u>56 834</u>
<b>7. Bank, cash and cash equivalents</b>		
Bank and cash balances at year end comprise:		
Current account	429 843	495 133
	<u>429 843</u>	<u>495 133</u>
<b>8. Trade and other payables</b>		
Trade creditors	13 310	25 780
	<u>13 310</u>	<u>25 780</u>
<b>9. (Loss) / profit before taxation</b>		
Profit from operations is arrived at after taking into account the following:		
<b>Income</b>		
Revenue from:		
African Cup - Triathlon\Duathlon	275 154	126 411
Lotto befondsing	-	799 250
Sponsorship\School challenge	146 600	-
Local events and Free State champs	14 875	8 356
Rental income from crowd barriers	3 160	2 250
South African Duathlon championship	-	11 960
South African Triathlon championship	16 257	16 349
Membership	13 310	9 570
Aldam multisport event	4 110	2 160
	<u>473 466</u>	<u>976 306</u>
<b>Expenses</b>		
Auditors remuneration		
Audit fees	-	4 250
Depreciation	37 809	24 862
Furniture and fittings	<u>37 809</u>	<u>24 862</u>

**FREE STATE TRIATHLON UNION**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 AUGUST 2016**

	<b>2016 R</b>	<b>2015 - RESTATED R</b>
<b>10. Notes to the cash flow statement</b>		
<b>10.1 Reconciliation of net profit before taxation to cashflows from operations</b>		
<b>Net profit before taxation</b>	(12 562)	622 050
Adjustments for :		
Depreciation	37 808	24 862
Interest received	(509)	(762)
Operating profit before working capital changes	<u>24 737</u>	<u>646 150</u>
Working capital changes		
Decrease in trade receivables	55 014	(39 894)
Increase in trade and other payables	(12 470)	7 994
<b>Cash generated from operations</b>	<u><u>67 281</u></u>	<u><u>614 250</u></u>

**10.3 Cash and cash equivalents**

Cash and cash equivalents consist of cash on hand and balances with banks and investments in money market instruments. Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:

Bank, cash and cash equivalents	429 843	495 133
	<u>429 843</u>	<u>495 133</u>

**11. Going concern**

The financial statements have been prepared on the going concern basis, since the committee members have every reason to believe that the company has adequate resources in place to continue in operation for the foreseeable future.