

**Durban Golf Club  
Annual Financial Statements  
for the year ended 31 December 2015**

# Durban Golf Club

Annual Financial Statements for the year ended 31 December 2015

## Index

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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

03 March 2016

## **Durban Golf Club**

Annual Financial Statements for the year ended 31 December 2015

### **Management Committee's Responsibilities and Approval**

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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 are 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 2016 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 03 March 2016 and were signed on its behalf by:

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**President**

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**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

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### 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 2015, 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 2015 are prepared, in all material respects, in accordance with South African Statements of Generally Accepted Accounting Practice.

**Logie Govender**  
**Chartered Accountants (S.A.)**

03 March 2016

# Durban Golf Club

Annual Financial Statements for the year ended 31 December 2015

## Management Committee's Report

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The management committee submits their report for the year ended 31 December 2015.

### 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 loss of the club was R 67 344 (2014: profit R 38 654).

### 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:

<b>Name</b>	<b>Changes</b>
Mr K Dorasamy - President	
Mr R Reddy - Vice President	
Mr P.L. Popat - Treasurer	
Mr S Rampersad - Captain	
Mr T Govender - Vice Captain	
G Harrisunker - Secretary	Appointed 29 March 2015
Mrs S Hariparsad	
R Chetty	Appointed 29 March 2015
S Sunkur	Appointed 29 March 2015
T Kaunda	Appointed 29 March 2015
U Hariparsad	Appointed 29 March 2015
Dr. P Rajaruthnam	Resigned 29 March 2015
Mr A Solwa	Resigned 29 March 2015
Mr M Kumalo	Resigned 29 March 2015
Mr K Pillay	Resigned 29 March 2015
Mr J Ngcobo	Resigned 29 March 2015
P Ramlall	Resigned 29 March 2015

# Durban Golf Club

Annual Financial Statements for the year ended 31 December 2015

## Statement of Financial Position

Figures in Rand	Note(s)	2015	2014
<b>Assets</b>			
Non-Current Assets			
Property, plant and equipment	2	303 473	373 145
Current Assets			
Inventories	3	20 563	32 874
Trade and other receivables	4	15 126	12 726
Cash and cash equivalents	5	175 587	147 688
		<b>211 276</b>	<b>193 288</b>
<b>Total Assets</b>		<b>514 749</b>	<b>566 433</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Retained income		409 628	476 972
<b>Liabilities</b>			
Current Liabilities			
Other financial liabilities	6	46 000	46 000
Trade and other payables	7	59 121	43 461
		<b>105 121</b>	<b>89 461</b>
<b>Total Equity and Liabilities</b>		<b>514 749</b>	<b>566 433</b>

# Durban Golf Club

Annual Financial Statements for the year ended 31 December 2015

## Statement of Comprehensive Income

Figures in Rand	Note(s)	2015	2014
Other income		557 382	550 805
Insurance proceeds		-	12 150
Operating expenses		(624 726)	(524 301)
<b>Operating Deficit or Surplus</b>	<b>8</b>	<b>(67 344)</b>	<b>38 654</b>
<b>Deficit or Surplus for the year</b>		<b>(67 344)</b>	<b>38 654</b>
Other comprehensive income		-	-
<b>Total comprehensive deficit or surplus for the year</b>		<b>(67 344)</b>	<b>38 654</b>

## Durban Golf Club

Annual Financial Statements for the year ended 31 December 2015

### Statement of Changes in Equity

Figures in Rand	Retained income	Total equity
<b>Balance at 01 January 2014</b>	<b>438 318</b>	<b>438 318</b>
Changes in equity		
Total comprehensive income for the year	38 654	38 654
Total changes	<u>38 654</u>	<u>38 654</u>
<b>Balance at 01 January 2015</b>	<b>476 972</b>	<b>476 972</b>
Changes in equity		
Total comprehensive deficit for the year	(67 344)	(67 344)
Total changes	<u>(67 344)</u>	<u>(67 344)</u>
<b>Balance at 31 December 2015</b>	<b>409 628</b>	<b>409 628</b>

Note(s)



