

Durban Golf Club
Annual Financial Statements
for the year ended 31 December 2013

Durban Golf Club

Annual Financial Statements for the year ended 31 December 2013

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

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

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Level of assurance

These annual financial statements have been audited in compliance with the applicable requirements of the South African Statements of Generally Accepted Accounting Practice..

Preparer

SAB & T DURBAN
Chartered Accountants (S.A.)

Published

27 March 2014

Durban Golf Club

Annual Financial Statements for the year ended 31 December 2013

Management Committee's Responsibilities and Approval

The management committee are required to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the club as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with South African Statements of Accounting Practice. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with South African Statements of Generally Accepted Accounting Practice and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimate

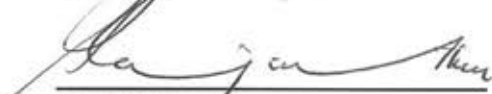
The management committee acknowledge that they ultimately responsible for the system of internal financial control established by the club and place considerable importance on maintaining a strong control environment. To enable the management committee to meet these responsibilities, the committee sets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

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

The management committee have reviewed the club's cash flow forecast for the year to 31 December 2014 and, in the light of this review and the current financial position, they are satisfied that the club has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the club's annual financial statements. The annual financial statements have been examined by the club's external auditors and their report is presented on page 3.

The annual financial statements set out on pages 5 to 14, which have been prepared on the going concern basis, were approved by the management committee on 27 March 2014 and were signed on its behalf by:



President



Treasurer

Logie Govender & Co

Chartered Accountants (S.A.)
Registered Auditors
Prop: L Govender
Bcom (Unisa) CTA (UDW) CA (SA)
Practice No.: 910120E

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Independent Auditors' Report

To the Management Committee of DURBAN GOLF CLUB

We have audited the financial statements of DURBAN GOLF CLUB, as set out on pages 4 to 14, which comprise the statement of financial position as at 31 December 2013, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Management Committee's Responsibility for the Financial Statements

The club's management committee are responsible for the preparation and of the financial statements in accordance with South African Statements of Generally Accepted Accounting Practice, and for such internal control as the committee members determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

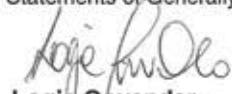
Basis for Qualified Opinion

In common with similar organisations, it is not feasible for the Club to institute accounting controls over cash collections prior to initial entry of the collections in the accounting records. Accordingly, it was impractical for us to extend our examination beyond the receipts actually recorded.

It was impractical to verify the completeness of subscription income as no reconciliation is done between membership and fees collected.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements of DURBAN GOLF CLUB for the year then ended 31 December 2013 are prepared, in all material respects, in accordance with South African Statements of Generally Accepted Accounting Practice.



Logie Govender
Chartered Accountants (S.A.)

27 March 2014

Durban Golf Club

Annual Financial Statements for the year ended 31 December 2013

Management Committee's Report

The management committee submits their report for the year ended 31 December 2012.

1. Review of activities

Main business and operations

The main objectives of the club are to promote the game of golf in accordance with the Rules of Golf and to organise, manage and control golf tournaments and championships matches.

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

Net Profit of the club was R 18 363 (2012: Deficit R153 300)

2. Events after the reporting period

The management committee is aware of the fact that the club has been converted to an NPC during March 2014.

3. Management Committee

The committee members of the management committee during the year and to the date of this report are as follows:

Name	Changes
President - Dr. P Rajaruthnam	
Vice President - Mr K Dorasamy	
Secretary - Mr A Solwa	
Treasurer - Mr PL Popat	
Captain - Mr S Rampersad	Appointed 31 March 2013
Mr R Reddy	
Mr M Sekoboane	
Mrs S Haripersad	
Mr J Pirthipal	
Mr M Moonsamy	Appointed 31 March 2013
Mr T Govender	Appointed 31 March 2013
Mr A Ganie	Appointed 31 March 2013
Mr M Kumalo	Appointed 31 March 2013
Mr K Pillay	Appointed 31 March 2013
Mr J Ngcobo	Appointed 31 March 2013

