South African Football Association

Group Financial Statements and Association Financial Statements for the **year ended 30 June 2023**

SOUTH AFRICAN
FOOTBALL ASSOCIATION

ASSOCIATION INFO

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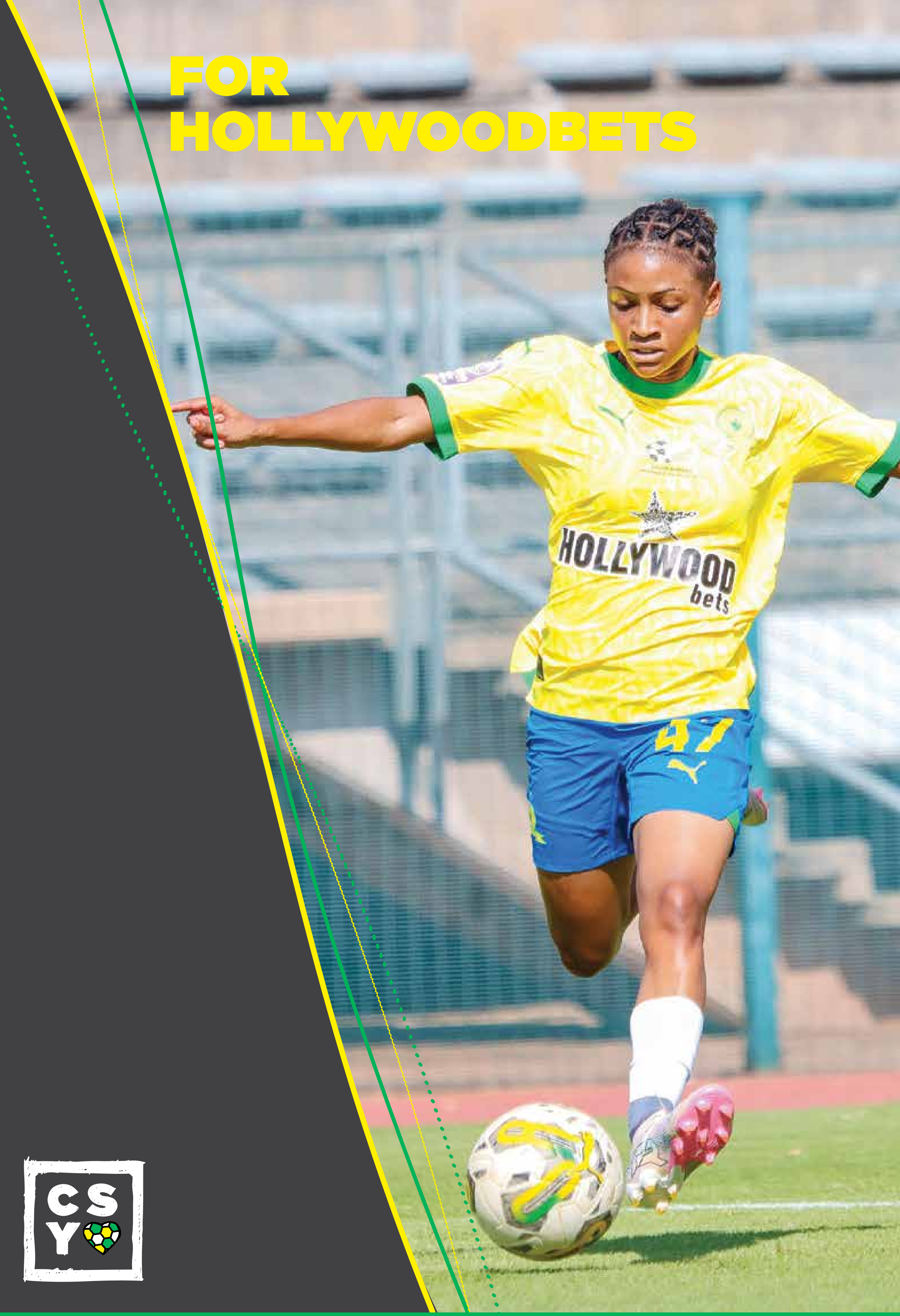
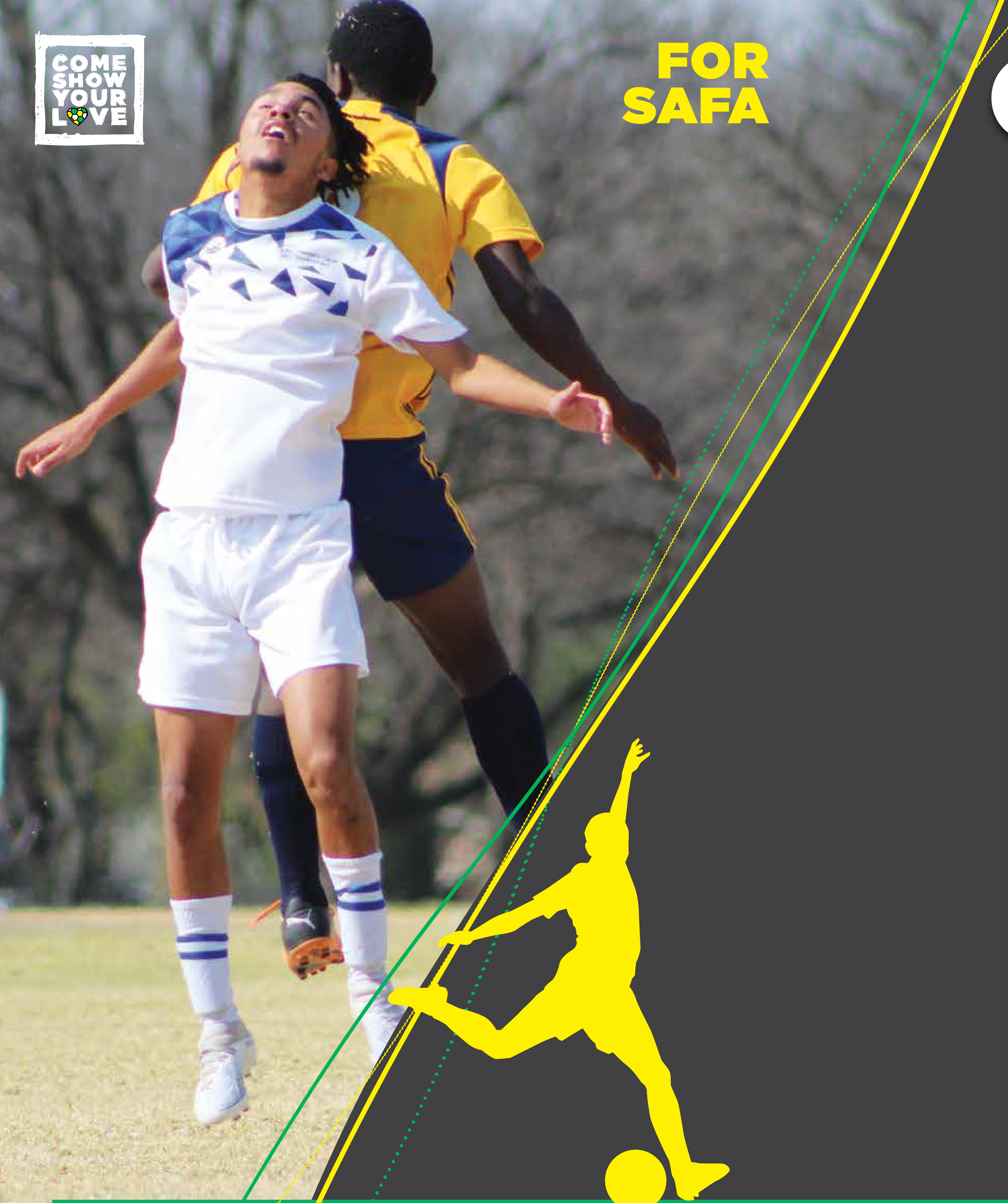
PREPARER
The consolidated and separate annual financial statements were prepared by SAFA Chief Financial Officer Gronie Hluyo





CONTENTS

Group Financial Statements and Association Financial Statements for the year ended 30 June 2023

The following supplementary information does not form part of the group financial statements and association financial statements and is unaudited:

Issued: 8 April 2024

SOUTH AFRICAN FOOTBALL ASSOCIATION

Chairman: Finance and Procurement Committee

OUR ENVIRONMENT:

Football operates in a controlled and regulated environment that is embedded in strong governance principles and regulations. The Association's ability to navigate the world of business regarding football will continue to determine the main sources of revenue. These are currently sponsorships and broadcasting revenue. The current economic environment and business world perception of football continues to be the main constraint in our revenue generation initiatives, and this limits the Association's drive to increase revenue. The Association has embraced this current climate and reality with all the opportunities it presents. Greater use and application of technology, supported by Artificial Intelligence, is to be our order of the day to drive revenue generating opportunities.

Mr Sibam, Mxolisi
Chairperson

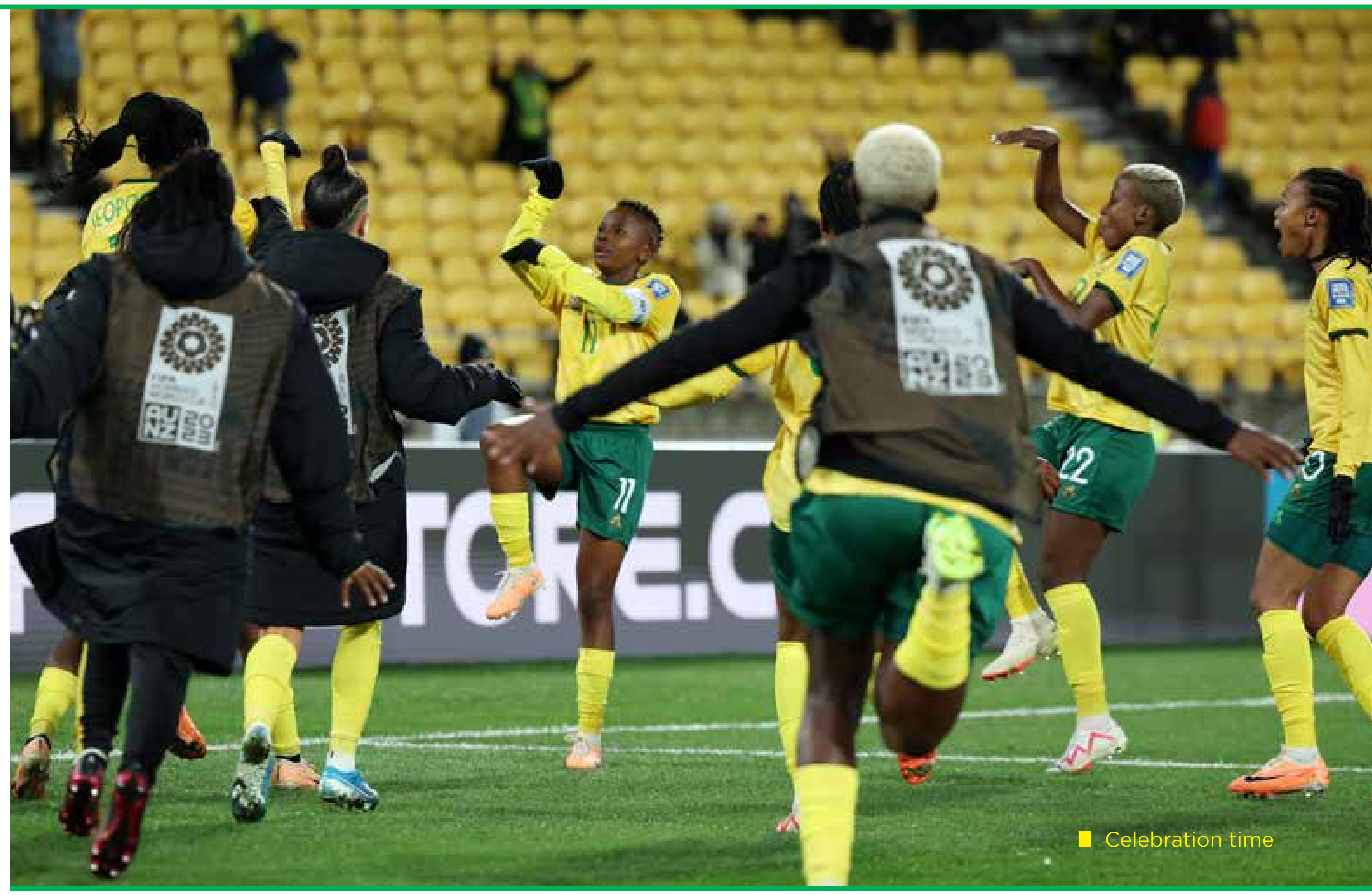
FINANCIAL PERFORMANCE:

The Association continues to show great resilience, drive and financial strength supported by its sound and solid financial foundation. This allowed us to continue applying strict and prudent cost control measures which contributed to our financial performance. Revenue increased by 4% to R237 million which is still 25% off from our targeted range of R300 to R350 million. This increase is 20% over a two-year period; therefore, we project to reach our targeted range within the next three years.

Our emphasis on innovations, smart approach, and creativity in dealing with broadcast revenue, following the trends and approach of successful Associations in North America and Europe, will be paramount as we navigate the next five years.

FINANCIAL POSITION:

The overall financial position of the Association marginally improved under the current economic environment constraints. The changes in accounting policies of the Association have resulted in a fair and more appropriate economic value of the Association being presented. Our main focus continues to be building a stronger, viable and sustainable financial position. The quick and current ratios continue to be, at least, three times lower than the targeted and acceptable levels. Our projections are that these should be within the targeted and acceptable range within the next three financial years.



Celebration time

CASH-FLOW MANAGEMENT:

The Association's spending pattern continue to be guided by the availability of cash. The Association cash flows from operating activities returned to a positive position in the current financial year which has made the current cash position a firm foundation to strengthen its cash position in the future.

FINANCIAL SUSTAINABILITY AND GOING CONCERN:

The Association's main objective is to build a financially viable and sustainable entity, increase revenue to our targeted range, apply prudent financial principles and cost containment measures, improve cash flows management, and focus investment on its core business which is football competitions and development. This is evident in its financial performance and results, financial position, and cash flows. The secured current sponsorships and broadcast partners, prospective partners and funders are continuously engaged to be more creative to increase revenue. Exploration of new revenue streams and types, and learning from previous successes and failure, has strengthened the going concern status of the association.

CONCLUSION:

The time is now for football to embrace and exploit the economic growth opportunities presented by women's football. Substantial contributions to the business of football growth in Europe and North America is attributable to it. Investment in football development is a key driver in the economic growth and contribution of football to the GDP of the country as it also influences various aspects of life including education, youth development, drug-free and alcohol-free society, social cohesion, youth employment opportunities. Most of all it creates healthy, happy, and positive living communities.

Annually, for the past decade the business of football in South Africa has lost at least R1 billion because of its applied business model. The business of football has a value much lower than the other two major sporting codes in the country and this needs our urgent attention to ensure we work towards an integrated business model of the business of football that will increase our economic value and contribution to the country's economic growth and GDP.

Chairman: Audit and Compliance Committee

The Audit and Compliance Committee is constituted in terms of Article 51 of the SAFA Statutes. The Committee approved the audit plan and was satisfied with the audit work which was performed by Sondlo Chartered Accountants during the audit of the financial statements.

The Committee received a detailed financial recovery plan and will monitor its implementation on a regular basis. This plan addressed the going concern matter that was raised by the auditors. However, it is important that the revenue targets, as outlined in the recovery plan, must materialise through continuous and regular monitoring and evaluation. This requires concerted efforts by both management and the National Executive Committee. to ensure that budgets are carefully planned and implimented with regular reporting of variances which could indicate red flags or risks. New revenue streams must be established promptly, and existing sponsorships must be retained to address the sustainability of the organisations and the successful implementation of the recovery plan. The net liabilities position which was the major concerns of the auditors relating the going concerned raised. This must be addressed without any delays through the stringent implementation of both internal control and cash management plans.