# Durban Golf Club

Annual Financial Statements for the year ended 31 December 2015

## Statement of Cash Flow

Figures in Rand	Note(s)	2015	2014
<b>Cash flows from operating activities</b>			
Cash generated from operations	11	<u>31 899</u>	<u>69 830</u>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	2	(4 000)	(13 500)
Sale of property, plant and equipment	2	-	3 078
Sale of financial assets		-	25
<b>Net cash from investing activities</b>		<u>(4 000)</u>	<u>(10 397)</u>
<b>Total cash movement for the year</b>		<b>27 899</b>	<b>59 433</b>
Cash at the beginning of the year		147 688	88 255
<b>Total cash at end of the year</b>	5	<u><b>175 587</b></u>	<u><b>147 688</b></u>

# Durban Golf Club

Annual Financial Statements for the year ended 31 December 2015

## Accounting Policies

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### 1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the 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%
Furniture and fixtures	16.67%
Caffeteria Equipment	20%
Digital Camera	10%
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 2015

## Notes to the Annual Financial Statements

Figures in Rand

2015

2014

### 2. Property, plant and equipment

	2015			2014		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Digital camera	1 894	(1 170)	724	1 894	(1 089)	805
Caffeteria equipment	44 791	(41 463)	3 328	44 791	(40 630)	4 161
Plant and machinery	679 477	(568 888)	110 589	679 477	(541 241)	138 236
Club equipment	83 127	(73 043)	10 084	83 127	(71 922)	11 205
Furniture and fixtures	135 020	(112 737)	22 283	135 020	(108 279)	26 741
IT equipment	39 461	(37 057)	2 404	39 461	(35 873)	3 588
Two way radio	4 907	(4 400)	507	4 907	(4 274)	633
Leasehold improvements	303 040	(167 204)	135 836	303 040	(133 245)	169 795
Airconditioner	47 966	(31 477)	16 489	43 966	(27 521)	16 445
Office equipment	2 999	(1 771)	1 228	2 999	(1 464)	1 535
Kitchen utensils	2 061	(2 060)	1	2 061	(2 060)	1
<b>Total</b>	<b>1 344 743</b>	<b>(1 041 270)</b>	<b>303 473</b>	<b>1 340 743</b>	<b>(967 598)</b>	<b>373 145</b>

#### Reconciliation of property, plant and equipment - 2015

	Opening balance	Additions	Depreciation	Total
Digital camera	805	-	(81)	724
Caffeteria equipment	4 161	-	(833)	3 328
Plant and machinery	138 236	-	(27 647)	110 589
Club equipment	11 205	-	(1 121)	10 084
Furniture and fixtures	26 741	-	(4 458)	22 283
IT equipment	3 588	-	(1 184)	2 404
Two way radio	633	-	(126)	507
Leasehold improvements	169 795	-	(33 959)	135 836
Airconditioner	16 445	4 000	(3 956)	16 489
Office equipment	1 535	-	(307)	1 228
Kitchen utensils	1	-	-	1
	<b>373 145</b>	<b>4 000</b>	<b>(73 672)</b>	<b>303 473</b>

#### 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 & fittings	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
	<b>453 448</b>	<b>13 500</b>	<b>(3 078)</b>	<b>(90 725)</b>	<b>373 145</b>

# Durban Golf Club

Annual Financial Statements for the year ended 31 December 2015

## Notes to the Annual Financial Statements

Figures in Rand 2015 2014

### 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. Inventories

Merchandise

20 563 32 874

Merchandise comprises of liquor and snacks.

### 4. Trade and other receivables

Trade receivables	15 101	12 701
Other Receivable	25	25
	<u>15 126</u>	<u>12 726</u>

Other receivable represents the sale of the investment held in DGC Golf Development NPC.

### 5. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	24 490	14 118
Bank balances	151 097	133 570
	<u>175 587</u>	<u>147 688</u>

### 6. Other financial liabilities

#### At amortised cost

The Durban Golf Club Trust	<u>46 000</u>	<u>46 000</u>
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The loan is unsecured, interest free and long term in nature.