Durban Golf Club

Annual Financial Statements for the year ended 31 December 2013

Statement of Financial Position

Figures in Rand	Note(s)	2013	2012
Assets			
Non-Current Assets			
Property, plant and equipment	2	453 448	356 391
Other financial assets	3	25	25
		<u>453 473</u>	<u>356 416</u>
Current Assets			
Inventories	4	29 289	24 645
Trade and other receivables		32 250	9 020
Cash and cash equivalents	5	88 255	86 334
		<u>149 794</u>	<u>119 999</u>
Total Assets		<u>603 267</u>	<u>476 415</u>
Equity and Liabilities			
Equity			
Retained income		<u>438 318</u>	<u>393 668</u>
Liabilities			
Current Liabilities			
Other financial liabilities	6	46 000	-
Trade and other payables	7	118 949	82 747
		<u>164 949</u>	<u>82 747</u>
Total Equity and Liabilities		<u>603 267</u>	<u>476 415</u>

Durban Golf Club

Annual Financial Statements for the year ended 31 December 2013

Statement of Comprehensive Income

Figures in Rand	Note(s)	2013	2012
Other income		829 691	704 199
Operating expenses		(785 041)	(857 499)
Operating deficit	8	44 650	(153 300)
Deficit for the year		44 650	(153 300)
Other comprehensive income		-	-
Total comprehensive deficit for the year		44 650	(153 300)

Durban Golf Club

Annual Financial Statements for the year ended 31 December 2013

Statement of Changes in Equity

Figures in Rand	Retained income	Total equity
Balance at 01 January 2012	546 968	546 968
Changes in equity		
Total comprehensive deficit for the year	(153 300)	(153 300)
Total changes	(153 300)	(153 300)
Balance at 01 January 2013	393 668	393 668
Changes in equity		
Total comprehensive income for the year	44 650	44 650
Total changes	44 650	44 650
Balance at 31 December 2013	438 318	438 318
Note(s)		

Durban Golf Club

Annual Financial Statements for the year ended 31 December 2013

Statement Of Cash Flows

Figures in Rand	Note(s)	2013	2012
Cash flows from operating activities			
Cash generated from (used in) operations	11	<u>130 921</u>	<u>(1 898)</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	2	<u>(175 000)</u>	<u>(30 283)</u>
Cash flows from financing activities			
Repayment of other financial liabilities		<u>46 000</u>	<u>-</u>
Net cash from financing activities		<u>46 000</u>	<u>-</u>
Total cash movement for the year		1 921	(32 181)
Cash at the beginning of the year		<u>86 334</u>	<u>118 515</u>
Total cash at end of the year	5	<u>88 255</u>	<u>86 334</u>

Durban Golf Club

Annual Financial Statements for the year ended 31 December 2013

Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities. The annual financial statements have been prepared on the historical cost basis.

These accounting policies are consistent with the previous period.

1.1 Property, plant and equipment

Property, plant and equipment are tangible items that:

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

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Depreciation is provided using the diminishing balance method to write down the cost, less estimated residual value over the useful life of the property, plant and equipment, which is as follows:

Item	Rate
Leasehold property	20%
Irrigation Pump & System	20%
Digital Camera	10%
Caffeteria Equipment	20%
Furniture and fixtures	16.67%
Computer software	20%
Kitchen Utensils	16.67%
Computer Equipment	33%
Two Way Radio	20%
Club Equipment	10%

1.2 Inventories

Inventories are measured at the lower of cost and selling price less costs to complete and sell, on the first-in, first-out (FIFO) basis.