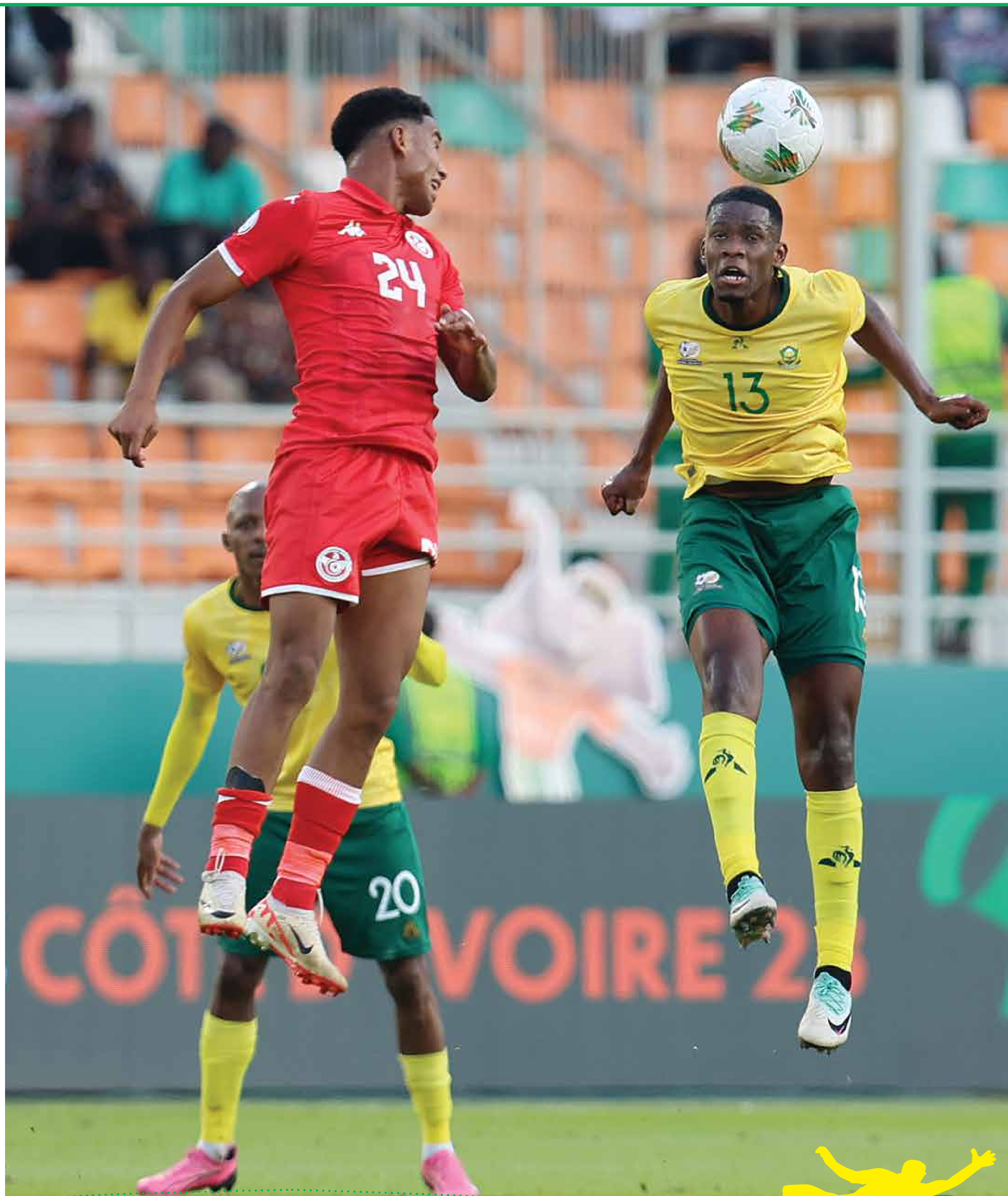
Management must pursue the ownership of the land upon which SAFA House is built on. The transfer of ownership from the Department of Public Works will create more certainty regarding this land. The matter must be escalated to the top echelons of National Government.

Mr Small, Rashied
Chairperson

The Committee noted the loss for the year which can be attributed to significant increase in international tournaments, especially the success of Banyana which was not budgeted for and encouraged management to improve on this position by careful planning for the success of the national teams on the international stage. However, the revaluation gains of the properties based on the valuation of experts resulted in the overall profit for the Group and Association. The Committee also noted that the prior year errors were reported as contingent liabilities in the prior year because there was insufficient information, at that stage, to realised them as liabilities. This contributed to the net liability position of the organisation.

The Committee was satisfied with the audited financial statements for the year ended 30 June 2023. The Committee was also satisfied with the audit opinion as expressed by Sondlo Chartered Accountants in their Independent Auditor's report.

I would like to thank the members of the Audit and Compliance Committee for their support during this period. They are Mr Bennett Bailey, Mr Mbongeni Shibe, Mr Thabang Monametsi, Mr Jacques Mazima, Mr Thabani Shezi, Mr Enoch Lucky Noe, Mr Matthews Lesie and Mr Mfundiso Ntabeni.



Chief Executive Officer: Financial Report

This is my maiden report after being appointed as the Chief Executive Officer in May 2023. Since taking over, we have adopted a strategy of working on boosting our revenues whilst attempting to reduce costs. This should result in the generation of profits, accumulation of reserves, improvement of our cash flows and the repairing of our balance sheet. The reported surplus for the year ended 30 June 2023 is a step in the right direction. However, a focused approach based on the revenue and cost pillars should achieve our desired outcomes.

The appointment of a Commercial and Marketing Manager signifies our serious intention of bolstering our revenues. Our tactic is to acquire, retain and expand. Using the recent successes of our senior national teams as a springboard, we are negotiating some commercial opportunities with like-minded potential partners. Whilst deals of this nature generally take time to be concluded, we believe that dawn is approaching. Simultaneously, we are performing some research and valuing our different products. The Association has been fortunate to have some long term and committed sponsors. Our retention strategy is to ensure that our current sponsors are well looked after. This requires continuous engagements and understanding their objectives.

Ms Lydia Monyepao
Chief Executive Officer

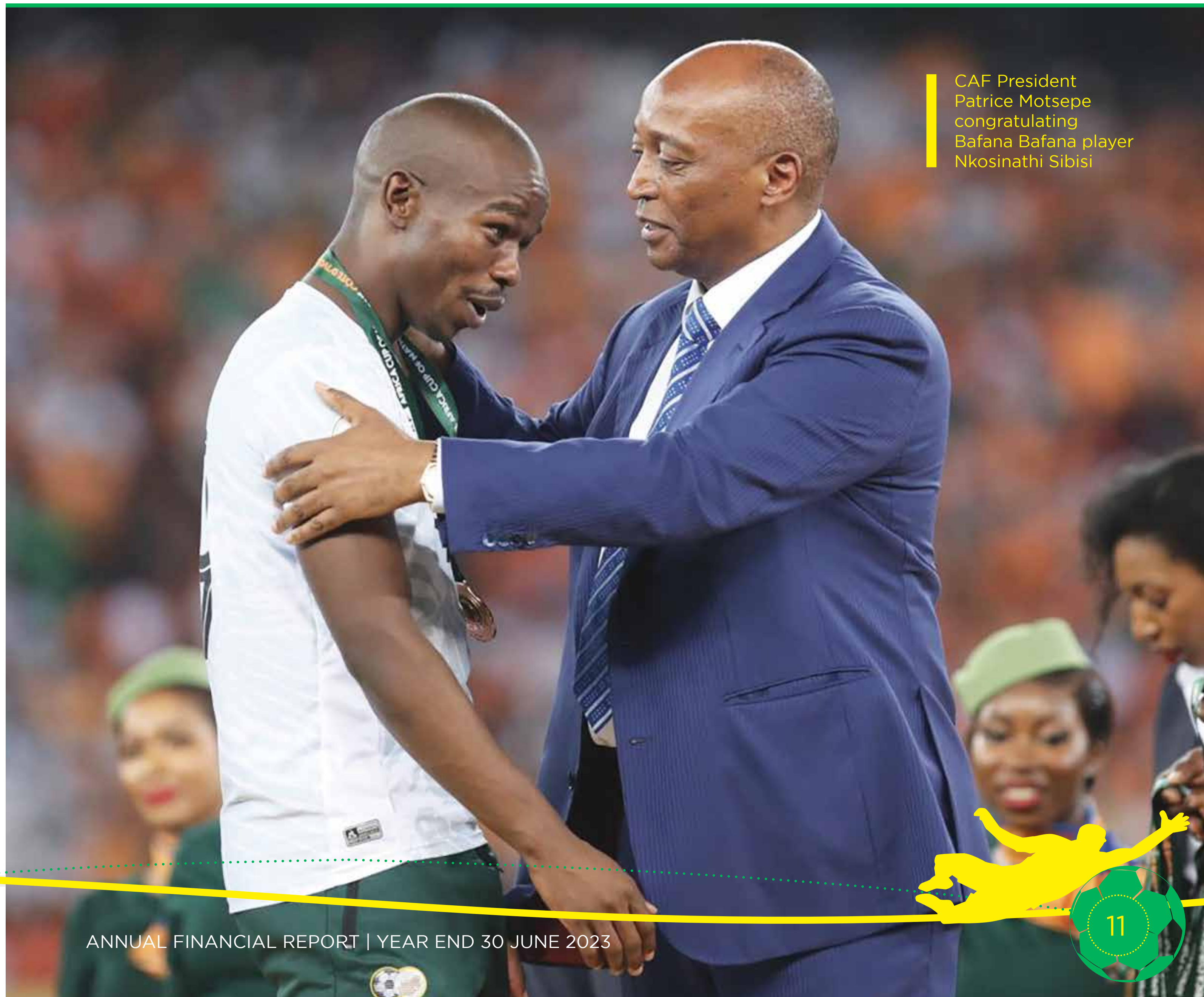
The diversification of the revenue streams is key to the Association's financial success. Some options are being considered and a lot of efforts are being put in pursuit of these. The closing down of the 2010 FIFA World Cup Legacy Trust resulted in a significant reduction of grant funding. Most of the Association's development activities rely on grant funding. Therefore, we are bolstering our efforts in the seeking of grant funding. Our broadcast revenue strategy is hinged on creating symbiosis with our free-to-air broadcast partner, creating value for potential satellite broadcast partner, and extracting value from our other related rights.

The success of our national teams comes with concomitant costs, especially preparation costs. Our teams were very active during the year under review. These included preparation for the FIFA Women's World Cup 2023 Australia & New Zealand, AFCON 2023 qualifiers, CHAN qualifiers, the U17 AFCON tournament, COSAFA tournaments, various friendly matches, training camps, etc. We are also continuously searching for areas where we can save costs. Cost saving is not an event, but it is a continuous process. We constantly perform business process reviews and identify cost saving opportunities. Whilst we reduce our costs, we ensure that the quality of our delivery is not compromised.

In conjunction with the Audit and Compliance Committee, we ensure that our internal controls are effective and being updated regularly. Financial Governance is a non-negotiable and this is enforced through financial and procurement policies and procedures. The various Committees perform the oversight role, and these include the Finance and Procurement Committee, the Remuneration Committee and the Audit and Compliance Committee.

We are tirelessly working on the implementation of a turn around strategy which is well articulated in the National Executive Committee report and the Going Concern note. It is paramount that we achieve most of our objectives within this strategy. We believe that, with the full support of the National Executive Committee, we shall succeed. Football continues to grow, especially on the African continent and women's football worldwide. Therefore, we need to capture and maximise on this growing trajectory of the most loved sport.

I would like to express my sincere gratitude to the President and the National Executive Committee for their support.



CAF President Patrice Motsepe congratulating Bafana Bafana player Nkosinathi Sibisi

Chief Financial Officer: Financial Report

The Association is reporting a profit of R4.0 million for the year ended June 30, 2023. However, the position before the revaluation gain is a loss of R51.7 million. A revaluation gain of R55.7 million was recognised from the revaluation of SAFA House. The Association decided to change its accounting policy relating to land and buildings. Previously, land and buildings were recorded at historical cost less accumulated depreciation. However, as permitted by the Accounting Standard (IAS) 8, the Association changed its policy from the cost model to the re-valuation model. This change resulted in the land and buildings being reflected in the financial statements at a true and fair current value The revaluation shall be performed regularly in the future.

The prior period error mainly relates to two (2) transactions which met the full definition of a liability during the year under review. In the previous period, these transactions had not crystalised as liabilities and further information was being sought. Consequently, they were reflected as contingent liabilities in the financial statements for the year ended June 30, 2022. The net prior period adjustment is R10.5 million.

Mr Gronie Hluyo
Chief Financial Officer

The net liabilities position continues to be an albatross around the Association's neck. A comprehensive turnaround strategy was crafted, and this is underpinned by the diversification of revenue streams. The traditional revenue model, which relied heavily on sponsorship income, is slowly becoming obsolete. The membership fee model was recently approved by the National Executive Committee and is in the process of being implemented. Due to the successes achieved by Bafana Bafana and Banyana Banyana, several corporate entities are making enquiries regarding partnerships with the Association. Some of these should come into fruition in the near future. The Association is well positioned to maximise its revenue opportunities from the commercialisation of broadcast. Some innovative and "thinking out of the box" strategies should result in an overall increase in broadcast rights fees. Significant progress has been made in pursuit of this objective.

The increase in costs, as a comparison between prior year and current year, is mainly attributable to the increase in activities, specifically national teams. Banyana Banyana's Women Africa Cup of Nations 2022 tournament costs and Banyana Banyana's preparation costs for the FIFA Women's World Cup 2023 form part of this year's expenditure. The junior national teams' activities, including Under 17 Boys participation at the Africa Cup of Nations and the Under 16 boys' national team friendly matches, contributed significantly to the annual expenditure. The implementation of the gender parity policy, while highly commendable, resulted in additional costs for the Association. Concerted efforts must be made to introduce additional revenue which will support these additional costs which were generated due to the gender parity policy.

The Association managed to generate net positive cash from its operations. However, the repayment of loans has placed strain on the cash flows. The realisation of a solution to the net liabilities challenge will improve the Association's cash flow position.

I believe that the Association's financial position can change positively in the not-so-distant future. However, this requires great collaboration by all stakeholders and a complete

paradigm shift. Football remains the biggest drawcard in sport and through effective fan engagement, the potential for financial success is unlimited.

I would like to thank the Finance and Procurement Committee and the Audit and Compliance Committee for their continuous guidance in our journey.

National Executive Committee Responsibility Statement

The National Executive Committee ("NEC") is responsible for the preparation and fair presentation of the Group Financial Statements and Association Financial Statements of the South African Football Association ("Association"), comprising the statements of financial position at 30 June 2023, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes in accordance with International Financial Reporting Standards. In addition, the NEC is responsible for preparing the report of the NEC, statement on corporate governance and composition of the NEC.

The NEC is also responsible for such internal controls to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management.

The NEC has made an assessment of the Association's ability to continue as a going concern and for the reasons stated in the report of the NEC believe that the Association will be a going concern in the year ahead. The consolidated and separate annual financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The NEC believes that the Group has, or has access to, adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis (refer to note 24). The NEC has satisfied itself that the Group is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable requirements. The NEC is also not aware of any material non compliance with statutory or regulatory requirements or of any pending changes to legislation which may significantly affect the Group.

The external auditors are responsible for independently auditing and reporting on the Association's separate and Group's consolidated annual financial statements. The consolidated and separate annual financial statements have been examined by the Group's external auditors and their report is presented on pages 21 to 25.

The consolidated and separate annual financial statements set out on pages 26 to 64, which have been prepared on the going concern basis, were approved by the NEC on 8 April 2024 and were signed on its behalf by:

Approval of the consolidated and separate annual financial statements

Dr Danny A. Jordaan	Ms Lydia Monyepao
President	**Chief Executive Officer**

National Executive Committee Statement on Corporate Governance

The NEC supports the principles incorporated in the Code of Corporate Practices and Conduct as set out in King Code of Corporate Practices and Conduct. By supporting the Code, the NEC has recognised the need to conduct the Association with integrity and to issue financial statements which comply with International Financial Reporting Standards.

Consolidated and separate annual financial statements

The members of the NEC are responsible for preparing the consolidated and separate annual financial statements in a manner which fairly presents the state of affairs and results of the operations of the Group and the Association. The financial statements are prepared in accordance with International Financial Reporting Standards. The significant accounting policies adopted in the preparation of these consolidated and separate annual financial statements are set out in the accounting policies in these financial statements.

The NEC is also responsible for the assessment of the Association's and its subsidiary's ability to continue as a going concern.

The auditor's responsibility is to express an opinion on these financial statements based on an audit conducted in accordance with International Standards on Auditing.

Internal controls

The members of the NEC are responsible for maintaining adequate accounting records and for taking reasonable steps to safeguard the assets of the Association and its subsidiary to prevent and detect fraud and other irregularities. The internal controls implemented operated effectively throughout the year.

Audit and Compliance Committee

The committee members are appointed by the NEC. The committee has met regularly over the past year to discuss accounting, auditing, internal controls and risk related matters. The committee provides a forum through which the independent auditor reports to the NEC.

Finance and Procurement Committee

The committee members are appointed by the NEC. The committee has met regularly over the past year to discuss accounting, budgeting and other financially related matters.