#### Current liabilities

At amortised cost	<u>46 000</u>	<u>46 000</u>
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### 7. Trade and other payables

Other payables	31 175	15 171
Amounts received in advance	27 946	28 290
	<u>59 121</u>	<u>43 461</u>

### 8. Operating Deficit or Surplus

Operating Deficit or Surplus for the year is stated after accounting for the following:

Depreciation on property, plant and equipment	73 671	90 724
Employee costs	<u>101 180</u>	<u>91 941</u>

# Durban Golf Club

Annual Financial Statements for the year ended 31 December 2015

## Notes to the Annual Financial Statements

Figures in Rand	2015	2014
<b>9. Investment revenue</b>		
<b>Interest revenue</b>		
Other interest	4 501	2 283
<b>10. Auditors' remuneration</b>		
Fees	12 840	11 745
<b>11. Cash generated from operations</b>		
(Loss) profit before taxation	(67 344)	38 654
<b>Adjustments for:</b>		
Depreciation and amortisation	73 671	90 724
<b>Changes in working capital:</b>		
Inventories	12 311	(3 585)
Trade and other receivables	(2 400)	19 524
Trade and other payables	15 661	(75 487)
	<b>31 899</b>	<b>69 830</b>

## 12. 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 2015

## Detailed Income Statement

Figures in Rand	Note(s)	2015	2014
Bar income		105 152	128 249
Caddy Bib Levy		506	1 065
Clubhouse Hire		7 500	6 500
Entrance Fees		4 200	4 000
Handicap Fees		27 167	24 304
Handicaps Network Africa		-	215
Interest received	8	4 501	2 283
KZNGU Affiliation Fees		61 693	54 496
Raffle income		5 560	5 150
Shirt Sales		-	100
Sponsorship		57 650	47 500
Subscriptions		247 778	237 023
Tournament income		35 675	39 920
		<b>557 382</b>	<b>550 805</b>
<b>Other income</b>			
Insurance proceeds		-	12 150
<b>Operating expenses</b>			
85th Anniversary Celebrations		-	(387)
Auditors' remuneration	10	(12 840)	(11 745)
Bank charges		(18 117)	(16 472)
Central league		(90 403)	(44 444)
Cleaning		(2 519)	(3 119)
Coaching fees		(26 019)	(26 019)
Computer expenses		(5 048)	(1 000)
Consulting fees		-	(350)
Depreciation		(73 671)	(90 724)
Donations		(5 560)	-
Employee costs		(101 180)	(91 941)
Entertainment		(11 041)	(10 749)
Flowers		(967)	(557)
KZNGU affiliation fees		(63 469)	(420)
Legal expenses		(1 517)	(3 778)
License		(265)	(265)
Loss due to theft		-	(3 078)
Minor asset		-	(6 012)
NGN fees and handicap cards		(31 631)	(32 712)
Printing and stationery		(2 705)	(13 608)
Rent paid		(114)	(114)
Repairs and maintenance		(2 445)	-
Signage		(2 032)	(2 511)
Subscriptions		-	(171)
Telephone and fax		(1 360)	(1 360)
Tournament expense		(82 298)	(95 637)
Trophies and prizes		(89 525)	(66 080)
Uniforms		-	(1 048)
		<b>(624 726)</b>	<b>(524 301)</b>
<b>(Loss) profit for the year</b>		<b>(67 344)</b>	<b>38 654</b>

## Durban Golf Club

Annual Financial Statements for the year ended 31 December 2015

### Income Statement for Bar Operations

Figures in Rand	Note(s)	2015	2014
<b>Revenue</b>			
Bar Sales		647 745	656 433
<b>Cost of sales</b>			
Opening stock		(32 874)	(29 289)
Purchases		(425 123)	(436 099)
Closing stock		20 563	32 874
		<b>(437 434)</b>	<b>(432 514)</b>
<b>Gross surplus</b>		<b>210 311</b>	<b>223 919</b>
<b>Operating expenses</b>			
Fuel		(100)	(2 136)
Licence		(2 400)	-
Loss due to theft		-	(500)
Minor assets		(3 258)	(4 092)
Printing and stationery		(450)	-
Rental		(1 956)	(1 874)
Repairs and maintenance		(982)	(4 089)
Salaries and wages		(87 518)	(76 019)
Subscriptions		(6 574)	(6 398)
Trade expenses		(1 921)	(562)
		<b>(105 159)</b>	<b>(95 670)</b>
<b>Income for the year</b>		<b>105 152</b>	<b>128 249</b>