1.3 Revenue

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the company;
- the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognised only to the extent of the expenses recognised that are recoverable.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

Durban Golf Club

Annual Financial Statements for the year ended 31 December 2013

Notes to the Annual Financial Statements

Figures in Rand

2013

2012

2. Property, plant and equipment

	2013			2012		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Digital camera	5 893	(1 787)	4 106	5 893	(1 331)	4 562
Caffeteria equipment	44 791	(39 590)	5 201	44 791	(38 290)	6 501
Plant and machinery	679 477	(506 682)	172 795	679 477	(463 484)	215 993
Club equipment	83 127	(70 677)	12 450	83 127	(69 294)	13 833
Furniture and fixtures	135 020	(102 929)	32 091	135 020	(96 510)	38 510
IT equipment	39 461	(34 105)	5 356	39 461	(31 467)	7 994
Two way radio	4 907	(4 116)	791	4 907	(3 918)	989
Leasehold improvements	303 040	(90 796)	212 244	128 040	(70 548)	57 492
Airconditioner	30 466	(23 972)	6 494	30 466	(22 349)	8 117
Office equipment	2 999	(1 080)	1 919	2 999	(600)	2 399
Kitchen utensils	2 061	(2 060)	1	2 061	(2 060)	1
Total	1 331 242	(877 794)	453 448	1 156 242	(799 851)	356 391

Reconciliation of property, plant and equipment - 2013

	Opening balance	Additions	Depreciation	Total
Digital camera	4 562	-	(456)	4 106
Caffeteria equipment	6 501	-	(1 300)	5 201
Plant and machinery	215 993	-	(43 198)	172 795
Club equipment	13 833	-	(1 383)	12 450
Furniture and fixtures	38 510	-	(6 419)	32 091
IT equipment	7 994	-	(2 638)	5 356
Two way radio	989	-	(198)	791
Leasehold improvements	57 492	175 000	(20 248)	212 244
Airconditioner	8 117	-	(1 623)	6 494
Office equipment	2 399	-	(480)	1 919
Kitchen utensils	1	-	-	1
	356 391	175 000	(77 943)	453 448

Reconciliation of property, plant and equipment - 2012

	Opening balance	Additions	Depreciation	Total
Digital camera	5 069	-	(507)	4 562
Caffeteria equipment	8 127	-	(1 626)	6 501
Plant and machinery	239 708	30 283	(53 998)	215 993
Club equipment	15 370	-	(1 537)	13 833
Furniture & fittings	46 214	-	(7 704)	38 510
IT Equipment	11 931	-	(3 937)	7 994
Two way radio	1 236	-	(247)	989
Leasehold improvements	71 865	-	(14 373)	57 492
Airconditioner	10 147	-	(2 030)	8 117
Office equipment	2 999	-	(600)	2 399
Kitchen utensils	1	-	-	1
	412 667	30 283	(86 559)	356 391

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Notes to the Annual Financial Statements

Figures in Rand	2013	2012
2. Property, plant and equipment (continued)		
Leasehold improvements		
Property 1		
Leasehold improvements comprises of the following:		
- Balcony Slab - 2008	90 300	90 300
- Patio Cover - 2011	37 740	37 740
- Patio Glass - 2013	175 000	-
	<u>303 040</u>	<u>128 040</u>
3. Other financial assets		
At fair value		
Unlisted shares - Durban Golf Club Development (Pty) Ltd 25 ordinary shares issued at R1.00 per share. (Representing 25% interest)	25	25
	<u>25</u>	<u>25</u>
Non-current assets		
At fair value	25	25
	<u>25</u>	<u>25</u>
4. Inventories		
Merchandise	29 289	24 645
	<u>29 289</u>	<u>24 645</u>
Merchandise comprises of liquor and snacks.		
5. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	23 827	27 728
Bank balances	64 428	58 606
	<u>88 255</u>	<u>86 334</u>
6. Other financial liabilities		
At amortised cost		
The Durban Golf Club Trust	46 000	-
	<u>46 000</u>	<u>-</u>
This loan is unsecured, is repayable within the next 12 months and interest free.		
Current liabilities		
At amortised cost	46 000	-
	<u>46 000</u>	<u>-</u>
7. Trade and other payables		
Other payables	118 949	72 747
Amounts received in advance	-	10 000
	<u>118 949</u>	<u>82 747</u>
8. Operating deficit		
Operating deficit for the year is stated after accounting for the following:		