Composition of the National Executive Committee

President
Danny Jordaan

Honorary Presidents
Lesole Gadinabokao
Molefi Oliphant

Vice Presidents
Anastasia Tsichlas
Bennett Bailey
Irvin Khoza
Linda Zwane

Chief Executive Officers
Tebogo Motlanthe (resigned 05 May 2023)
Lydia Monyepao (Appointed 08 May 2023)

Honorary Members
David Zulu
Jeremiah Mdlalose
Motebang Mosese
Obakeng Molatedi

These members, save for the position of the Chief Executive Officer, Honorary Presidents, Honorary Members and National Soccer League Representatives, were elected onto the NEC on 25 June 2022. In terms of paragraph 32.3 of the Association's Statutes, these members will hold office for a period of four years.

Members
Andile Ngconjana
Bonginkosi Mchunu
Buti Mathathe
Chris Tyhawana
David Molwantwa
Elizabeth De Koker
Emma Hendricks
Gerald Don
Gladwyn White
Jack Maluleke
Kaizer Motaung
Kaizer Sibanyoni
Kwenzakwakhe Ngwenya
Lebogang Riet
Letima Mogorosi
Litheko Marago
Magabolle Thokwane
Mato Madlala
Mbongeni Leonard Shibe
Mduduzi Mthembu
Monde Montshiwa
Mosimanegape Mathe
Musawenkosi Zondi
Mxolisi Sibam
Mzimkhulu Fina
Orapeleng Setlhare
Pius Nqandela
Poobalan Govindasamy
Robert Benadie
Simphiwe Mkhangelwa
Solomon Mkhabela
Tankiso Modipa
Thabile Msomi
Thabo Monyane
Vincent Ramphago
Xolo Mdlokovane

Report of the National Executive Committee

The NEC have pleasure in submitting their report on the Group financial statements and Association financial statements of the South African Football Association and the Group for the year ended 30 June 2023.

1. Nature of business

The South African Football Association ("the Association") is the governing body for football in South Africa. Its main aim and objectives are to promote, advance, administer, co-ordinate and generally encourage the game of football in South Africa in accordance with the principles as laid down in the statutes of Federation Internationale de Football Association ("FIFA"). There was no major change in the nature of the business of the Association during the year. The Association has a dormant subsidiary which collectively are referred to as the Group. There have been no material changes to the nature of the Association's business from the prior year.

2. Review of financial results and activities

The consolidated Group financial statements and Association financial statements have been prepared in accordance with International Financial Reporting Standards. The accounting policies have been applied consistently compared to the prioryear, except where highlighted.

The Group's results, comprising the Association and its subsidiary, are contained in the attached financial statements. The group recorded a comprehensive income for the year ended 30 June 2023 of R5,044,003, compared to the prior year loss after tax of R2,629,273. The Group's financial position reflects an accumulated loss of R7,439,825 (2022: accumulated loss R1,940,141). The Group's financial performance for the period was boosted by the revaluation of the Association's land and buildings.

The Group decided to change its accounting treatment of its land and buildings to provide reliable and more relevant information about their values.

The Association's total revenue reduced mainly due to a reduction in sponsorship income, broadcast fees and grants. The South African Breweries renewed their sponsorship at a reduced rate and opted for a lower package. Energade decided not to renew their sponsorship and was replaced by Endurade who came in at a lower fee. The 2010 FIFA Legacy Trust was wound up; therefore, the Association did not receive the funding for development programmes compared to prior years.

The overall costs of the Association increased compared to the prior year. This is a result of our national teams being much more active. The myriad of activities include participation in the 2022 Women Africa Cup of Nations, 2026 FIFA World Cup qualifying matches, 2023 FIFA Women's World Cup preparation camps and matches, Under 23 Africa Cup of Nations qualifying matches and Under 17 Men qualifying matches and participation at the Under 17 Africa Cup of Nations tournament.
Our Governance costs increased in line with the expanded NEC. The salaries costs also increased after the Association filled in a number of vacancies which had been unoccupied.

3. Property, plant and equipment

Details of changes in property, plant and equipment are shown in note to the financial statements.

The Association received a grant from FIFA for the development of SAFA House during the 2006 financial year. SAFA House has been built on land to which the Association was granted a right to erect improvements. This land belongs to the Department of Public Works. There is an understanding that the land on which SAFA house was built will ultimately be transferred to the Association. At the date of this report this has not happened and the Association is still in discussions with the Government regarding the transfer of the property to SAFA. However, SAFA has

Report of the National Executive Committee continued

unrestricted access and unlimited use of this land. The land has been recognised in line with the conceptual framework and IAS 16 for the first time in 2023, which triggered the prior period error (refer to note 18). At 30 June 2023 the group's investment in property, plant and equipment amounted to R138,261,427 (2022: R88,675,539), of which R1,386,231 (2022: R1,421,335) was added in the current year.

During the prior years, the South African Football Development Agency Trust ("SDA") transferred its leasehold property, Alex Hub, to the South African Football Association ("SAFA") in settlement of its loan account with SAFA. On the transfer date, the carrying value of the Alex Hub was R5,949,002 and the outstanding loan balance was R5,655,148. The property's user and maintenance agreement with the City of Johannesburg was also ceded to SAFA.

During the current year, the Group decided to change its accounting policy on Property, Plant and Equipment, and it was guided by the International Accounting Standard 8. It has now adopted the revaluation model as a preferred accounting treatment of its land and buildings. This change in accounting policy was necessitated by the need to provide more reliable and relevant information in its financial statements. The NEC approved this change in accounting policy.

4. Events after the reporting period

No significant events have occurred after the 30 June 2023 that will have an impact on the reported financial results.

5. Going concern

The Group made an operating loss of R50,633,854 for the year ended 30 June 2023, however there is a revaluation surplus of R55,677,857 which resulted in an overall profit of R5,044,003. As of that date, the Group's total liabilities exceeded its total assets by R7,439,825. However, the Group's current liabilities exceed its current assets by R107,441,777 excluding income received in advance which will not crystallise as a cash outflow). The Group continues to pursue its plans of improving this position and is still determined to achieve a net current asset position within the next few years. A complete review of the Association's financial model has been performed and several positive changes are being considered.

The financial statements have been prepared on a going concern basis, which assumes that the Association will continue to operate for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. However, the Association's current liabilities far exceeds its current assets, and it has incurred significant operating losses and negative total cash movement for the year, which raises substantial doubt about its ability to continue as a going concern. Management has developed a plan to address these issues, which includes: the Association has embarked on a gigantic project of monetising its central database. It is estimated that the Association has more than 3 million members: thus, players and officials. The process of registering these members was started a few years ago and a lot of progress has been made. An annual membership fee will be introduced, and each registered member will be required to pay such in exchange for an array of benefits. It is projected that the benefits of this projects will be realised from the commencement of 2024. Unencumbered income will be released from this project into the Association. The Association is optimistic that this project will be a huge success and it will secure the future of South African football.

The Association believes that there is a huge opportunity to increase the broadcast revenue. According to its research results, most Sporting Bodies derive approximately 60% of their revenue from broadcast rights whilst the Association's broadcast rights revenue is only 14%. This clearly indicate that the Association has not maximised on the broadcast rights fees. The contract between the Association and the South African Broadcasting Corporation (SABC) terminates on 30 October 2023.

The Association is confident that it will emerge from the contract renewal negotiations with a much improved deal. The opportunities for Pay-TV rights fees are also being pursued with much vigour. The Association has several sponsorship properties which have matured. In addition, to the existing crown jewels, the Women National League, known as the Hollywoodbets Super League has grown by leaps and bounds. The Schools Football is also an untapped market and resources will be ploughed into this product so that it can realise its full potential.

The Association continues to have some excellent relationship with its sponsors. Its major sponsors, like Sasol and SA Breweries, have been supporting it for many years and this is envisaged to continue in the long-term. Most of the sponsorship contracts have a life span of more than one year; therefore, this guarantees future funding for the Association. The consistent performance of the Senior Women's National team (Banyana Banyana) and recent excellent play by the Senior Men's National team (Bafana Bafana) has resulted in several companies desiring to partner with these teams. Appropriate sponsorship packages, which will result in mutually beneficial partnerships, are being finalised and the Association is optimistic that several companies will come on board.

The continued support by Confédération Africaine de Football (CAF) and FIFA ensures financial stability for most of their members, including the Association. FIFA recently launched FIFA Forward 3.0 which is a funding programme for its Member Associations. The annual funding for operations was increased from USD 1 million to USD 1.25 million. This funding is secured for the next 4 years. CAF guarantees its members USD250'000.00 per year and they are considering increase these grants once they have concluded their broadcast rights contract. Recently, the Association received confirmation from the Department of Sport, Arts and Culture that they will avail R6.7 million annually for Women Football programmes and this is a 3-year commitment. After the recent management changes at the National Lotteries Commission Distribution Board, the Association is expecting to start receiving regular and consistent funding from them. Recently an application was submitted for funding of Bafana Bafana's preparations for the 2023 Africa Cup of Nations Ivory Coast. The Association continues to cultivate symbiotic relationships with various spheres of Government. The realisation of the benefits of this partnership will emerge through the co-hosting of events. These will include national team matches, national play-offs and championships and mega gatherings. The reciprocal assistance from the host cities is normally in the form of accommodation and transport costs, provision of services like stadium facilities, security, and hospitality. This achieves huge cost savings for the Association whilst also achieving the objective of taking its events to various citieswithin the country.
The Association continues to vigorously manage its costs by being innovative in the way that it carries out its activities. Fiscal discipline is being practised across the whole organisation's spectrum. This is strengthened by, among other tools, operating within an approved budget, enforcement of procurement policies and regular financial reporting. The Association continues to create value with the supply chain by working closely with its suppliers.

The Association, as the football controlling body in the Country, is a national asset. It is due to this status that it works very closely with the Government and enjoys its support.

The ability of the Company to continue as a going concern is dependent upon the successful implementation of this plan and the ability to raise additional financing. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

6. Auditors

Sondlo Chartered Accountants continued in office as auditors for the Association and its subsidiary for 2023.

At the Annual Congress, the members will be requested to reappoint Sondlo Chartered Accountants as the independent external auditors of the Association and to confirm Ms Nolubalalo Nkonki as the designated lead audit partner for the 2024 financial year.

Report of the National Executive Committee continued

7. Group Financial Statements

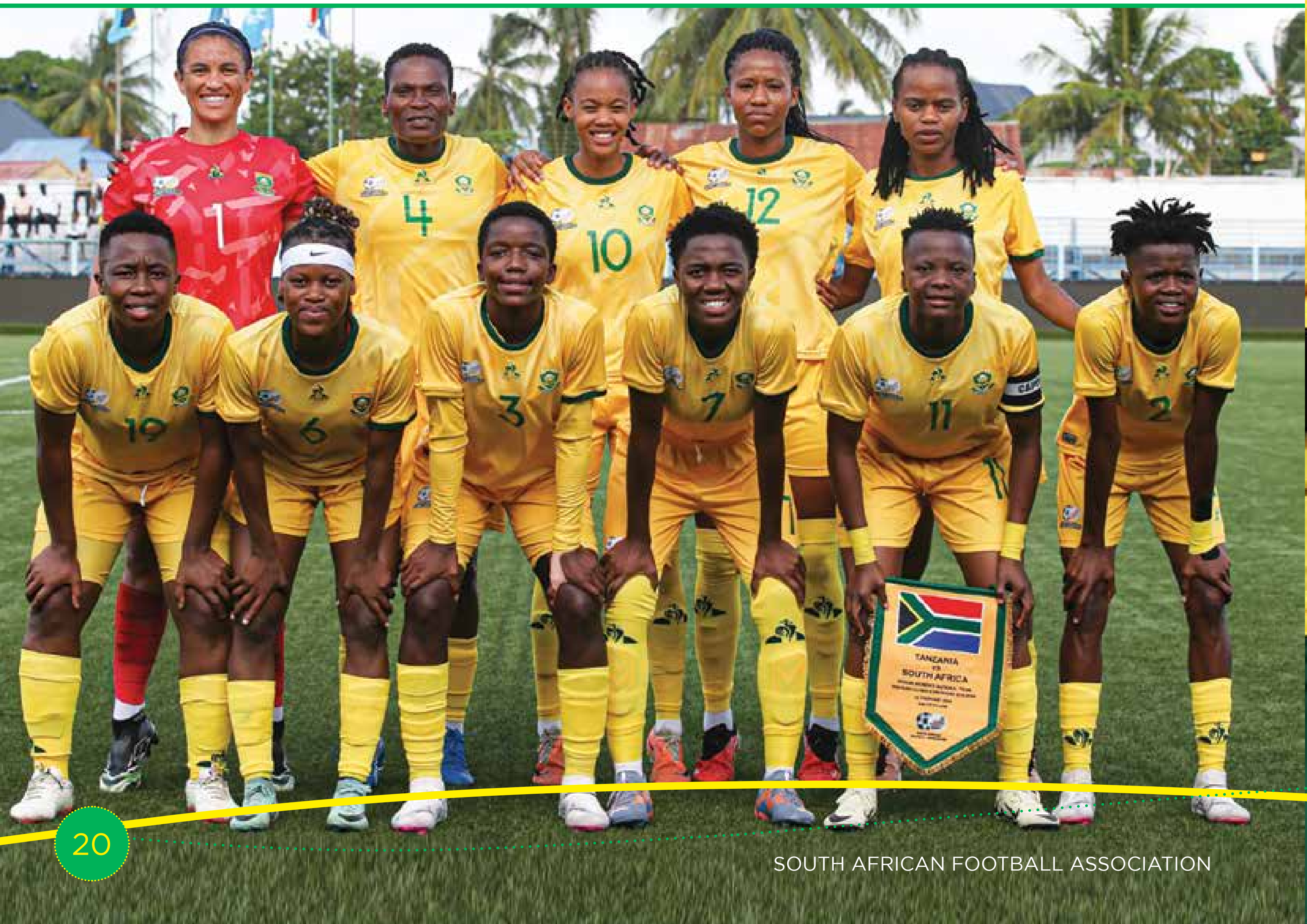
The Association has consolidated its subsidiary and the reasons for this is set out below. Africa Cup of Nations 2013 Local Organising Committee South Africa NPC

The Africa Cup of Nations 2013 Local Organising Committee South Africa NPC was established to organise and host the Orange Africa Cup of Nations 2013 tournament in South Africa in 2013 and the African Nations Championship in 2014 ("CHAN"). The Association was granted the rights by Confederation Africaine de Football ("CAF") to host these tournaments and thereafter ceded these rights to the Africa Cup of Nations 2013 Local Organising Committee South Africa NPC ("AFCON"). The Association is the sole member of this entity and has control over the AFCON. The government was the major funder. This entity has therefore been consolidated. The last transaction for this entity occurred in January 2023 and the entity is now closed.

