

Durban Golf Club  
(Registration number 159-393 NPO)  
Annual Financial Statements  
for the year ended 31 December 2020

These annual financial statements were prepared by:

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

These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.

# Durban Golf Club

Annual Financial Statements for the year ended 31 December 2020

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### **Level of assurance**

These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.

### **Preparer**

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

# Durban Golf Club

Annual Financial Statements for the year ended 31 December 2020

## Management Committee's Responsibilities and Approval

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The management committee are required by the Companies Act 71 of 2008, 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 the International Financial Reporting Standard for Small and Medium-sized Entities. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

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, based on the information and explanations given by management, 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 2021 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.

### Approval of annual financial statements

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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 Auditor's Report

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### To the Management Committee of DURBAN GOLF CLUB

#### Opinion

We have audited the annual financial statements of Durban Golf Club set out on page 4, which comprise the statement of financial position as at 31 December 2020, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Durban Golf Club as at 31 December 2020, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Local legislation over clubs.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the annual financial statements section of our report. We are independent of the trust in accordance with the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of annual financial statements in South Africa. We have fulfilled our other ethical responsibilities 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 International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Other information

The management committee is responsible for the other information. The other information comprises the information included in the document titled "Durban Golf Club Annual Financial Statements for the year ended 31 December 2019", which included the Management Committee Report and Detailed Income Statement which we obtained prior to the date of this report. Other information does not include the annual financial statements and our auditor's report thereon.

Our opinion on the annual 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 annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of the management committee for the Annual Financial Statements

The management committee is responsible for the preparation and fair presentation of the annual financial statements in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008, and for such internal control as the trustees determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the management committee is responsible for assessing the club'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 management committee either intend to liquidate the club or to cease operations, or have no realistic alternative but to do so.

# Independent Auditor's Report

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## Auditor's responsibilities for the audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 International Standards on Auditing 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.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual 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 risk 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 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 club's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management committee.
- Conclude on the appropriateness of the management committee 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 club'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 annual 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 club to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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**Logie Govender & Co.**

**Per: L Govender**

**22 April 2021  
Durban**

# Durban Golf Club

Annual Financial Statements for the year ended 31 December 2020

## Management Committee's Report

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The management committee submits their report for the year ended 31 December 2020.

### 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 61 981 (2019: profit R 107 501).

### 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

S. Rampersad - President  
S. Chetty - Vice President  
N. Surjuprosad - Secretary  
P.L. Popat - Treasurer  
T. Govender - Captain  
S. Sunkur - Vice Captain  
T. Kaunda  
S. Naicker  
Z. Khan  
K. Dorasamy

# Durban Golf Club

Annual Financial Statements for the year ended 31 December 2020

## Statement of Financial Position as at 31 December 2020

Figures in Rand	Note(s)	2020	2019
<b>Assets</b>			
Non-Current Assets			
Property, plant and equipment	2	276 824	345 952
Beneficiary account	3	490 914	404 619
		<u>767 738</u>	<u>750 571</u>
Current Assets			
Inventories	4	32 798	43 144
Trade and other receivables	5	25	25
Cash and cash equivalents	6	222 890	191 334
		<u>255 713</u>	<u>234 503</u>
<b>Total Assets</b>		<u>1 023 451</u>	<u>985 074</u>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Retained income		<u>960 269</u>	<u>898 288</u>
<b>Liabilities</b>			
Current Liabilities			
Trade and other payables	7	<u>63 182</u>	<u>86 786</u>
<b>Total Equity and Liabilities</b>		<u>1 023 451</u>	<u>985 074</u>

## Durban Golf Club

Annual Financial Statements for the year ended 31 December 2020

### Statement of Comprehensive Income

Figures in Rand	Note(s)	2020	2019
Revenue		524 594	633 624
Other income		86 295	133 380
Operating expenses		(548 908)	(659 503)
<b>Operating Surplus</b>	8	<b>61 981</b>	<b>107 501</b>
<b>Profit for the year</b>		<b>61 981</b>	<b>107 501</b>



## Durban Golf Club

Annual Financial Statements for the year ended 31 December 2020

### Statement of Changes in Equity

Figures in Rand	Retained income	Total equity
<b>Balance at 01 January 2019</b>	<b>790 787</b>	<b>790 787</b>
<b>Profit for the year</b>	<b>107 501</b>	<b>107 501</b>
<b>Balance at 01 January 2020</b>	<b>898 288</b>	<b>898 288</b>
<b>Profit for the year</b>	<b>61 981</b>	<b>61 981</b>
<b>Balance at 31 December 2020</b>	<b>960 269</b>	<b>960 269</b>

Note(s)

