

SWD CRICKET NPC

REPORT ON THE FINANCIAL STATEMENTS: 2023/24

By R D McMillan (CHAIRPERSON: FINANCE AND COMMERCIAL COMMITTEE)

In the presentation of the audited financial statements for the 2023/24 financial year, as ended on 30 April 2024, it is important to explain and highlight to all stakeholders the following:

- The Board of Directors of SWD Cricket NPC is responsible for the preparation and integrity of the Annual Financial Statements in accordance with International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SME's) that fairly presents the state of affairs of the company, and other information contained in this report.
- The Finance and Commercial Sub-Committee, reporting to the Board of Directors on a regular basis, plays an important oversight role in all matters relating to financial administration and internal financial control, the application of prudent and appropriate accounting policies and reporting requirements.
- The 2023/2024 financial year was difficult from a financial performance point of view when compared to the budget. The company recorded a deficit of (R 623,587) compared to the budgeted surplus of R 50,842.
- This deficit can be attributed to the following significant factors:
 - Over-expenditure on administration.
 - Over-expenditure on Club transportation costs and pre-season facility maintenance.
 - Over-expenditure on CSA Professional Women's Competition; especially travel and accommodation.
 - Over-expenditure on CSA Professional Men's Competition costs; especially travel and accommodation.

I am pleased to report, again, that the financial statements have received an unqualified audit report for the 2023/2024 financial year. I would like to thank and congratulate all the role players that contributed in achieving this pleasing outcome; especially the staff directly involved in the finance department. Thank you for all your efforts.

FINANCIAL OVERVIEW

STATEMENT OF FINANCIAL POSITION

ASSETS

<u>Property, plant and equipment – carrying values</u>	R
2024	2,685,290
2023	2,132,229

The decrease of R 553,061 is largely due to a change in the estimate of the useful life of assets and the residual values to the value of R 805,000. Property, plant and equipment acquisitions amounting to R 396,026 was made and a vehicle with a carrying value of R 126,892 was disposed during the financial year.

Investment

This represents the shareholding in Western Cape Cricket (Pty) Ltd – unchanged from the prior year.

Inventories

This represents stock of cricket balls on hand at year end and has increased from R 203,213 in 2023 to R 347,209 in 2024.

Trade and other receivables

2024	931,566
2023	969,442

Trade and other receivables decreased slightly compared to the previous financial year. The most significant is CSA revenue (R 738,681). A significant portion of the funding has been received after year except the IPL Hammer Fee Distribution.

Cash and cash equivalents

2024	134,638
2023	9,043

Cash and cash equivalents increased by R 125,595 from the previous financial year.

RETAINED EARNINGS

2024	(80,248)
2023	543,339

The decrease is due to the deficit recorded in the 2024 financial year and shows a nett insolvent position for the company.

LIABILITIES

Current liabilities

Bank overdraft

2024	35,032
2023	961,854

The bank overdraft balance has significantly improved from the previous financial year. The balance at 30 April 2024 was in respect of the outstanding amounts on the credit cards. This was settled just after year-end.

Provisions

2024	147,076
2023	118,666

A slight increase of R 28,410 in the leave pay provision from the prior.

Trade and other payables

2024	3,511,526
2023	1,485,184

The cash flow challenges experienced during the financial year is also evident in the significant increase in Trade and other payables at year-end. Trade- and sundry creditors as well as Payroll accruals (medical aid and provident fund) has been settled after year-end. Payment arrangements are in place with SARS for the Value Added Tax and Payroll taxes owed at year-end. The company is adhering to the terms of the arrangement.

Deferred income

R

2024	135,343
2023	204,888

Deferred income is made up of CSA Betway bursary funding to be spent in the 2024/25 financial year (R 11,118) and Club affiliation fee grants received from Western Cape DCAS (R 124,225) to be utilised over the next few seasons for beneficiaries of the Club Development Program.

Current portion of finance lease liabilities

2024	46,241
2023	-

A new company vehicle was procured through financing in the 2024 financial year, this represents the capital amount that will be settled during the next 12 months.

STATEMENT OF COMPREHENSIVE INCOME REVENUE

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REVENUE

CSA Revenue

Total 2024	25,474,719
Total 2023	18,239,365
Increase in Rand	7,235,354
Percentage increase	40%

Some of the significant movements consist of:

- CSA Senior Professional Men's Structure funding increased by 5% from the previous financial year.
- CSA Senior Women's Structure was elevated to professional status with increased funding for players and coaching staff salaries as well as the funding for the professional women's competition. The funding increased from R 1,200,600 to R 3,669,689 (205.65% increase).
- CSA Gate revenue has increased significantly due to the profile of the summer incoming tours; R 436,013 increase from the previous financial year.
- CSA Division 2 Men's Competition funding increased by R 376,728 (20.70%) from the prior year.
- CSA Tournament income increased significantly due to CSA allocating four tournaments to SWD Cricket during the 2023/2024 season. We hosted the USSA-B Tournament, the CSA Boys U/16 National Week, the CSA Hub Challenge and the Women's Provincial Division 2 Tournament. Total tournament hosting revenue increased by R 3,612,382 from R 454,316 in 2023 to R 4,066,698 in the 2024 financial year.
- Reimbursements from CSA also increased by R 346,651. These funds cover expenditures incurred on behalf of CSA.

Other Income

Total 2024	1,791,451
Total 2023	2,284,041
Decrease in Rand	492,590
Percentage decrease	21.56%

Decrease mainly due to a drop in National Lotteries Grant income, sponsorship funding, and no Western Cape Cricket Council development funding received.

EXPENSES**R**

2024	27,889,757
2023	22,411,430
Increase in rand	5,478,327
Percentage increase	24.44%

Some of the significant expenditure items to highlight:

- Administration costs increased by 30.50% from R 1,210,927 to R 1,580,250.
- CSA Women's provincial competition expenses increased by 72.57% from R 910,185 to R 1,570,701. This is due to the elevation to professional status.
- Finance costs increased by R 76,416 mainly to the overdraft facility.
- Human resources increased by R 1,193,113 (9.41%) from R 12,684,803 to R 13,877,916. This is mainly due to the increase in salaries for the Professional Women Structure. Also included is remuneration for players doing national duty for the Momentum Proteas and SAA teams and office staff seconded as part of the ICC U19 World Cup hosted in South Africa.
- Due to the increase in the number of CSA tournaments allocated to SWD Cricket, the tournament hosting expenditure line item increased from R 433,317 in 2023 to R 3,524,965 in 2024.
- CSA reinstated the Colts Competition in 2024 and the total cost was R 379,763. This tournament was cancelled for the 2023 financial year.
- Penalties incurred for unpaid SARS statutory amounts increased by R 181,666. This was due to cash flow challenges during the last few months of the year.

DEFICIT FOR THE YEAR

2024	(623,587)
2023	(1,888,024)