8. Tax status

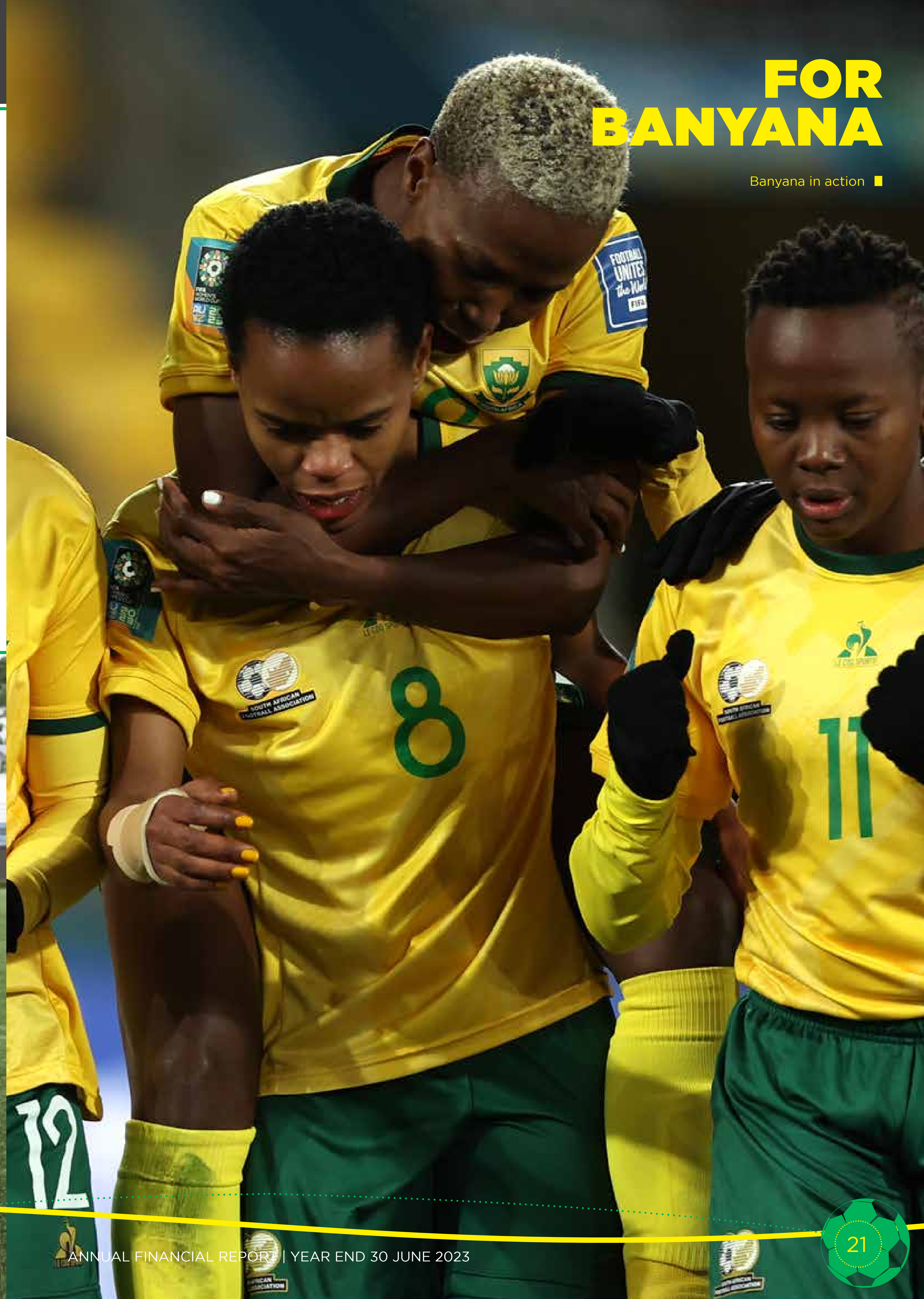
On the 3rd June 2010, the association was approved by the South African Revenue Services ("SARS") as a public benefit organisation ("PBO") in terms of Section 30(3) of the Income Tax Act ("the Act"). This means that annual receipts and accruals will therefore be subject to section 10(1)(cN) of the Act and receipts and accruals from trading or business activities which fall outside the parameters of section 10(1)(cN) will be subject to tax.

Banyana Banyana starting line-up



FOR BANYANA

Banyana in action



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Independent Auditor's Report

To the Members of the South African Football Association

Report on the Audit of the Consolidated Financial Statements

Opinion

1. I have audited the consolidated financial statements of the South African Football Association (SAFA)and its association (the Group) set out on pages 27 to 63 which comprise the consolidated statement of financial position as at 30 June 2023, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended and the notes to the consolidated financial statements, including a summary of significant accounting policies.
2. In my opinion, the consolidated financial statements present fairly, in all material respects, the financial position of South African Football Association (the Group and Association) as at 30 June 2023, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for opinion

3. I conducted my audit in accordance with International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements section of our report*.
4. I am independent of the Group in accordance with the Independent Regulatory Board for Auditor's Code of Professional Conduct for Registered Auditors (IRBA code), and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities, as applicable, 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' Code of Ethics for Professional Accountants and the Internal Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards).

5. I believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty relating to going concern

6. I draw attention to the matter below. My opinion is not modified in respect of this matter.

7. I draw attention to the statement of profit or loss and other comprehensive income in the consolidated financial statements, which indicates that the group incurred an operating loss of R 46 820 026 during the year ended 30 June 2023. As at 30 June 2023, the group's current liabilities exceeded current assets by R 136 657 870. As stated Note 24, to the consolidated financial statements, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the association's ability to continue as a going concern.

Emphasis of Matter

8. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Change in accounting policy of buildings from cost model to revaluation model

9. As disclosed in Note 3 of the annual financial statements, the National Executive Council (NEC) adopted the revaluation model as a preferred accounting. treatment of its land and buildings. This change in accounting policy was necessitated by the need to provide more reliable and relevant information in its financial statements. a significant adjustment of R 55 677 857 was made on property, plant and equipment.

Independence

10. We are independent of the Group and Association in accordance with the sections 290 and 291 of the Independent Regulatory Board for Auditor's Code of Professional Conduct for Registered Auditors. (Revised January 2018), part 1 and 3 of the Independent Regulatory Board for Auditor's Code of Professional Conduct for Registered Auditors (Revised November 2018) (together the IRBA code) and other independence requirements applicable to performing audits of financial statements in South Africa.

11. We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants and the Internal Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) respectively.

Other information:

12. The Executive Committee is responsible for the other information. Other Information Includes the report of the National Executive Committee for the year ended 30 June 2023. The other information does not include the financial statements and our auditor's report thereon.

13. 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 identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements based on our knowledge obtained during the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we concluded that there is material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the National Executive Committee for the financial statements:

14. The National Executive Committee is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as the National Executive Committee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
15. In preparing the financial statements, the National Executive Committee is responsible for assessing the Group's and Association'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 National Executive Committee either intend to liquidate the Group or Association or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the annual financial statements

16. Our objectives are to obtain reasonable assurance about whether the consolidated 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 ISAs 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.

17. In addition to our responsibility for the audit of the consolidated annual financial statements as described in this auditor's report, we also:
    - Identify and assess the risk of material misstatement of the 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 risks 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 to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and Association's internal control.
    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the National Executive Committee.
    - Conclude on the appropriateness of the National Executive Committee's 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 Group's and Association'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 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 Group or Association to cease to continue as a going concern.
    - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated financial

statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated annual financial statements. We remain solely responsible for our audit opinion.

We communicate with the National Executive Committee regarding, among other matters, the planned scope and timing of the audit and significant audit including any significant deficiencies in internal control that we identify during our audit.

Sondlo Chartered Accountant Inc.

Registered Auditors

16 Pieter Street Highveld Techno Park

Per: Nolubabalo Sondlo CA (SA) RA

Engagement Partner

22 January 2024

Monalisa Nkonki CA (SA),RA; Nolubabalo Sondlo CA(SA), RA

Statement of Financial Position as at 30 June 2023

		Group		Association	
Figures in Rand	Note(s)	2023	2022	2023	2022
Assets					
Non-Current Assets					
Property, plant and equipment	3	138,261,427	88,675,539	138,261,427	88,675,539
Intangible assets	4	5,000,068	5,000,078	5,000,068	5,000,078
		143,261,495	**93,675,617**	**143,261,495**	**93,675,617**
Current Assets					
Trade and other receivables	5	15,669,927	19,587,554	15,669,927	19,587,554
Cash and cash equivalents	6	5,508,394	6,839,112	5,190,489	6,521,938
		21,178,321	**26,426,666**	**20,860,416**	**26,109,492**
Total Assets		**164,439,816**	**120,102,283**	**164,121,911**	**119,785,109**
Equity and Liabilities					
Equity					
Revaluation reserve	7	55,677,857	-	55,677,857	-
Accumulated loss		(63,117,682)	(1,940,141)	(63,435,587)	(1,230,000)
		(7,439,825)	**(1,940,141)**	**(7,757,730)**	**(1,230,000)**
Liabilities					
Non-Current Liabilities					
Long-term loans	8	14,043,450	21,521,561	14,043,450	21,521,561
Current Liabilities					
Trade and other payables	9	70,745,461	45,599,940	70,745,461	44,572,625
Provisions	10	47,198,517	18,295,045	47,198,517	18,295,045
Income received in advance	11	29,216,093	29,985,343	29,216,093	29,985,343
Short-term loans	8	10,676,120	6,640,535	10,676,120	6,640,535
		157,836,191	**100,520,863**	**157,836,191**	**99,493,548**
Total Liabilities		**171,879,641**	**122,042,424**	**171,879,641**	**121,015,109**
Total Equity and Liabilities		**164,439,816**	**120,102,283**	**164,121,911**	**119,785,109**

Statement of Profit or Loss and Other Comprehensive Income

		Group		Association	
Figures in Rand	Note(s)	2023	2022	2023	2022
Revenue	12	237,381,340	228,983,320	237,381,340	228,983,320
Other income	13	3,345,372	8,427,641	2,318,046	8,138,641
Impairment losses	14	(7,970,173)	(234,790)	(7,970,173)	(234,790)
Operating expenses		(221,317,144)	(188,037,849)	(221,313,015)	(188,017,161)
Employee benefit expenses	14	(58,259,421)	(48,623,411)	(58,259,421)	(48,623,411)
Operating (loss) profit	14	**(46,820,026)**	**514,911**	**(47,843,223)**	**246,599**
Finance income	15	63,201	137,492	58,341	132,764
Finance costs	16	(415,373)	(1,038,893)	(415,373)	(1,038,892)
Other non-operating losses	17	(3,461,656)	(2,242,783)	(3,461,656)	(2,242,783)
Loss for the year		**(50,633,854)**	**(2,629,273)**	**(51,661,911)**	**(2,902,312)**
Other comprehensive income:					
Items that may be reclassified to profit or loss:					
Other non-operating gains		55,677,857	-	55,677,857	-
Revaluation gain	17	**55,677,857**	**-**	**55,677,857**	**-**
Total comprehensive income for the year		**5,044,003**	**(2,629,273)**	**4,015,946**	**(2,902,312)**

Statement of Changes in Equity

Figures in Rand		Revaluation reserve	Retained income/ (Accumulated loss)	Total equity
Group				
Balance at 1 July 2021		**-**	**689,132**	**689,132**
Loss for the year		-	(2,629,273)	(2,629,273)
Other comprehensive income		-	-	-
Total comprehensive loss for the year		**-**	**(2,629,273)**	**(2,629,273)**
Balance at 1 July 2022		**-**	**(1,940,141)**	**(1,940,141)**
Loss for the year		-	(50,633,854)	(50,633,854)
Other comprehensive income	7	55,677,857	-	55,677,857
Total comprehensive loss for the year		**55,677,857**	**(50,633,854)**	**5,044,003**
Prior period error	18	-	(10,543,687)	(10,543,687)
Balance at 30 June 2023		**55,677,857**	**(63,117,682)**	**(7,439,825)**
Association				
Balance at 1 July 2021		**-**	**1,672,312**	**1,672,312**
Loss for the year		-	(2,902,312)	(2,902,312)
Other comprehensive income		-	-	-
Total comprehensive loss for the year		**-**	**(2,902,312)**	**(2,902,312)**
Balance at 1 July 2022		**-**	**(1,230,000)**	**(1,230,000)**
Loss for the year		-	(51,661,911)	(51,661,911)
Other comprehensive income	7	55,677,857	-	55,677,857
Total comprehensive loss for the year		**55,677,857**	**(51,661,911)**	**4,015,946**
Prior period error	18	-	(10,543,676)	(10,543,676)
Balance at 30 June 2023		**55,677,857**	**(63,435,587)**	**(7,757,730)**

Statement of Cash Flows

		Group		Association	
Figures in Rand	Note(s)	2023	2022	2023	2022
Cash flows from operating activities					
Cash (used in)/generated from operations	19	3,659,544	(29,454,839)	3,663,673	(29,443,001)
Finance income	15	63,201	137,492	58,341	132,764
Finance costs	16	(415,373)	(1,038,894)	(415,373)	(1,038,893)
Net cash from operating activities		**3,307,372**	**(30,356,241)**	**3,306,641**	**(30,349,130)**
Cash flows from investing activities					
Purchase of property, plant and equipment	3	(1,386,231)	(1,281,335)	(1,386,231)	(1,281,335)
Proceeds from sale of property, plant and equipment	3	190,667	124,201	190,667	124,201
Net cash from investing activities		**(1,195,564)**	**(1,157,134)**	**(1,195,564)**	**(1,157,134)**
Cash flows from financing activities					
Proceeds from long and short -term loans raised		1,884,189	22,097,250	1,884,189	22,097,250
Repayment from long and short-term loans		(5,326,715)	(2,603,763)	(5,326,715)	(2,603,763)
Net cash from financing activities		**(3,442,526)**	**19,493,487**	**(3,442,526)**	**19,493,487**
Total cash movement for the year		**(1,330,718)**	**(12,019,888)**	**(1,331,449)**	**(12,012,777)**
Cash at the beginning of the year		6,839,112	18,859,000	6,521,938	18,534,715
Total cash at end of the year	6	**5,508,394**	**6,839,112**	**5,190,489**	**6,521,938**

Summary of Significant Accounting Policies

General information

The Association and Group financial statements for the year ended 30 June 2023 comprise the Association and its subsidiary (together referred to as the "Group"). The Association is the governing body for football in South Africa. The main aim and objectives are to promote, advance, administer, co-ordinate and generally encourage the game of football in South Africa.

1. Basis of preparation and summary of significant accounting policies

These Group financial statements and Association financial statements are presented in South African Rands which is the functional currency of the Group and the Association and the presentation currency for the financial statements. The Group financial statements and Association financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") on the historical cost basis, except for the revaluation of certain financial instruments which are stated at fair value.

The principal accounting policies adopted in the preparation of these Group financial statements and Association financial statements are set out below and are consistent in all material respects for the Group with those applied in the previous year, except where highlighted.

1.1 Significant judgements and sources of estimation uncertainty

Critical judgements in applying accounting policies

The preparation of Group Financial Statements and Association Financial Statements in conformity with IFRS requires management, from time to time to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the notes.

Key sources of estimation uncertainty

Impairment of property, plant and equipment

Property, plant and equipment are considered for impairment if there is a reason to believe that impairment may be necessary. Factors taken into consideration in reaching such a decision include the economic viability of the asset itself and specific usage requirements.

Assets lives and residual values

Property, plant and equipment are depreciated over its useful life taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In reassessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Trademarks

The Association's management performs annual assessments as to possible impairments of the Bafana Bafana trademark taking into account its estimated fair value. Management applies its judgement to the fact patterns and advice it receives from its attorneys,

Summary of Significant Accounting Policies continued

advocates and other advisors in assessing if an obligation is probable, more likely than not, or remote. This judgement application is used to determine if the obligation is recognised as a liability or disclosed as a contingent liability.

Contingent liabilities

Management applies its judgement to the fact patterns and advice it receives from its attorneys, advocates and other advisors in assessing if an obligation is probable, more likely than not, or remote. This judgement application is used to determine if the obligation is recognised as a liability or disclosed as a contingent liability.

1.2 Property, plant and equipment

Property, plant and equipment that has been acquired is stated at historical cost less accumulated depreciation and accumulated impairment losses. Property, plant and equipment that is received as donations are initially recorded at the fair value of the assets received.

Depreciation is charged so as to write off the cost of assets over their estimated useful lives to their residual values, using the straight-line method.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets.

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

ITEM	DEPRECIATION METHOD	AVERAGE USEFUL LIFE
Buildings	Straight line	5%
Leasehold property - SAFA House	Straight line	30-50 years
Leasehold property - Alex Hub	Straight line	10%
Furniture and fixtures	Straight line	6-10 years
Motor vehicles	Straight line	5-14 years
Office equipment	Straight line	5-8 years
IT equipment & Computer software	Straight line	3-4 years
General Equipment	Straight line	5-9 years
Land and buildings – Artificial pitch	Straight line	12,7%
Land and buildings – grass pitches	Straight line	5%
Capital – Work in progress	Straight line	0%

Depreciation is charged so as to write-off the cost of property, plant and equipment over their expected useful life using the straight-line basis. Land is not depreciated. The expected useful lives, residual values and depreciation methods are reviewed at each reporting date.

Subsequent expenditure is recognised at cost in the carrying amount of property, plant and equipment if it is probable that future economic benefits embodied in the item will flow to the Group and the cost of the item can be measured reliably. All other costs are recognised in profit or loss as an expense.

Leasehold improvements are capitalised and written-off in accordance with the expected lease period. The expected useful lives, residual values and depreciation method are reviewed at each reporting date. The effect of any changes in estimate is accounted for in the year the change occurs.

Land and buildings is carried at revalued amount, being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting year.

The frequency of revaluations depends upon the changes in fair values of the items of property, plant and equipment being revalued. Some items of property, plant and equipment experience significant and volatile changes in fair value, thus necessitating annual revaluation. Such frequent revaluations are unnecessary for items of property, plant and equipment with only insignificant changes in fair value. Instead, it may be necessary to revalue the item every three to five years.

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset.

Any increase in an asset's carrying amount, as a result of a revaluation, is recognised in other comprehensive income and accumulated in the revaluation reserve in equity. The increase is recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss.

Any increase in an asset's carrying amount, as a result of a revaluation, is recognised in profit or loss in the current year. The decrease is recognised in other comprehensive income to the extent of any credit balance existing in the revaluation reserve in respect of that asset.

The decrease recognised in other comprehensive income reduces the amount accumulated in the revaluation reserve in equity. The revaluation surplus in equity related to a specific item of property, plant and equipment is transferred directly to retained income when the asset is derecognised.

