

**Durban Golf Club
Annual Financial Statements
for the year ended 31 December 2014**

Durban Golf Club

Annual Financial Statements for the year ended 31 December 2014

Index

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

Index	Page
Management Committee's Responsibilities and Approval	2
Independent Auditors' Report	3
Management Committee's Report	4
Statement of Financial Position	5
Statement of Comprehensive Income	6
Statement of Changes in Equity	7
Statement Of Cash Flows	8
Accounting Policies	9
Notes to the Annual Financial Statements	10 - 12

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

Detailed Income Statement	13
Income Statement for for Bar Operations	14

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

23 March 2015

Durban Golf Club

Annual Financial Statements for the year ended 31 December 2014

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 2015 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 23 March 2015 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

LOGIE GOVENDER HOUSE
691 UMGENI ROAD
DURBAN 4001
P.O.BOX 47682
GREYVILLE 4023
Phone : (031) 3127521/3127607
Fax : (031) 3129250
e-mail : office@logiegovender.co.za

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 2014, 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.

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 2014 are prepared, in all material respects, in accordance with South African Statements of Generally Accepted Accounting Practice.

Logie Govender
Chartered Accountants (S.A.)

23 March 2015

Durban Golf Club

Annual Financial Statements for the year ended 31 December 2014

Management Committee's Report

The management committee submits their report for the year ended 31 December 2014.

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 company was R 38 654 (2013: profit R 44 650).

1. Events after the reporting period

The Management committee are not aware of any matter or circumstance arising since the end of the financial year that has a material impact on the annual financial statements.

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	
Vice Captain - Mr T Govender	
Mr M Sekoboane	Resigned 30 March 2014
Mrs S Haripersad	
Mr J Pirthipal	Resigned 30 March 2014
Mr M Moonsamy	Resigned 30 March 2014
Mr R Reddy	
Mr A Ganie	Resigned 30 March 2014
Mr M Kumalo	
Mr K Pillay	
Mr J Ngcobo	
P Ramlall	Co - opted 30 March 2014

Durban Golf Club

Annual Financial Statements for the year ended 31 December 2014

Statement of Financial Position

Figures in Rand	Note(s)	2014	2013
Assets			
Non-Current Assets			
Property, plant and equipment	2	373 145	453 448
Other financial assets	3	-	25
		<u>373 145</u>	<u>453 473</u>
Current Assets			
Inventories	4	32 874	29 289
Trade and other receivables	5	12 726	32 250
Cash and cash equivalents	6	147 688	88 255
		<u>193 288</u>	<u>149 794</u>
Total Assets		<u>566 433</u>	<u>603 267</u>
Equity and Liabilities			
Equity			
Retained income		<u>476 972</u>	<u>438 318</u>
Liabilities			
Current Liabilities			
Other financial liabilities	7	46 000	46 000
Trade and other payables	8	43 461	118 949
		<u>89 461</u>	<u>164 949</u>
Total Equity and Liabilities		<u>566 433</u>	<u>603 267</u>

Durban Golf Club

Annual Financial Statements for the year ended 31 December 2014

Statement of Comprehensive Income

Figures in Rand	Note(s)	2014	2013
Other income		550 805	829 691
Insurance proceeds		12 150	-
Operating expenses		(524 301)	(785 041)
Operating deficit	9	38 654	44 650
Deficit for the year		38 654	44 650
Other comprehensive income		-	-
Total comprehensive deficit for the year		38 654	44 650

Durban Golf Club

Annual Financial Statements for the year ended 31 December 2014

Statement of Changes in Equity

Figures in Rand	Retained income	Total equity
Balance at 01 January 2013	393 668	393 668
Changes in equity		
Total comprehensive deficit for the year	44 650	44 650
Total changes	<u>44 650</u>	<u>44 650</u>
Balance at 01 January 2014	438 318	438 318
Changes in equity		
Total comprehensive income for the year	38 654	38 654
Total changes	<u>38 654</u>	<u>38 654</u>
Balance at 31 December 2014	<u>476 972</u>	<u>476 972</u>
Note(s)		