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Annual Financial Statements for the year ended 31 December 2013

Notes to the Annual Financial Statements

Figures in Rand	2013	2012
8. Operating deficit (continued)		
Depreciation on property, plant and equipment	77 946	86 558
Employee costs	100 854	79 865
Donations	-	200 000
	<hr/>	<hr/>
9. Investment revenue		
Interest revenue		
Other interest	1 150	5 046
	<hr/>	<hr/>
10. Auditors' remuneration		
Fees	10 203	10 279
	<hr/>	<hr/>
11. Cash generated from (used in) operations		
Profit (loss) before taxation	44 650	(153 300)
Adjustments for:		
Depreciation and amortisation	77 946	86 558
Changes in working capital:		
Inventories	(4 644)	(448)
Trade and other receivables	(23 230)	(9 020)
Trade and other payables	36 199	74 312
	<hr/>	<hr/>
	130 921	(1 898)

12. Tax Exemption

The Club has applied for tax exemption status and is awaiting confirmation thereof.

Durban Golf Club

Annual Financial Statements for the year ended 31 December 2013

Detailed Income Statement

Figures in Rand	Note(s)	2013	2012
Other Income			
85th Anniversary Celebrations		148 000	-
Bar income		179 086	189 805
Caddy Bib Levy		308	1 582
Clubhouse Hire		2 000	7 000
Entrance Fees		5 800	3 200
Grant in aid		-	25 000
Handicap Fees		25 707	21 843
Handicaps Network Africa		65	385
Interest received	8	1 150	5 046
KZNGU Affiliation Fees		55 012	45 070
Raffle income		3 100	5 780
Shirt Sales		100	6 600
Sponsorship		148 800	124 265
Subscriptions		256 603	225 785
Tournament income		3 960	42 838
		829 691	704 199
Operating expenses			
85th Anniversary Celebrations		(165 484)	-
Auditors' remuneration	10	(10 203)	(10 279)
Bank charges		(15 414)	(11 970)
Central league		(52 120)	(39 496)
Cleaning		(850)	-
Club shirts		-	(18 468)
Coaching fees		(24 000)	(25 696)
Computer expenses		-	(1 100)
Depreciation		(77 946)	(86 558)
Donations		-	(200 000)
Employee costs		(100 854)	(79 865)
Entertainment		(10 848)	(10 259)
Flowers		-	(382)
KZNGU affiliation fees		(64 682)	(110 277)
License		-	(1 025)
Minor asset		(7 134)	(749)
NGN fees and handicap cards		(31 327)	(28 088)
Printing and stationery		(14 155)	(11 240)
Rent paid		(114)	(114)
Repairs and maintenance		(4 637)	(1 403)
Signage		(590)	-
Subscriptions		(1 710)	(5 938)
Telephone and fax		(2 103)	(1 949)
Tournament expense		(192 120)	(142 448)
Trophies and prizes		(8 750)	(70 195)
		(785 041)	(857 499)
Deficit for the year		44 650	(153 300)

Durban Golf Club

Annual Financial Statements for the year ended 31 December 2013

Income Statement for for Bar Operations

Figures in Rand	Note(s)	2013	2012
Revenue			
Bar Sales		772 317	770 927
Cost of sales			
Opening stock		(24 645)	(24 197)
Purchases		(517 303)	(496 088)
Closing stock		29 289	24 645
		(512 659)	(495 640)
Gross surplus		259 658	275 287
Operating expenses			
General consumables		-	(4 403)
Licence		(250)	(250)
Printing and stationery		(2 781)	(900)
Rental		(2 211)	-
Repairs and maintenance		(2 011)	(2 706)
Salaries and wages		(66 012)	(69 380)
Subscriptions		(6 286)	-
Trade expenses		(756)	(7 843)
		(80 307)	(85 482)
Income/(Deficit) for the year		179 351	189 805