Change in accounting policy

During the year under review the Association changed its accounting policy with respect to land and buildings from cost less accumulated depreciation and impairment to the revaluation model. The buildings were revalued at 30 June 2023 by a qualified professional valuer who has recent experience with properties of this nature and location.

Prior period error

Motor vehicles and other assets

Management assessed the useful lives of the motor vehicles and other assets that were already valued at R1 while still in use and made a correction of prior period error as the useful lives should have been assessed before the assets were fully written off. Fair values of the vehicles were requested from insurers as of 01 July 2022 and estimated the useful life from there. Depreciation has been adjusted prospectively for the affected assets.

Land

Management recognized the land on which the SAFA house has been built. Previously the land was not recognised in the financial statements on the understanding that the land doesn't belong to SAFA. Management assessed the principles of the conceptual framework in line with the IFRS requirements and concluded that the land must be recognised on SAFA's financial records. This has been treated as a correction of a prior period error on the premise that the land should have been recognised on SAFA books from inception.

Prior period error also include CoJ, CAF and Fli-Afrika. Please refer to note 18 Prior period error for further details.

Summary of Significant Accounting Policies continued

1.3 Intangible assets

Trademarks

Trademarks acquired by the Group, which have an indefinite useful life, are measured at the cost less accumulated impairment losses. These trademarks are not amortised but are tested annually for impairment.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands is recognised in profit or loss as incurred.

Computer Software

Software acquired by the group are accounted for under intangible assets and are generally amortized over three years.

ITEM	DEPRECIATION METHOD	AVERAGE USEFUL LIFE
Patents, trademarks and other rights	Indefinite	Not amortised
Computer software	Straight line	3-10 years

1.5 Impairment of assets

At each reporting date, the Group reviews the carrying amounts of its tangible and trademarks to determine whether there is any indication that those assets may be impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount for an individual asset, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately in profit or loss. Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately in profit or loss.

1.6 Basis of consolidation

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect these returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The Group financial statements incorporate the assets, liabilities and results of the operations of the Association and its subsidiaries. The results of subsidiaries acquired and disposed of during a financial year are included from the effective dates of acquisition and to the effective dates of disposal.

Transactions eliminated on consolidation

Intra group balances and any unrealised gains and losses or income and expenses arising from intra group transactions, are eliminated in preparing the consolidated financial statements.

1.7 Income received in advance

Funds received from sponsors and other contract suppliers, which do not meet the recognition of revenue associated with contracts, are deferred and recorded as “income received in advance” and amortised to the income statement as the recognition criteria are met or over the terms of the contracts.

1.8 Financial instruments: IFRS 9

Financial instruments held by the Group are classified in accordance with the provisions of IFRS 9 Financial Instruments. Broadly, the classification possibilities, which are adopted by the Group, as applicable, are as follows:

Financial assets which are debt instrument

Amortised cost.

Financial liabilities:

Amortised cost
Financial instruments and risk management presents the financial instruments held by the group based on their specific classifications.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the Group are presented below:

Trade and other receivables

Classification

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost (note 5).

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the Group's business model is to collect the contractual cash flows on trade and other receivables.

Recognition and measurement

Trade and other receivables are recognised when the Group becomes a party to the contractual provisions of the receivables.

They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Impairment

The Group recognises a loss allowance for expected credit losses on trade and other receivables, excluding VAT and prepayments. The amount of expected credit losses is updated at each reporting date.

The Group measures the loss allowance for trade and other receivables at an amount equal to lifetime expected credit losses (lifetime ECL), which represents the expected credit losses that will result from all possible default events over the expected life of the receivable.

Measurement and recognition of expected credit losses

The Group makes use of a provision matrix as a practical expedient to the determination of expected credit losses on trade and other receivables. The provision matrix is based on historic credit loss experience, adjusted for factors (probability of default and loss given default) that are specific to the debtors at the reporting date.

In measuring the ECL, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

The Group is following the Simplified Approach for impairment as an alternative available in IFRS 9 with

Summary of Significant Accounting Policies continued

impairment losses measured at lifetime Expected Credit Loss (ECL) for trade receivables as there are no significant financing component to trade receivables.

Write off policy

The Group writes off a receivable when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Receivables written off may still be subject to enforcement activities under the Group recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Credit risk

Details of credit risk are included in the trade and other receivables and the financial instruments and risk management notes.

Long and short-term loans

Classification

Long and short term loans are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

Borrowings and loans from related parties are recognised when the Group becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

Interest expense, calculated on the effective interest method, is included in profit or loss in finance costs (note 16.)

Borrowings expose the Group to liquidity risk and interest rate risk. Refer to note for details of risk exposure and management thereof.

Trade and other payables

Classification

Trade and other payables (note 9), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

They are recognised when the Group becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs.
Trade and other payables expose the Group to liquidity risk and possibly to interest rate risk. Refer to note 8 for details of risk exposure and management thereof.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits held on call with banks and bank overdrafts. Bank overdrafts that are repayable on demand and form part of an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Cash and cash equivalents are stated at carrying amount which is deemed to be amortised cost.

Bank overdrafts

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

Derecognition

Financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities

The Group derecognises financial liabilities when, and only when, the group obligations are discharged, cancelled or they expire.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

1.9 Leases

The Group assesses whether a contract is, or contains a lease, at the inception of the contract.

A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

In order to assess whether a contract is, or contains a lease, management determine whether the asset under consideration is "identified", which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial right of substitution throughout the period of use. Once management has concluded that the contract deals with an identified asset, the right to control the use thereof is considered. To this end, control over the use of an identified asset only exists when the Group has the right to substantially all of the economic benefits from the use of the asset as well as the right to direct the use of the asset.

The Group and Association assessed whether a contract is or contains a lease, at inception of a contract. The company recognises a right- of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee.

Group as lessee

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the Group is a lessee, except for short-term leases of 12 months or less, or leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense (note 5) on a straight-line basis over the
term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise the following:
Fixed lease payments, including in-substance fixed payments, less any lease incentives;
Lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option; and
Penalties for early termination of a lease if the lease term reflects the exercise of an option to terminate the lease.

Right-of-use assets

Lease payments included in the measurement of the lease liability comprise the following:
the initial amount of the corresponding lease liability
any lease payments made at or before the commencement date; any initial direct costs incurred;
any estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, when the Group incurs an obligation to do so, unless these costs are incurred to produce inventories; and less any lease incentives received.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. However, if a lease transfers ownership of the

Summary of Significant Accounting Policies continued

underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Depreciation starts at the commencement date of a lease.

Group as lessor
Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. Lease classification is made at inception and is only reassessed if there is a lease modification.
When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which the Group applies the exemption described previously, then it classifies the sublease as an operating lease.

The various lease and non-lease components of contracts containing leases are accounted for separately, with consideration being allocated by applying IFRS 15.

Operating leases
Lease payments from operating leases are recognised on a straight-line basis over the term of the relevant lease, or on another systematic basis if that basis is more representative of the pattern in which the benefits form the use of the underlying asset are diminished. Operating lease income is included in other operating income.

Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and are expensed over the lease term on the same basis as the lease income.
Modifications made to operating leases are accounted for as a new lease from the effective date of the modification. Any prepaid or accrued lease payments relating to the original lease are treated as part of the lease payments of the new lease.

1.10 Finance income/costs

Finance income comprises interest income on cash and cash equivalents. Interest income is recognised, in profit or loss, using the effective interest rate method.

Finance costs comprise interest expenses from financial liabilities. Interest expenses 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 probable that such expense will accrue to the Group.

1.11 Foreign exchange transactions

Transactions in currencies other than the Group's functional currency (Rands) are initially recorded at the rates of exchange ruling on the date of the transactions.

Exchange rate differences arising from the settlement of monetary items or on reporting the Group's monetary items at rates different from those at which they are initially recorded are recognised as profit or loss in the period in which they arise.

1.12 Employee benefits

Current employee benefits
The cost of all short-term employee benefits is recognised during the period in which the employee renders the related service.

The accruals for employee entitlements to wages, salaries and annual leave represent the amount which the Group has a present obligation to pay as a result of employees' services provided to the statement of financial position date. The accruals have been calculated at undiscounted amounts based on current wage and salary rates.

Retirement benefits
Contributions to retirement contribution funds are recognised in profit or loss in the year when the employees have rendered service entitling them to the contributions.

1.13 Provisions and contingencies

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

After their initial recognition contingent liabilities recognised in business combinations that are recognised separately are subsequently measured at the higher of:

1.13.1 the amount that would be recognised as a provision; and
1.13.2 the amount initially recognised less cumulative amortisation.

2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the group has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

STANDARD/ INTERPRETATION:	EFFECTIVE DATE: YEARS BEGINNING ON OR AFTER
Annual Improvement to IFRS Standards 2018-2020: Amendments to IFRS 1	1 January 2022
Reference to the Conceptual Framework: Amendments to IFRS 3	1 January 2022
Annual Improvement to IFRS Standards 2018-2020: Amendments to IFRS 9	1 January 2022
Property, Plant and Equipment: Proceeds before Intended Use: Amendments to IAS 16	1 January 2022
Onerous Contracts - Cost of Fulfilling a Contract: Amendments to IAS 37	1 January 2022

The amendments did not have a material impact on the consolidated and separate annual financial statements.

Summary of Significant Accounting Policies continued

2.2 Standards and interpretations not yet effective

The group has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the group's accounting periods beginning on or after 01 June 2021 or later periods:

STANDARD/ INTERPRETATION:	EFFECTIVE DATE: YEARS BEGINNING ON OR AFTER
Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2099
Disclosure of accounting policies: Amendments to IAS 1 and IFRS Practice Statement 2.	1 January 2023
Definition of accounting estimates: Amendments to IAS 8	1 January 2023
Classification of Liabilities as Current or Non-Current - Amendment to IAS 1	1 January 2023

The amendments are not expected to have a material impact on the consolidated and separate annual financial statements.

Notes to the Group Financial Statements And Association Financial Statements

3. Property, plant and equipment

Group

		2023			2022		
		Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Land and buildings- National Technical Centre		76,194,761	(24,714,761)	51,480,000	75,805,072	(21,458,246)	54,346,826
Leasehold property - Alex Hub		6,298,943	(4,549,237)	1,749,706	6,298,943	(3,499,421)	2,799,522
SAFA House		70,000,000	(2,000,000)	68,000,000	60,902,699	(45,177,552)	15,725,147
SAFA Land	(refer note 18)	8,000,000	-	8,000,000	-	-	-
Land and buildings - Artificial Pitch		7,169,819	(4,419,819)	2,750,000	7,169,819	(2,315,252)	4,854,567
Land and buildings - 2x Natural Grass Pitch		5,317,346	(4,841,346)	476,000	5,317,346	(598,201)	4,719,145
Land and buildings - Guard House		2,058,757	(1,464,757)	594,000	2,058,757	(68,624)	1,990,133
Assets under construction		1,168,156	-	1,168,156	1,331,479	-	1,331,479
Furniture and fittings		2,262,005	(1,931,841)	330,164	3,244,564	(2,980,904)	263,660
Motor vehicles		3,857,176	(1,766,648)	2,090,528	6,011,321	(4,358,154)	1,653,167
Office equipment		447,089	(384,465)	62,624	447,089	(353,153)	93,936
Computer equipment		2,155,906	(1,856,030)	299,876	2,065,223	(1,780,221)	285,002
General equipment		2,526,005	(1,632,279)	893,726	2,256,901	(1,743,926)	512,975
Buses		7,471,563	(7,104,916)	366,647	7,471,563	(7,371,583)	99,980
Total		**194,927,526**	**(56,666,099)**	**138,261,427**	**180,380,776**	**(91,705,237)**	**88,675,539**

Notes to the Group Financial Statements And Association Financial Statements continued

Association

		2023			2022		
		Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Land and buildings - National Technical Centre		76,194,761	(24,714,761)	51,480,000	75,805,072	(21,458,246)	54,346,826
Leasehold property - Alex Hub		6,298,943	(4,549,237)	1,749,706	6,298,943	(3,499,421)	2,799,522
SAFA House		70,000,000	(2,000,000)	68,000,000	60,902,699	(45,177,552)	15,725,147
SAFA Land	(refer note 18)	8,000,000	-	8,000,000	-	-	-
Land and buildings - Artificial Pitch		7,169,819	(4,419,819)	2,750,000	7,169,819	(2,315,252)	4,854,567
Land and buildings - 2x Natural Grass Pitch		5,317,346	(4,841,346)	476,000	5,317,346	(598,201)	4,719,145
Land and buildings - Guard House		2,058,757	(1,464,757)	594,000	2,058,757	(68,624)	1,990,133
Assets under construction		1,168,156	-	1,168,156	1,331,479	-	1,331,479
Furniture and fittings		2,262,005	(1,931,841)	330,164	3,244,564	(2,980,904)	263,660
Motor vehicles		3,857,176	(1,766,648)	2,090,528	6,011,321	(4,358,154)	1,653,167
Office equipment		447,089	(384,465)	62,624	447,089	(353,153)	93,936
Computer equipment		2,155,906	(1,856,030)	299,876	2,065,223	(1,780,221)	285,002
General equipment		2,526,005	(1,632,279)	893,726	2,256,901	(1,743,926)	512,975
Buses		7,471,563	(7,104,916)	366,647	7,471,563	(7,371,583)	99,980
Total		**194,927,526**	**(56,666,099)**	**138,261,427**	**180,380,776**	**(91,705,237)**	**88,675,539**

Notes to the Group Financial Statements And Association Financial Statements continued

Reconciliation of property, plant and equipment - Group - 2023

	Opening balance	Additions	Disposals/ write offs	Revaluation surplus/(loss)	Depreciation	Prior period error*	Closing balance
Land and buildings - National Technical Centre	54,346,826	58,555	-	331,133	(3,3256,514)	-	51,480,000
Leasehold property - Alex Hub	2,799,522	-	-	-	(1,049,816)	-	1,749,706
SAFA House	15,725,147	-	-	54,274,853	(2,000,000)	-	68,000,000
SAFA Land (refer note 18)	-	-	-	-	-	8,000,000	8,000,000
Land and buildings - Artificial Pitch	4,854,567	-	-	(1,208,338)	(896,229)	-	2,750,000
Land and buildings - 2x Natural Grass Pitch	4,719,145	-	-	(3,977,277)	(265,868)	-	476,000
Land and buildings - Guard House	1,990,133	-	-	(1,293,194)	(102,939)	-	594,000
Assets under construction	1,331,479	124,677	(288,000)	-	-	-	1,168,156
Furniture and fittings	263,660	-	(305)	-	(279,368)	346,177	330,164
Motor vehicles	1,653,167	412,617	(15)	-	(670,400)	695,159	2,090,528
Office equipment	93,936	-	-	-	(31,312)	-	62,624
Computer equipment	285,002	199,986	(6,163)	-	(186,409)	7,460	299,876
General equipment	512,975	590,396	(40,894)	-	(302,656))	133,905	893,726
Buses	99,980	-	-	-	(183,323)	449,990	366,647
	88,675,539	**1,386,231**	**(335,377)**	**48,127,177**	**(9,224,834)**	**9,632,691**	**138,261,427**

NOTES TO THE GROUP FINANCIAL STATEMENTS
AND ASSOCIATION FINANCIAL STATEMENTS

Notes to the Group Financial Statements And Association Financial Statements continued

Reconciliation of property, plant and equipment - Group - 2022

	Opening balance	Additions	Disposals/write off	Transfers	Depreciation	Closing balance
Land and buildings - National Technical Centre	57,584,070	-	-	20,000	(3,257,244)	54,346,826
Leasehold property - Alex Hub	3,849,354	-	-	-	(1,049,832)	2,799,522
SAFA House	18,770,282	-	-	-	(3,045,135)	15,725,147
Land and buildings - Artificial Pitch	5,750,793	-	-	-	(896,226)	4,854,567
Land and buildings - 2x Natural Grass Pitch	4,985,012	-	-	-	(265,867)	4,719,145
Land and buildings - Guard House	-	-	-	2,058,757	(68,624)	1,990,133
Assets under construction	2,909,850	500,386	-	(2,078,757)	-	1,331,479
Furniture and fittings	500,441	-	-	-	(236,781)	263,660
Motor vehicles	1,300,402	731,081	(22,145)	-	(356,171)	1,653,167
Office equipment	139,082	-	(5)	-	(45,141)	93,936
Computer equipment	324,895	174,585	(8,588)	-	(205,890)	285,002
General equipment	873,222	15,283	-	-	(375,530)	512,975
Buses	133,293	-	-	-	(33,313)	99,980
	97,120,696	**1,421,335**	**(30,738)**	**-**	**(9,835,754)**	**88,675,539**

Notes to the Group Financial Statements And Association Financial Statements continued