Durban Golf Club

Annual Financial Statements for the year ended 31 December 2014

Statement Of Cash Flows

Figures in Rand	Note(s)	2014	2013
Cash flows from operating activities			
Cash generated from operations	12	<u>69 830</u>	<u>130 921</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(13 500)	(175 000)
Sale of property, plant and equipment	2	3 078	-
Sale of financial assets		25	-
Net cash from investing activities		<u>(10 397)</u>	<u>(175 000)</u>
Cash flows from financing activities			
Repayment of other financial liabilities		-	46 000
Net cash from financing activities		<u>-</u>	<u>46 000</u>
Total cash movement for the year		59 433	1 921
Cash at the beginning of the year		88 255	86 334
Total cash at end of the year	6	<u>147 688</u>	<u>88 255</u>

Durban Golf Club

Annual Financial Statements for the year ended 31 December 2014

Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with Generally Accepted Accounting Practice. 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 2014

Notes to the Annual Financial Statements

Figures in Rand

2014

2013

2. Property, plant and equipment

	2014			2013		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Digital camera	1 894	(1 089)	805	5 893	(1 787)	4 106
Caffeteria equipment	44 791	(40 630)	4 161	44 791	(39 590)	5 201
Plant and machinery	679 477	(541 241)	138 236	679 477	(506 682)	172 795
Club equipment	83 127	(71 922)	11 205	83 127	(70 677)	12 450
Furniture and fixtures	135 020	(108 279)	26 741	135 020	(102 929)	32 091
IT equipment	39 461	(35 873)	3 588	39 461	(34 105)	5 356
Two way radio	4 907	(4 274)	633	4 907	(4 116)	791
Leasehold improvements	303 040	(133 245)	169 795	303 040	(90 796)	212 244
Airconditioner	43 966	(27 521)	16 445	30 466	(23 972)	6 494
Office equipment	2 999	(1 464)	1 535	2 999	(1 080)	1 919
Kitchen utensils	2 061	(2 060)	1	2 061	(2 060)	1
Total	1 340 743	(967 598)	373 145	1 331 242	(877 794)	453 448

Reconciliation of property, plant and equipment - 2014

	Opening balance	Additions	Disposals	Depreciation	Total
Digital camera	4 106	-	(3 078)	(223)	805
Caffeteria equipment	5 201	-	-	(1 040)	4 161
Plant and machinery	172 795	-	-	(34 559)	138 236
Club equipment	12 450	-	-	(1 245)	11 205
Furniture and fixtures	32 091	-	-	(5 350)	26 741
IT equipment	5 356	-	-	(1 768)	3 588
Two way radio	791	-	-	(158)	633
Leasehold improvements	212 244	-	-	(42 449)	169 795
Airconditioner	6 494	13 500	-	(3 549)	16 445
Office equipment	1 919	-	-	(384)	1 535
Kitchen utensils	1	-	-	-	1
	453 448	13 500	(3 078)	(90 725)	373 145

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 & fittings	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

Durban Golf Club

Annual Financial Statements for the year ended 31 December 2014

Notes to the Annual Financial Statements

Figures in Rand	2014	2013
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	175 000
	<u>303 040</u>	<u>303 040</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
	<u>-</u>	<u>25</u>
The shares were disposed of during the year.		
Non-current assets		
At fair value	-	25
	<u>-</u>	<u>25</u>
4. Inventories		
Merchandise	32 874	29 289
	<u>32 874</u>	<u>29 289</u>
Merchandise comprises of liquor and snacks.		
5. Trade and other receivables		
Trade receivables	12 701	32 250
Other Receivable	25	-
	<u>12 726</u>	<u>32 250</u>
Other receivable represents the sale of the investment held in DGC Golf Development NPC.		
6. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	14 118	23 827
Bank balances	133 570	64 428
	<u>147 688</u>	<u>88 255</u>
7. Other financial liabilities		
At amortised cost		
The Durban Golf Club Trust	46 000	46 000
	<u>46 000</u>	<u>46 000</u>
This loan is unsecured, is repayable within the next 12 months and interest free.		
Current liabilities		
At amortised cost	46 000	46 000
	<u>46 000</u>	<u>46 000</u>