Reconciliation of property, plant and equipment - Association - 2023

	Opening balance	Additions	Disposals/write off	Revaluation surplus/(loss)	Depreciation	Prior period error*	Closing balance
Land and buildings - National Technical Centre	54,346,826	58,555	-	331,133	(3,256,514)	-	51,480,000
Leasehold property - Alex Hub	2,799,522	-	-	-	(1,049,816)	-	1,749,706
SAFA House	15,725,147	-	-	54,274,853	(2,000,000)	-	68,000,000
SAFA Land (refer note 18)	-	-	-	-	-	8,000,000	8,000,000
Land and buildings - Artificial Pitch	4,854,567	-	-	(1,208,338)	(896,229)	-	2,750,000
Land and buildings - 2x Natural Grass Pitch	4,719,145	-	-	(3,977,277)	(265,868)	-	476,000
Land and buildings - Guard House	1,990,133	-	-	(1,293,194)	(102,939)	-	594,000
Assets under construction	1,331,479	124,677	(288,000)	-	-	-	1,168,156
Furniture and fittings	263,660	-	(305)	-	(279,368)	346,177	330,164
Motor vehicles	1,653,167	412,617	(15)	-	(670,400)	695,159	2,090,528
Office equipment	93,936	-	-	-	(31,312)	-	62,624
Computer equipment	285,002	199,986	(6,163)	-	(186,409)	7,460	299,876
General equipment	512,975	590,396	(40,894)	-	(302,656)	133,905	893,726
Buses	99,980	-	-	-	(183,323)	449,990	366,647
	88,675,539	**1,386,231**	**(335,377)**	**48,127,177**	**(9,224,834)**	**9,632,691**	**138,261,427**

Notes to the Group Financial Statements And Association Financial Statements continued

Reconciliation of property, plant and equipment - Association - 2022

	Opening balance	Additions	Disposals/write off	Transfers	Depreciation	Closing balance
Land and buildings - National Technical Centre	57,584,070	-	-	20,000	(3,257,244)	54,346,826
Leasehold property - Alex Hub	3,849,354	-	-	-	(1,049,832)	2,799,522
SAFA House	18,770,282	-	-	-	(3,045,135)	15,725,147
Land and buildings - Artificial Pitch	5,750,793	-	-	-	(896,226)	4,854,567
Land and buildings - 2x Natural Grass Pitch	4,985,012	-	-	-	(265,867)	4,719,145
Land and buildings - Guard House	-	-	-	2,058,757	(68,624)	1,990,133
Assets under construction	2,909,850	500,386	-	(2,078,757)	-	1,331,479
Furniture and fittings	500,441	-	-	-	(236,781)	263,660
Motor vehicles	1,300,402	731,081	(22,145)	-	(356,171)	1,653,167
Office equipment	139,082	-	(5)	-	(45,141)	93,936
Computer equipment	324,895	174,585	(8,588)	-	(205,890)	285,002
General equipment	873,222	15,283	-	-	(375,530)	512,975
Buses	133,293	-	-	-	(33,313)	99,980
	97,120,696	**1,421,335**	**(30,738)**	**-**	**(9,835,754)**	**88,675,539**

Alex Hub has been erected on land that is not owned by the Association and therefore disclosed as leasehold property. The property is situated on ERF 6158, Alexandra Township, Registration Division I.R. in Gauteng. The use period of the land is a period of nine (9) years and eleven (11) months from the commencement date on 12 March 2015.

Addition of work in progress asset category

The amount disclosed under Assets Under Construction relates to the two categories of assets below:

- National Technical Centre Change Rooms:
R1,548,521 relates to the architecture design cost of the change rooms at the National Technical Centre. There has been no construction undertaken as per the design and the change rooms are not available for use as at 30 June 2023.

* For more details please refer to prior period error note 18.

NOTES TO THE GROUP FINANCIAL STATEMENTS AND ASSOCIATION FINANCIAL STATEMENTS

SOUTH AFRICAN FOOTBALL ASSOCIATION

Notes to the Group Financial Statements And Association Financial Statements continued

4. Intangible assets

Group	2023			2022		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Bafana Bafana trademark	5,000,000	-	5,000,000	5,000,000	-	5,000,000
Software	1,643,636	(1,643,568)	68	1,729,836	(1,729,763)	78
Total	**6,643,636**	**(1,643,568)**	**5,000,068**	**6,729,836**	**(1,729,763)**	**5,000,078**

Association	2023			2022		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Bafana Bafana trademark	5,000,000	-	5,000,000	5,000,000	-	5,000,000
Software	1,643,636	(1,643,568)	68	1,729,836	(1,729,763)	78
Total	**6,643,636**	**(1,643,568)**	**5,000,068**	**6,729,836**	**(1,729,763)**	**5,000,078**

Reconciliation of intangible assets - Group - 2023

	Opening balance	Disposals	Amortisation	Closing balance
Bafana Bafana trademark	5,000,000	-	-	5,000,000
Software	78	(10)	-	68
	5,000,078	**(10)**	**-**	**5,000,068**

Reconciliation of intangible assets - Group - 2022

	Opening balance		Disposals	Amortisation	Closing balance
Bafana Bafana trademark	5,000,000		-	-	5,000,000
Software	23,478	-	(23,400)		78
	5,023,478	**-**	**(23,400)**		**5,000,078**

Reconciliation of intangible assets - Association - 2023

	Opening balance	Disposals	Amortisation	Closing balance
Bafana Bafana trademark	5,000,000	-	-	5,000,000
Software	78	(10)	-	68
	5,000,078	**(10)**	**-**	**5,000,068**

Notes to the Group Financial Statements And Association Financial Statements continued

	Group		Association	
Figures in Rand	2023	2022	2023	2022

Reconciliation of intangible assets - Association - 2022

	Opening balance	Disposals	Amortisation	Closing
Bafana Bafana trademark	5,000,000	-	-	5,000,000
Software	23,478	-	(23,400)	78
	5,023,478	**-**	**(23,400)**	**5,000,078**

The Bafana Bafana trademark was acquired in 2011 and the Association has sole rights and exclusive usage. The trademark is considered to have an indefinite useful life as it is associated with the senior men's national football team. The name is widely known and popular. Football is one of the most popular sports in South Africa and internationally and therefore the team will continue to receive the support of the majority of people, including the Government for many years. Management considers the fair value of the trademark to be in excess of its carrying value.

5. Trade and other receivables

	Group 2023	Group 2022	Association 2023	Association 2022
Financial instruments:				
Trade receivables	16,851,900	7,951,888	16,851,900	7,951,888
Loss allowance	(5,196,107)	(4,778,614)	(5,196,107)	(4,778,614)
Trade receivables at amortised cost	11,655,793	3,173,274	11,655,793	3,173,274
Other receivables	1,934,836	13,991,047	1,934,836	13,991,047
Non-financial instruments:				
Prepayments	2,079,298	2,423,128	2,079,298	2,423,128
Total trade and other receivables	**15,669,927**	**19,587,449**	**15,669,927**	**19,587,449**

Categories of trade and other receivables

	Group 2023	Group 2022	Association 2023	Association 2022
At amortised cost	13,590,629	17,164,321	13,590,629	17,164,321
Non-financial instruments	2,079,298	2,423,128	2,079,298	2,423,128
	15,669,927	**19,587,449**	**15,669,927**	**19,587,449**

Ageing of trade receivables

	Group 2023	Group 2022	Association 2023	Association 2022
Not past due	8,838,038	1,575,231	8,838,038	1,575,231
Past due 30 - 90 days	653,144	4,930,562	653,144	4,930,562
120+ days	7,360,718	1,446,095	7,360,718	1,446,095
Allowance for credit losses	(5,196,107)	(4,778,614)	(5,196,107)	(4,778,614)
	11,655,793	**3,173,274**	**11,655,793**	**3,173,274**

Exposure to credit risk

Trade receivables inherently expose the group to credit risk, being the risk that the group will incur financial loss if customers fail to make payments as they fall due. Refer to note 25 for further disclosures regarding the group's financial instruments and risk management.

There have been no significant changes in the credit risk management policies and processes since the prior reporting period.

A loss allowance is recognised for all trade receivables, in accordance with IFRS 9 Financial Instruments, and is monitored at the end of each reporting period. In addition to the loss allowance, trade receivables are written off when there is no reasonable expectation of recovery, for example, when a debtor has been placed under insolvency.

The company attributes a probability of default to receivables based on aging. Information that is known about the debtor's financial position at the reporting date as well as forward looking information is taken into account in estimating the allowance for credit losses.

A loss allowance is recognised for all trade receivables, in accordance with IFRS 9 Financial Instruments, and is monitored at the end of each reporting period. In addition to the loss allowance, trade receivables are written off when there is no reasonable expectation of recovery, for example, when a debtor has been placed under liquidation. Trade receivables which have been written off are not subject to enforcement activities.

The group measures the loss allowance for trade receivables by applying the simplified approach which is prescribed by IFRS 9. In accordance with this approach, the loss allowance on trade receivables is determined as the lifetime expected credit losses on trade receivables. These lifetime expected credit losses are estimated using a provision matrix, which is presented below. The provision matrix has been developed by making use of past default experience of debtors but also incorporates forward looking information and general economic conditions of the industry as at the reporting date.

The group's historical credit loss experience does not show significantly different loss patterns for different customer segments. The provision for credit losses is therefore based on past due status without disaggregating into further risk profiles. The loss allowance provision is determined as follows:

Group	2023 Estimated gross carrying amount at default	2023 Loss allowance (Lifetime expected credit loss)	2022 Estimated gross carrying amount at default	2022 Loss allowance (Lifetime expected credit loss)
Expected credit loss rate:				
Not past due: 1,13% (2022 : 1.54%)	8,838,038	(27,194)	1,575,231	(6,578)
30 - 180 days past due: 1,81% (2022 : 0,24%)	3,464,830	(619,881)	1,994,454	(389,831)
Credit impaired	4,549,032	(4,549,032)	4,382,203	(4,382,205)
Total	**16,851,900**	**(5,196,107)**	**7,951,888**	**(4,778,614)**

Association	2023 Estimated gross carrying amount at default	2023 Loss allowance (Lifetime expected credit loss)	2022 Estimated gross carrying amount at default	2022 Loss allowance (Lifetime expected credit loss)
Expected credit loss rate:				
Not past due: 1,13% (2022 : 1.54%)	8,838,038	(27,194)	1,575,231	(6,578)
30 - 180 days past due: 1,81% (2022 : 0,24%)	3,464,830	(619,881)	1,994,454	(389,831)
Credit impaired	4,549,032	(4,549,032)	4,382,203	(4,382,205)
Total	**16,851,900**	**(5,196,107)**	**7,951,888**	**(4,778,614)**

Reconciliation of movement in the allowance for credit losses

The following table shows the movement in the loss allowance (lifetime expected credit losses) for lease receivables:

	Group 2023	Group 2022	Association 2023	Association 2022
Balance at the beginning of the year	**(4,778,614)**	**(11,283,235)**	**(4,778,614)**	**(11,283,235)**
Net movement in allowance for credit losses	(417,493)	6,504,621	(417,493)	6,504,621
Balance at the end of the year	**(5,196,107)**	**(4,778,614)**	**(5,196,107)**	**(4,778,614)**

Notes to the Group Financial Statements And Association Financial Statements continued

	Group		Association	
Figures in Rand	2023	2022	2023	2022

6. Cash and cash equivalents

Cash and cash equivalents consist of:

Petty cash	11,402	27,007	11,402	27,007
Bank balances	5,496,992	6,812,105	5,179,087	6,494,931
	5,508,394	**6,839,112**	**5,190,489**	**6,521,938**

None of the group's cash and cash equivalents are pledged as security for liabilities.

7. Revaluation reserve

During the year under review the Association changed its accounting policy with respect to land and buildings from cost less accumulated depreciation and impairment to the revaluation model. The buildings were revalued at 30 June 2023 by a qualified professional valuer who has recent experience with properties of this nature and location.

The effect of the revaluation is as follows:

Movement	55,677,857	-	55,677,857	-
Closing balance	**55,677,856**	**-**	**55,677,856**	**-**

8. Long and Short Term Loans

FIFA COVID-19 Relief Loan

The FIFA COVID-19 Relief Plan is an interest-free loan contract with the Fédération Internationale de Football Association. The loan is for USD1,500,000. The loan is repayable over 36 months. Repayments occur through deductions of USD 250 000 from future entitlements under the Forward Programme which occurs every six months. The first repayment was in January 2023 and the last repayment will be in July 2025.

Delphisure Group Insurance Brokers Proprietary Limited

The Delphisure Group Insurance Brokers loan is unsecured and bears interest from time to time at 11% per annum compounded monthly. The loan is repayable over a period of 36 months in monthly instalments of R216 980. The first payment was in 2/1/2020 and the last payment will be 1/12/2023.

FIFA COVID-19 Relief Loan	23,405,750	24,220,650	23,405,750	24,220,650
Delphisure Group Insurance Brokers Proprietary Limited	1,313,820	3,941,446	1,313,820	3,941,446
	24,719,570	**28,162,096**	**24,719,570**	**28,162,096**

Split between non-current and current portions

Non-current liabilities	14,043,450	21,521,561	14,043,450	21,521,561
Current liabilities	10,676,120	6,640,535	10,676,120	6,640,535
	24,719,570	**28,162,096**	**24,719,570**	**28,162,096**

	Group		Association	
Figures in Rand	2023	2022	2023	2022
9. Trade and other payables				
Financial instruments:				
Trade payables	41,276,531	26,120,533	41,276,531	25,093,218
Other payables	5,112,101	3,644,057	5,112,101	3,644,057
Salary payables	1,986,530	1,823,811	1,986,530	1,823,811
Accruals	20,247,095	13,283,471	20,247,095	13,283,471
VAT payable	2,123,204	728,068	2,123,204	728,068
	70,745,461	**45,599,940**	**70,745,461**	**44,572,625**
10. Provisions				
Summary of provisions				
Referees	2,000,000	2,000,000	2,000,000	2,000,000
Leave	3,454,142	742,586	3,454,142	742,586
Honoraria	12,829,904	9,303,794	12,829,904	9,303,794
National teams	6,917,137	5,298,665	6,917,137	5,298,665
Audit fees	1,021,065	950,000	1,021,065	950,000
General provisions:				
- CoJ municipal expenses	12,976,269	-	12,976,269	-
- CAF duplicate payment	8,000,000	-	8,000,000	-
	47,198,517	**18,295,045**	**47,198,517**	**18,295,045**

Referees

Provisions for referees are based on estimated fees that will be paid to referees who meet the compliance requirements.

Leave pay

Provisions for leave are based on each employee's outstanding leave days as at the reporting date.

Honoraria

Provisions for honoraria are based on the last amount that was approved and paid to NEC members. The actual amount to be paid by SAFA will be determined at the next congress.

National teams

National teams provisions for events are based on approved budgets, in cases where actual costs have not yet been received at the reporting date.

CoJ municipal expenses:

Fun Valley had never received any water bill since we bought the property in 2015 until March 2022. The previous owner, Mr Godfrey Cohen, informed us that Fun Valley used mostly borehole water since it would have been unaffordable to use Municipal water. He further said that they only make restricted use of Municipal water at an average of R3'500.00 per month. For the last few years we had been making countless enquiries from the City of Johannesburg for our water bills to no avail.

In March 2022, the City of Johannesburg disconnected our water supply and visiting numerous of their offices to try and find out what was going on, we were presented with a water bill in the name of Mr Hassiem for R12'152'040.40. We lodged a disputed and informed CoJ that we did not know who Mr Hassiem is and the previous owner was Mr Godfrey Cohen. CoJ reconnected our water and promised to look into the matter and revert. At the beginning of this year, we received a bill from CoJ for R14 million and when we enquired, we were informed that they transferred the account in the name of Mr Hassiem to SAFA / Fun Valley. We lodged a dispute and requested a meeting with the senior officials of CoJ.

CAF duplicate payment:

Recently CAF informed us that they have been performing a comprehensive audit of some of their historic transactions and they discovered that in September 2019 they erroneously over-paid us for the 2019 Africa Cup of Nations prize monies. They have now debited our account with an amount of USD 435'720 which they claim was the overpayment amount. We have lodged a dispute with CAF on 2 grounds:

1. Timing - the transactions is too old and it is unfair for them to come to us now about this.
2. CAF has not been paying us our TV rights for some time now due to their dispute with Lagarde. Therefore, we will also be entitled to claim these "outstanding" TV rights amount.

NOTES TO THE GROUP FINANCIAL STATEMENTS
AND ASSOCIATION FINANCIAL STATEMENTS

Notes to the Group Financial Statements And Association Financial Statements continued

	Group		Association	
Figures in Rand	2023	2022	2023	2022

Reconciliation of movement in provisions for Group and Association - 2023	Opening balance	Net movement	Closing balance
Referees	2,000,000	-	2,000,000
Leave	742,586	2,711,556	3,454,142
Honoraria	9,303,794	3,526,110	12,829,904
National teams	5,298,665	1,618,472	6,917,137
Audit fees	950,000	71,065	1,021,065
CAF duplicate payment	-	8,000,000	8,000,000
CoJ municipal expenses	-	12,976,269	12,976,269
	18,295,045	**28,903,472**	**47,198,517**

Reconciliation of movement in provisions for Group and Association – 2022	Opening balance	Net movement	Closing balance
Referees	2,000,000	-	2,000,000
Leave	2,092,566	(1,349,980)	742,586
Honoraria	10,180,940	(877,146)	9,303,794
National teams	8,428,581	(3,129,916)	5,298,665
Audit fees	867,640	82,360	950,000
	23,569,727	**(5,274,682)**	**18,295,045**

11. Income received in advance

FIFA Forward Programme	3,947,085	1,498,758	3,947,085	1,498,758
NSL	833,333	833,333	833,333	833,333
The 2010 FIFA World Cup Legacy Trust	8,189,210	10,376,322	8,189,210	10,376,322
Motsepe Foundation	3,154,171	3,154,171	3,154,171	3,154,171
Aspen Pharmacare	-	85,060	-	85,060
SA Breweries	5,000,000	10,908,240	5,000,000	10,908,240
Department of Sports and Culture	2,740,930	2,048,000	2,740,930	2,048,000
Hollywood Sportsbook	1,333,334	133,334	1,333,334	133,334
National Technical Centre	44,700	114,795	44,700	114,795
Banxso	833,330	833,330	833,330	833,330
Multichoice Support Services	2,500,000	-	2,500,000	-
Blank Page	640,000	-	640,000	-
	29,216,093	**29,985,343**	**29,216,093**	**29,985,343**

12. Revenue

Revenue from contracts with customers				
FIFA World Cup Qualifiers TV Rights	1,621,299	13,978,599	1,621,299	13,978,599
Sponsorship income	217,613,444	191,480,299	217,613,444	191,480,299
Host cities' income	8,217,417	1,000,000	8,217,417	1,000,000
National Technical Centre - day visitors and use of facilities	4,823,897	3,842,752	4,823,897	3,842,752
Ticketing revenue	975,020	-	975,020	-
	233,251,077	**210,301,650**	**233,251,077**	**210,301,650**
Revenue other than from contracts with customers				
Rental Income	1,828,151	1,066,380	1,828,151	1,066,380
Grants received	2,302,112	17,615,290	2,302,112	17,615,290
	4,130,263	**18,681,670**	**4,130,263**	**18,681,670**
	237,381,340	**228,983,320**	**237,381,340**	**228,983,320**

	Group		Association	
Figures in Rand	2023	2022	2023	2022

Disaggregation of revenue from contracts with customers

The group disaggregates revenue from customers as follows:

National Technical Centre - day visitors and use of facilities	4,823,897	3,842,752	4,823,897	3,842,752
Sponsorship income	217,613,444	191,480,299	214,876,846	191,480,299
Host cities income	8,217,417	1,000,000	8,217,417	1,000,000
FIFA World Cup Qualifiers' TV rights	1,621,299	13,978,599	1,621,299	13,978,599
Ticketing revenue	975,020	-	975,020	-
	233,251,077	**210,301,650**	**230,514,479**	**210,301,650**

Timing of revenue recognition

At a point in time				
Host Cities' income	8,217,417	1,000,000	8,217,417	1,000,000
Sponsorship income	2,000,004	19,862,009	2,000,004	19,862,009
National Technical Centre - day visitors and use of facilities	4,823,896	3,842,752	4,823,896	3,842,752
Ticketing revenue	975,020	-	975,020	-
	16,016,337	**24,704,761**	**16,016,337**	**24,704,761**
Over time				
Sponsorship income	217,234,740	185,596,889	217,234,740	185,596,889
Total revenue from contracts with customers	**233,251,077**	**210,301,650**	**233,251,077**	**210,301,650**

13. Other income

Bad debts recovered	-	35,837	-	35,837
Other sundry income	3,345,372	8,391,804	2,318,046	8,102,804
	3,345,372	**8,427,641**	**2,318,046**	**8,138,641**

14. Operating profit /(loss)

Operating (loss) profit for the year is stated after charging/(crediting) the following, amongst others:

Compensation of Key management personnel to the Group				
Short-term employee benefits	7,022,100	6,182,144	7,022,100	6,182,144
Post-Employment benefits	718,224	613,786	718,224	613,786
	7,740,324	**6,795,930**	**7,740,324**	**6,795,930**
Employee costs				
Salaries	45,931,751	33,961,755	45,931,751	33,961,755
Bonus	1,200,001	100,000	1,200,001	100,000
UIF	144,553	134,601	144,553	134,601
Termination benefits	150,000	5,077,263	150,000	5,077,263
Medical benefits	502,236	316,684	502,236	316,684
Pension costs	2,590,556	2,237,178	2,590,556	2,237,178
	50,519,097	**41,827,481**	**50,519,097**	**41,827,481**
Total employee costs	**58,259,421**	**48,623,411**	**58,259,421**	**48,623,411**

NOTES TO THE GROUP FINANCIAL STATEMENTS
AND ASSOCIATION FINANCIAL STATEMENTS

SOUTH AFRICAN FOOTBALL ASSOCIATION

Notes to the Group Financial Statements And Association Financial Statements continued

	Group		Association	
Figures in Rand	2023	2022	2023	2022
Depreciation and amortisation				
Buildings - National Technical Centre	3,256,514	3,257,244	3,256,514	3,257,244
Leasehold property - Alex Hub	1,049,816	1,049,832	1,049,816	1,049,832
Leasehold property - SAFA House	2,000,000	3,045,135	2,000,000	3,045,135
Land and Buildings - Artificial Pitch	896,229	896,226	896,229	896,226
Land and Buildings - 2x Natural Grass Pitch	265,868	265,867	265,868	265,867
Guard House	102,939	68,624	102,939	68,624
Furniture and Fittings	279,368	236,781	279,368	236,781
Motor Vehicles	670,400	356,171	670,400	356,171
Office Equipment	31,312	45,141	31,312	45,141
Computer Equipment	186,409	205,890	186,409	205,890
General Equipment	302,656	375,530	302,656	375,530
Buses	183,323	33,313	183,323	33,313
Computer Software	-	23,400	-	23,400
Total depreciation and amortisation	**9,224,834**	**9,859,154**	**9,224,834**	**9,859,154**
Impairment losses				
Receivables written off as uncollectable	2,001	534,766	2,001	534,766
Net movement in allowance for credit losses	417,493	(299,976)	417,493	(299,796)
Impairment of National Technical Centre buildings	7,550,679	-	7,550,679	-
	7,970,173	**234,790**	**7,970,173**	**234,970**
Other				
Payroll and Accounting fees	995,847	1,413,793	995,847	1,413,793
Auditor's Remuneration	988,464	946,095	988,464	946,095
Legal and Consulting Fees	6,218,505	8,428,971	6,218,505	8,428,971
NEC Honoraria	2,583,890	3,425,333	2,583,890	3,425,333
NEC Allowances	2,205,886	1,644,780	2,205,886	1,644,780

15. Finance income

Interest received	63,201	137,492	58,341	132,764

16. Finance costs

Interest paid- bank and finance charges	49,634	80,839	49,634	80,839
Interest paid- suppliers/loans	365,739	914,458	365,739	914,458
Bank overdraft	-	43,596	-	43,596
Total finance costs	**415,373**	**1,038,893**	**415,373**	**1,038,893**

17. Other non-operating gains (losses)

Fair value gains (losses)				
Foreign exchange gains	(3,626,366)	(2,336,142)	(3,626,366)	(2,336,142)
Gains/(losses) on disposal of non-current assets	164,710	93,359	164,710	93,359
Revaluation gain on SAFA house	55,677,857	-	55,677,857	-
	52,216,201	**(2,242,783)**	**52,216,201**	**(2,242,783)**

18. Prior period error

2023	**Income**	**Assets**	**Liabilities**	**Retained Earnings**
Recognition of land		8,000,000	-	(8,000,000)
Reassessment of useful lives				
- Motor vehicles		1,170,366	-	(1,170,366)
- Other assets		462,216	-	(462,216)
General provisions:				
- CAF duplicate payment			(8,000,000)	8,000,000
- CoJ municipal expenses			(12,976,269)	12,976,269
Fli-Afrika	600,000	200,000	-	(800,000)
	600,000	**9,832,582**	**(20,976,269)**	**10,543,676**

Recognition of land:

The Association received a grant from FIFA for the development of SAFA House during the 2006 financial year. SAFA House has been built on land to which the Association was granted a right to erect improvements. This land belongs to the Department of Public Works. There is an understanding that the land on which SAFA house was built will ultimately be transferred to the Association. At the date of this report this has not happened and the Association is still in discussions with the Government regarding the transfer of the property to SAFA. The land has been recognised in line with the conceptual framework and IAS 16 for the first time in 2023, which triggered the prior period error.

Reassessment of useful lives:

Management assessed the useful lives of all the motor vehicles which were already valued at R1 but are still in use and made a change in the accounting estimate. They requested the fair values of the vehicles from the insurers as at 1 July 2022 and estimated useful life from there. Depreciation has been adjusted prospectively for the affected vehicles.

CoJ municipal expenses:

Fun Valley had never received any water bill since we bought the property in 2015 until March 2022. The previous owner, Mr Godfrey Cohen, informed us that Fun Valley used mostly borehole water since it would have been unaffordable to use Municipal water. He further said that they only make restricted use of Municipal water at an average of R3'500.00 per month. For the last few years we had been making countless enquiries from the City of Johannesburg for our water bills to no avail. In March 2022, the City of Johannesburg disconnected our water supply and visiting numerous of their offices to try and find out what was going on, we were presented with a water bill in the name of Mr Hassiem for R12'152'040.40. We lodged a disputed and informed CoJ that we did not know who Mr Hassiem is and the previous owner was Mr Godfrey Cohen. CoJ reconnected our water and promised to look into the matter and revert. At the beginning of this year, we received a bill from CoJ for R14 million and when we enquired, we were informed that they transferred the account in the name of Mr Hassiem to SAFA / Fun Valley. We lodged a dispute and requested a meeting with the senior officials of CoJ.

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3. Timing - the transactions is too old and it is unfair for them to come to us now about this.
4. CAF has not been paying us our TV rights for some time now due to their dispute with Lagarde. Therefore, we will also be entitled to claim these "outstanding" TV rights amount.

CAF is reviewing our dispute and will revert to us.
Fli-Afrika:

The Association became entitled to a R3,000,000 claim from **Fli-Afrika** on 25 February 2021. Only R2,200,000 was recognised as income to 30 June 2022. The R800,000 income is a prior period error.

Notes to the Group Financial Statements And Association Financial Statements continued

	Group		Association	
Figures in Rand	2023	2022	2023	2022
19. Cash (used in)/generated from operations				
Profit (loss) before taxation	5,044,002	(2,629,273)	4,015,946	(2,902,312)
Adjustments for:				
Depreciation and amortisation	9,224,834	9,859,154	9,224,834	9,859,154
Loss of disposal of fixed assets	(164,710)	(93,359)	(164,710)	(93,359)
Unrealised foreign loss	3,626,366	2,336,142	3,626,366	2,336,142
Interest income	(63,201)	(137,492)	(58,341)	(132,764)
Finance costs	415,373	1,038,894	415,373	1,038,893
Net fair value gains	(48,127,178)	-	(48,127,178)	-
Movements in provisions	14,106,465	(5,274,682)	14,106,465	(5,274,682)
Non-Cash donation income	-	(140,000)	-	(140,000)
Bad debts	419,494	-	419,494	-
Changes in working capital:				
Decrease/(increase) in trade and other receivables	4,722,063	(4,675,705)	4,722,063	(4,684,654)
Decrease/(increase) in trade and other payables	15,225,286	(15,339,757)	16,252,611	(15,050,749)
Decrease/(increase) in income received in advance	(769,250)	(14,398,670)	(769,250)	(14,398,670)
	3,659,544	**(29,454,839)**	**3,663,673**	**(29,443,001)**

20. Related parties

Relationships

Related party balances

	Group 2023	Group 2022	Association 2023	Association 2022
Loan accounts - Owing (to) by related parties				
NEC members in respect of motor vehicles				
Opening balance	1,756,638	4,193,956	1,756,638	4,193,965
- Interest (written off)/charged	(86,035)	(185,776)	(86,035)	(185,776)
- Cash advance in a form of insurance payments	387,310	30,162	387,310	301,623
- Cash collection in a form of deduction against honoraria	(148,066)	(2,281,704)	(148,066)	(2,281,704)
Closing balance	1,909,847	1,756,638	1,909,847	1,756,638
NEC Members				
Advances	25,949	-	25,949	-
Related party transaction				
NEC				
Honoraria	2,583,890	3,425,673	2,583,890	3,425,673
Allowances	2,205,886	1,644,780	2,205,886	1,644,780
Key management personnel				
Remuneration	7,740,324	6,795,930	7,740,324	6,795,930
Grants received				
The 2010 FIFA World Cup Legacy Trust	115,000	22,660,462	115,000	22,660,462

21. Taxation

On 3 June 2010, the Association was approved by the South African Revenue Services ("SARS") as a Public Benefit Organisation ("PBO") in terms of Section 30(3) of the Income Tax Act ("Act"). This means that annual receipts and accruals in relation to the principle business of development of amateur football will therefore be subject to section 10(1)(cN) of the Act and receipts and accruals, from trading or business activities which fall outside the parameters of section 10(1)(cN) will be subject to tax. However, Section 11 (a) and 11 (E) provides for a deduction in respect of noncapital expenditure whether business or development related.

The Africa Cup of Nations 2013 Local Organising Committee South Africa NPC has also been approved by SARS as PBOs in terms of Section 30 of the Act and the receipts and accruals will therefore not be subject to section 10(1)(cN) of the Act.

No provision has been made for 2023 taxation as the Association and its subsidiary are in a computed loss position. A deferred tax asset in respect of computed tax losses has not been recognised as it is not probable that future taxable profit will be available against which the Group could utilise this asset.

22. Change in accounting policy

During the year under review the Association changed its accounting policy with respect to buildings from cost less accumulated depreciation and impairment to the revaluation model. The buildings were revalued at 30 June 2023 by a qualified professional valuer who has recent experience with properties of this nature and location.

The carrying amount that would have been recognised had the assets been carried under the cost model is R85 045 549.

23. Events after the reporting period

The NEC is not aware of any material event which occurred after the reporting date and up to the date of this report that would materially affect the amounts or disclosures in these consolidated and separate annual financial statements.

24. Going concern

The Group made an operating loss of R50,633,854 for the year ended 30 June 2023, however there is a revaluation surplus of R55,677,857 which resulted in an overall profit of R5,044,003. As of that date, the Group's total liabilities exceeded its total assets by R7,439,825. However, the Group's current liabilities exceed its current assets by R107,441,777 excluding income received in advance which will not crystallise as a cash outflow). The Group continues to pursue its plans of improving this position and is still determined to achieve a net current asset position within the next few years. A complete review of the Association's financial model has been performed and several positive changes are being considered.

The financial statements have been prepared on a going concern basis, which assumes that the Association will continue to operate for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. However, the Association's current liabilities far exceeds its current assets, and it has incurred significant operating losses and negative total cash movement for the year, which raises substantial doubt about its ability to continue as a going concern. Management has developed a plan to address these issues, which includes:

1. the Association has embarked on a gigantic project of monetising its central database. It is estimated that the Association has more than 3 million members: thus, players and officials. The process of registering these members was started a few years ago and a lot of progress has been made. An annual membership fee will be introduced, and each registered member will be required to pay such in exchange for an array of benefits. It is projected that the benefits of this projects will be realised from the commencement of 2024. Unencumbered income will be released from this project into the Association. The Association is optimistic that this project will be a huge success and it will secure the future of South African football.

2. The Association believes that there is a huge opportunity to increase the broadcast revenue. According to its research results, most Sporting Bodies derive approximately 60% of their revenue from broadcast rights whilst the Association's broadcast rights revenue is only 14%. This clearly indicate that the Association has not maximised on

Notes to the Group Financial Statements And Association Financial Statements continued

the broadcast rights fees. The contract between the Association and the South African Broadcasting Corporation (SABC) terminates on 30 October 2023. The Association is confident that it will emerge from the contract renewal negotiations with a much-improved deal. The opportunities for Pay-TV rights fees are also being pursued with much vigour. The Association has several sponsorship properties which have matured. In addition, to the existing crown jewels, the Women National League, known as the Hollywoodbets Super League has grown by leaps and bounds. The Schools Football is also an untapped market and resources will be ploughed into this product so that it can realise its full potential.