Durban Golf Club

Annual Financial Statements for the year ended 31 December 2014

Notes to the Annual Financial Statements

Figures in Rand	2014	2013
8. Trade and other payables		
Other payables	15 171	118 949
Amounts received in advance	28 290	-
	<u>43 461</u>	<u>118 949</u>
9. Operating deficit		
Operating deficit for the year is stated after accounting for the following:		
Depreciation on property, plant and equipment	90 724	77 946
Employee costs	91 941	100 854
	<u>90 724</u>	<u>77 946</u>
	<u>91 941</u>	<u>100 854</u>
10. Investment revenue		
Interest revenue		
Other interest	2 283	1 150
	<u>2 283</u>	<u>1 150</u>
11. Auditors' remuneration		
Fees	11 745	10 203
	<u>11 745</u>	<u>10 203</u>
12. Cash generated from operations		
Profit before taxation	38 654	44 650
Adjustments for:		
Depreciation and amortisation	90 724	77 946
Changes in working capital:		
Inventories	(3 585)	(4 644)
Trade and other receivables	19 524	(23 230)
Trade and other payables	(75 487)	36 199
	<u>69 830</u>	<u>130 921</u>

13. Taxation

No tax has been provided as the Club is exempt from taxation in terms of Section 30A(2) of the Income Tax Act.

Durban Golf Club

Annual Financial Statements for the year ended 31 December 2014

Detailed Income Statement

Figures in Rand	Note(s)	2014	2013
Other Income			
85th Anniversary Celebrations		-	148 000
Bar income		128 249	179 086
Caddy Bib Levy		1 065	308
Clubhouse Hire		6 500	2 000
Entrance Fees		4 000	5 800
Handicap Fees		24 304	25 707
Handicaps Network Africa		215	65
Interest received	8	2 283	1 150
KZNGU Affiliation Fees		54 496	55 012
Raffle income		5 150	3 100
Shirt Sales		100	100
Sponsorship		47 500	148 800
Subscriptions		237 023	256 603
Tournament income		39 920	3 960
		550 805	829 691
Other income			
Insurance proceeds		12 150	-
Operating expenses			
85th Anniversary Celebrations		(387)	(165 484)
Auditors' remuneration	11	(11 745)	(10 203)
Bank charges		(16 472)	(15 414)
Central league		(44 444)	(52 120)
Cleaning		(3 119)	(850)
Coaching fees		(26 019)	(24 000)
Computer expenses		(1 000)	-
Consulting fees		(350)	-
Depreciation		(90 724)	(77 946)
Employee costs		(91 941)	(100 854)
Entertainment		(10 749)	(10 848)
Flowers		(557)	-
KZNGU affiliation fees		(420)	(64 682)
Legal expenses		(3 778)	-
License		(265)	-
Loss due to theft		(3 078)	-
Minor asset		(6 012)	(7 134)
NGN fees and handicap cards		(32 712)	(31 327)
Printing and stationery		(13 608)	(14 155)
Rent paid		(114)	(114)
Repairs and maintenance		-	(4 637)
Signage		(2 511)	(590)
Subscriptions		(171)	(1 710)
Telephone and fax		(1 360)	(2 103)
Tournament expense		(95 637)	(192 120)
Trophies and prizes		(66 080)	(8 750)
Uniforms		(1 048)	-
		(524 301)	(785 041)
Profit for the year		38 654	44 650

Durban Golf Club

Annual Financial Statements for the year ended 31 December 2014

Income Statement for for Bar Operations

Figures in Rand	Note(s)	2014	2013
Revenue			
Bar Sales		656 433	772 317
Cost of sales			
Opening stock		(29 289)	(24 645)
Purchases		(436 099)	(517 303)
Closing stock		32 874	29 289
		(432 514)	(512 659)
Gross surplus		223 919	259 658
Operating expenses			
Fuel		(2 136)	-
Licence		-	(250)
Loss due to theft		(500)	-
Minor assets		(4 092)	-
Printing and stationery		-	(2 781)
Rental		(1 874)	(2 211)
Repairs and maintenance		(4 089)	(2 011)
Salaries and wages		(76 019)	(66 012)
Subscriptions		(6 398)	(6 551)
Trade expenses		(562)	(756)
		(95 670)	(80 572)
Income/(Deficit) for the year		128 249	179 086