3. The Association continues to have some excellent relationship with its sponsors. Its major sponsors, like Sasol and SA Breweries, have been supporting it for many years and this is envisaged to continue in the long-term. Most of the sponsorship contracts have a life span of more than one year; therefore, this guarantees future funding for the Association. The consistent performance of the Senior Women's National team (Banyana Banyana) and recent excellent play by the Senior Men's National team (Bafana Bafana) has resulted in several companies desiring to partner with these teams. Appropriate sponsorship packages, which will result in mutually beneficial partnerships, are being finalised and the Association is optimistic that several companies will come on board.

4. The continued support by Confédération Africaine de Football (CAF) and FIFA ensures financial stability for most of their members, including the Association. FIFA recently launched FIFA Forward 3.0 which is a funding programme for its Member Associations. The annual funding for operations was increased from USD 1 million to USD 1.25 million. This funding is secured for the next 4 years. CAF guarantees its members USD250'000.00 per year and they are considering increase these grants once they have concluded their broadcast rights contract. Recently, the Association received confirmation from the Department of Sport, Arts and Culture that they will avail R6.7 million annually for Women Football programmes and this is a 3-year commitment. After the recent management changes at the National Lotteries Commission Distribution Board, the Association is expecting to start receiving regular and consistent funding from them. Recently an application was submitted for funding of Bafana Bafana's preparations for the 2023 Africa Cup of Nations Ivory Coast.

5. The Association continues to cultivate symbiotic relationships with various spheres of Government. The realisation of the benefits of this partnership will emerge through the co-hosting of events. These will include national team matches, national play-offs and championships and mega gatherings. The reciprocal assistance from the host cities is normally in the form of accommodation and transport costs, provision of services like stadium facilities, security, and hospitality. This achieves huge cost savings for the Association whilst also achieving the objective of taking its events to various cities within the country.

6. The Association continues to vigorously manage its costs by being innovative in the way that it carries out its activities. Fiscal discipline is being practised across the whole organisation's spectrum. This is strengthened by, among other tools, operating within an approved budget, enforcement of procurement policies and regular financial reporting. The Association continues to create value with the supply chain by working closely with its suppliers.

The Association, as the football controlling body in the Country, is a national asset. It is due to this status that it works very closely with the Government and enjoys its support.

The ability of the Company to continue as a going concern is dependent upon the successful implementation of this plan and the ability to raise additional financing. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

25. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

Group - 2023

	Note(s)	Amortised cost	Total	Fair value
Trade and other receivables	5	15,669,927	15,669,927	15,669,927
Cash and cash equivalents	6	5,508,394	5,508,394	5,508,394
		21,178,321	**21,178,321**	**21,178,321**

Group - 2022

	Note(s)	Amortised cost	Total	Fair value
Trade and other receivables	5	19,587,554	19,587,554	19,587,554
Cash and cash equivalents	6	6,839,112	6,839,112	6,839,112
		26,426,666	**26,426,666**	**26,426,666**

Association - 2023

	Note(s)	Amortised cost	Total	Fair value
Trade and other receivables	5	15,669,927	15,669,927	15,669,927
Cash and cash equivalents	6	5,190,489	5,190,489	5,190,489
		20,860,416	**20,860,416**	**20,860,416**

Association - 2022

	Note(s)	Amortised cost	Total	Fair value
Trade and other receivables	5	19,587,554	19,587,554	19,587,554
Cash and cash equivalents	6	6,521,938	6,521,938	6,521,938
		26,109,492	**26,109,492**	**26,109,492**

Categories of financial liabilities

Group - 2023

	Note(s)	Amortised cost	Total	Fair value
Trade and other payables	9	70,745,461	70,745,461	70,745,461
Long and short-term loans	8	24,719,570	24,719,570	24,719,570
		95,465,031	**95,465,031**	**95,465,031**

Group - 2022

	Note(s)	Amortised cost	Total	Fair value
Trade and other payables	9	45,599,940	45,599,940	45,599,940
Long and short-term loans	8	28,162,096	28,162,096	28,162,096
		73,762,036	**73,762,036**	**73,762,036**

Association - 2023

	Note(s)	Amortised cost	Total	Fair value
Trade and other payables	9	70,745,461	70,745,461	70,745,461
Long and short-term loans	8	24,719,570	24,719,570	24,719,570
		95,465,031	**95,465,031**	**95,465,031**

Notes to the Group Financial Statements And Association Financial Statements continued

Association - 2022

	Note(s)	Amortised cost	Total	Fair value
Trade and other payables	9	44,572,625	44,572,625	44,572,625
Long and short-term loans	8	28,162,096	28,162,096	28,162,096
		72,734,721	**72,734,721**	**72,734,721**

Financial risk management

Overview

The group is exposed to the following risks from its use of financial instruments:

- Credit risk and
- Liquidity risk;

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these financial statements.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Credit risk for exposures other than those arising on cash and cash equivalents, are managed by making use of credit approvals, limits and monitoring. The Group only deals with reputable counterparties with consistent payment histories. Counterparty credit limits are in place and are reviewed and approved by credit management committees. The exposure to credit risk and the creditworthiness of counterparties is continuously monitored.

Credit risk exposure arising on cash and cash equivalents is managed by the Group through dealing with well-established financial institutions with high credit ratings. In order to calculate credit loss allowances, management determine whether the loss allowances should be calculated on a 12 month or on a lifetime expected credit loss basis. This determination depends on whether there has been a significant increase in the credit risk since initial recognition. If there has been a significant increase in credit risk, then the loss allowance is calculated based on lifetime expected credit losses. If not, then the loss allowance is based on 12 month expected credit losses. This determination is made at the end of each financial period. Thus, the basis of the loss allowance for a specific financial asset could change year on year.

Management apply the principle that if a financial asset's credit risk is low at year end, then, by implication, the credit risk has not increased significantly since initial recognition. In all such cases, the loss allowance is based on 12 month expected credit losses. Credit risk is assessed as low if there is a low risk of default (where default is defined as occurring when amounts are 90 days past due). When determining the risk of default, management consider information such as payment history to date, industry in which the customer is employed, period for which the customer has been employed, external credit references etc. In any event, if amounts are 30 days past due, then the credit risk is assumed to have increased significantly since initial recognition. Credit risk is not assessed to be low simply because of the value of collateral associated with a financial instrument. If the instrument would not have a low credit risk in the absence of collateral, then the credit risk is not considered low when taking the collateral into account. Trade receivable and contract assets which do not contain a significant financing component are the exceptions and are discussed below.

For trade receivables and contract assets which do not contain a significant financing component, the loss allowance is determined as the lifetime expected credit losses of the instruments. For all other trade receivables, contract assets and lease receivables, IFRS 9 permits the determination of the credit loss allowance by either determining whether there was a significant increase in credit risk since initial recognition or by always making use of lifetime expected credit losses. Management have chosen as an accounting policy, to make use of lifetime expected credit losses. Management does therefore not make the annual assessment of whether the credit risk has increased significantly since initial recognition for trade receivables, contract assets or lease receivables.

Funding is obtained from The 2010 FIFA World Cup Legacy Trust, CAF, FIFA and other sponsorships. Formal agreements are entered into which set out the terms and conditions of the funding.

The majority of the Group's sponsors and donors have been transacting with the Group since inception and there have been no major losses on trade receivables.

The maximum exposure to credit risk is presented in the table below:

Group		2023			2022		
		Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Trade and other receivables	5	20,866,034	(5,196,107)	15,669,927	24,366,168	(4,778,614)	19,587,554
Cash and cash equivalents	6	5,508,394	-	5,508,394	6,839,112	-	6,839,112
		26,374,428	**(5,196,107)**	**21,178,321**	**31,205,280**	**(4,778,614)**	**26,426,666**

Association		2023			2022		
		Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Trade and other receivables	5	20,866,034	(5,196,107)	15,669,927	24,366,168	(4,778,614)	19,587,554
Cash and cash equivalents	6	5,190,489	-	5,190,489	6,521,938	-	6,521,938
		26,056,523	**(5,196,107)**	**20,860,416**	**30,888,106**	**(4,778,614)**	**26,109,492**

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial and other obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Association's reputation.

In the case of cash flow difficulties, the Group's creditors are notified of the situation and remedial action put in place. The Group however ensures that it has sufficient current assets which will realise in future to meet financial obligations. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted.

Group - 2023

		Less than 1 year	Total	Carrying amount
Non-current liabilities				
Long-term loans	8	14,043,450	14,043,450	14,043,450
Current liabilities				
Trade and other payables	9	70,745,461	70,745,461	70,745,461
Short-term loans	8	10,676,120	10,676,120	10,676,120
		95,465,030	**95,465,031**	**95,465,031**

Group - 2022

		Less than 1 year	Total	Carrying amount
Non-current liabilities				
Long-term loans	8	21,521,561	21,521,561	21,521,561

NOTES TO THE GROUP FINANCIAL STATEMENTS
AND ASSOCIATION FINANCIAL STATEMENTS

Notes to the Group Financial Statements And Association Financial Statements continued

		Less than 1 year	Total	Carrying amount
Current liabilities				
Trade and other payables	9	45,599,940	45,599,940	45,599,940
Short-term loans	8	6,640,535	6,640,535	6,640,535
		73,762,036	**73,762,036**	**73,762,036**

Association - 2023

		Less than 1 year	Total	Carrying amount
Non-current liabilities				
Long-term loans	8	14,043,450	14,043,450	14,043,450
Current liabilities				
Trade and other payables	9	70,745,461	70,745,461	70,745,461
Borrowings	8	10,676,120	10,676,120	10,676,120
		95,465,031	**95,465,030**	**95,465,031**

Association - 2022

		Less than 1 year	Total	Carrying amount
Non-current liabilities				
Long-term loans	8	21,521,561	21,521,561	21,521,561
Current liabilities				
Trade and other payables	9	44,572,625	44,572,625	44,572,625
Short-term loans	8	6,640,535	6,640,535	6,640,535
		72,734,721	**72,734,721**	**72,734,721**

26. Contingent liabilities

SAFA vs. BIFAWU obo Mosiapoa and others: This matter relates to former SAFA employees who were retrenched in 2012. The matter has been ongoing for a number of years now. Recently, there has been hearings in the Labour Court on 29 and 30 November 2022. The hearings could not be completed due to some delaying tactics by the Union. The Judge postponed the matter sine die and we are now waiting for new court date.

Mr. Justice Hlahla & 4 others: This matter relates to former SAFA employees who took voluntary separation packages in July 2020 and concluded separation agreements. Thereafter, they took SAFA to the CCMA for unfair dismissal. The matter is set for the Labour Court for 18 July 2023.

Mr Leslie Sedibe, former CEO of SAFA, is suing us for defamation of character after he was banned by FIFA following the 2010 match fixing scandal. He is claiming damages for a total amount of R5m. The matter had been set down for 22 February 2019 in the Johannesburg High Court but was later postponed. Mr Sedibe recently appointed a new firm of attorneys to represent him after the withdrawal by the previous attorneys. We are waiting for a new court date.

Mr Gay Mokoena, a former SAFA Vice President, was expelled from the National Executive Committee by the NEC pending ratification by the SAFA Congress. Mr Mokoena has taken SAFA to court for unlawful dismissal. We are now waiting for the matter to be set down by the High Court.

Mr Mooka, a former SAFA NEC member, was expelled from the National Executive Committee by the NEC pending ratification by the SAFA Congress. Mr Mooka has taken SAFA to court for unlawful dismissal. We are now waiting for the matter to be set down by the High Court.

Ms Ria Ledwaba and Mr Solly Mohlabeng contested the SAFA elections in June 2022 for the position of President. They both lost and are now disputing the election results. They have taken the matter to the High Court and we are waiting for a court date.

27. Contingent assets

1. SAFSA - R700,000: The Master had set 20 September 2023 for taxation in the High Court under reference 2019/14684. Unfortunately, this did not proceed because there were problems with invoices which were submitted by SAFA's counsel. Our attorneys will request a new date for taxation. SAFSA is represented by Zwane Attorneys.

   Arbitration – SAFA was also awarded costs as part of the arbitration award. Zwane Attorneys are also pursuing the recovery of these costs.

   SASFA is in the process of being deregistered. However, in line with the award, the SAFA attorneys are pursuing the SASFA entity and directors jointly and severally, one paying, the other to be absolved.

2. Ria Ledwaba Disciplinary Hearing - R879,204: Adv. Terry Motau SC order. Ms Ledwaba has not paid despite receiving a letter of demand. Our attorneys, Fairbridges Wertheim Becker, have issued summons and applied for a court order as well in the High Court. The summons were served on 30 June 2023 and her attorneys issued a notice to defend. Ria Ledwaba has issued a counterclaim alleging that SAFA owes her honorarium of around R400,000.00.

3. Ria Ledwaba Urgent Application – R388,690: High Court Order. The costs were taxed on 18 July 2023 and the claimable amount is R388,690. The sheriff issued a warrant of execution to attach her properties. When the sheriff arrived at both properties, they were informed that Ms Ledwaba does not stay there anymore. The sheriff is now in the process of tracing her new domicile.

4. Chief Nonkonyana Majavu – R279,496: Attorneys have resuscitated the process of cost recovery. There are 2 cases being:
   - CAS: 28913/2014 – writ of execution was issued for R80k and a Ford Bantam was attached in 2019. Attorneys are following up on this case. There is no further update on this case.
   - CAS: 39100/2014 – A letter of demand for R279k was sent and ignored. The attorneys are now applying for a writ of execution and will update further.

5. BIFAWU – TBA: BIFAWU lost a labour law case on behalf of former SAFA employees. The Court awarded SAFA costs and our attorneys, Werkmans Attorneys, are pursuing BIFAWU for these costs. The SAFA lawyers informed us that BIFAWU does not have any assets. Therefore, the legal costs of pursuing them will result in fruitless and wasteful expenditure. Their advise is that we must drop the process of trying to recover costs.

Detailed Income Statement

		Group		Association	
Figures in Rand	Note(s)	2023	2022	2023	2022
Revenue					
2022 FIFA World Cup Qualifiers' TV Rights		1,621,299	13,978,599	1,621,299	13,978,599
Grants received		2,302,112	17,615,291	2,302,112	17,615,291
Rental income		1,828,151	1,066,380	1,828,151	1,066,380
National Technical Centre - day visitors and use of facilities		4,823,897	3,842,752	4,823,897	3,842,752
Sponsorship income		217,613,444	191,480,299	217,613,444	191,480,299
Host cities' income		8,217,417	1,000,000	8,217,417	1,000,000
Ticketing revenue		975,020	-	975,020	-
	12	**237,381,340**	**228,983,321**	**237,381,340**	**228,983,321**
Other operating income					
Bad debts recovered		-	35,837	-	35,837
Other sundry income		3,345,372	8,391,804	2,318,046	8,102,804
	13	**3,345,372**	**8,427,641**	**2,318,046**	**8,138,641**
Revaluation loss recognised through P/L	14	(7,550,679)	-	(7,550,679)	-
Impairment losses	14	(419,494)	(234,790)	(419,494)	(234,790)
Other operating expenses					
Competitions and Leagues' costs		(48,696,378)	(35,665,052)	(48,696,378)	(35,665,052)
Governance costs		(14,763,924)	(14,453,717)	(14,763,924)	(14,453,717)
National Technical Centre		(10,778,175)	(8,849,622)	(10,778,175)	(8,849,622)
Other administration costs		(88,099,822)	(89,729,625)	(88,095,693)	(89,707,286)
National Teams' costs		(74,510,150)	(47,598,423)	(74,510,150)	(47,600,074)
Football development costs		(33,503,282)	(30,505,668)	(33,503,282)	(30,505,668)
Depreciation and amortisation		(9,224,834)	(9,859,154)	(9,224,834)	(9,859,154)
		(279,576,565)	**(236,661,261)**	**(279,572,436)**	**(236,640,573)**
Operating (loss) profit	14	**(46,820,026)**	**514,911**	**(47,843,223)**	**246,599**
Finance income	15	63,201	137,492	58,341	132,764
Finance costs	16	(415,373)	(1,038,893)	(415,373)	(1,038,892)
Other non-operating gains (losses)	17	(3,461,656)	(2,242,783)	(3,461,656)	(2,242,783)
Revaluation gain recognised through OCI	17	55,677,857	-	55,677,857	-
Profit (loss) for the year		**5,044,003**	**(2,629,273)**	**4,015,946**	**(2,902,312)**

The supplementary information presented does not form part of the group financial statements and association financial statements and is unaudited.