## Durban Golf Club

Annual Financial Statements for the year ended 31 December 2020

### Statement of Cash Flows

Figures in Rand	Note(s)	2020	2019
<b>Cash flows from operating activities</b>			
Cash generated from operations	11	<u>117 851</u>	<u>212 157</u>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	2	-	(44 027)
Increase of financial assets		<u>(86 295)</u>	<u>(133 380)</u>
<b>Net cash from investing activities</b>		<b><u>(86 295)</u></b>	<b><u>(177 407)</u></b>
<b>Total cash movement for the year</b>		<b>31 556</b>	<b>34 750</b>
Cash at the beginning of the year		<u>191 334</u>	<u>156 584</u>
<b>Total cash at end of the year</b>	6	<b><u>222 890</u></b>	<b><u>191 334</u></b>

# Durban Golf Club

Annual Financial Statements for the year ended 31 December 2020

## Accounting Policies

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### 1. Basis of preparation and summary of significant accounting policies

The annual financial statements have been prepared on a going concern basis in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act 71 of 2008. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

#### 1.1 Property, plant and equipment

Property, plant and equipment are tangible assets which the company holds for its own use or for rental to others and which are expected to be used for more than one period.

Property, plant and equipment is initially measured at cost.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company.

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

Item	Depreciation method	Rate
Irrigation Pump & System	Diminishing balance	20%
Furniture and fixtures	Diminishing balance	16.67%
Caffeteria equipment	Diminishing balance	20%
Digital camera	Diminishing balance	10%
Computer software	Diminishing balance	20%
Computer equipment	Diminishing balance	33%
Leasehold improvements	Diminishing balance	20%
Kitchen utensils	Diminishing balance	16.67%
Two way radio	Diminishing balance	20%
Club equipment	Diminishing balance	10%

The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

#### 1.2 Inventories

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

#### 1.3 Revenue

Revenue is recognised to the extent that the club has transferred the significant risks and rewards of ownership of goods to the buyer, or has rendered services under an agreement provided the amount of revenue can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the club. Revenue is measured at the fair value of the consideration received or receivable, excluding sales taxes and discounts.

Interest is recognised, in profit or loss, using the effective interest rate method.

## Durban Golf Club

Annual Financial Statements for the year ended 31 December 2020

### Notes to the Annual Financial Statements

Figures in Rand

2020

2019

#### 2. Property, plant and equipment

	2020			2019		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Caffeteria equipment	44 791	(43 701)	1 090	44 791	(43 428)	1 363
Plant and machinery	879 477	(765 415)	114 062	879 477	(736 900)	142 577
Leasehold improvements	366 720	(293 492)	73 228	366 720	(275 185)	91 535
Furniture and fixtures	138 862	(123 034)	15 828	138 862	(119 867)	18 995
Club equipment	101 666	(82 604)	19 062	101 666	(80 486)	21 180
Office equipment	33 727	(10 586)	23 141	33 727	(3 520)	30 207
IT equipment	41 260	(39 980)	1 280	41 260	(39 126)	2 134
Kitchen utensils	2 061	(2 060)	1	2 061	(2 060)	1
Two way radio	4 907	(4 741)	166	4 907	(4 699)	208
Airconditioner	87 382	(58 844)	28 538	87 382	(50 105)	37 277
Digital camera	1 894	(1 466)	428	1 894	(1 419)	475
<b>Total</b>	<b>1 702 747</b>	<b>(1 425 923)</b>	<b>276 824</b>	<b>1 702 747</b>	<b>(1 356 795)</b>	<b>345 952</b>

#### Reconciliation of property, plant and equipment - 2020

	Opening balance	Depreciation	Closing balance
Caffeteria equipment	1 363	(273)	1 090
Plant and machinery	142 577	(28 515)	114 062
Leasehold Improvements	91 535	(18 307)	73 228
Furniture and fixtures	18 995	(3 167)	15 828
Club equipment	21 180	(2 118)	19 062
Office equipment	30 207	(7 066)	23 141
IT equipment	2 134	(854)	1 280
Kitchen utensils	1	-	1
Two way radio	208	(41)	166
Airconditioner	37 277	(8 739)	28 538
Digital camera	475	(47)	428
	<b>345 952</b>	<b>(69 127)</b>	<b>276 824</b>

#### Reconciliation of property, plant and equipment - 2019

	Opening balance	Additions	Depreciation	Closing balance
Caffeteria equipment	1 704	-	(341)	1 363
Plant and machinery	178 221	-	(35 644)	142 577
Leasehold improvements	114 419	-	(22 884)	91 535
Furniture and fixtures	22 795	-	(3 800)	18 995
Club equipment	18 534	4 500	(1 854)	21 180
Office equipment	629	30 728	(1 150)	30 207
IT equipment	723	1 799	(388)	2 134
Kitchen utensils	1	-	-	1
Two way radio	259	-	(51)	208
Other property, plant and equipment	39 450	7 000	(9 173)	37 277
Digital camera	528	-	(53)	475
	<b>377 263</b>	<b>44 027</b>	<b>(75 338)</b>	<b>345 952</b>

## Durban Golf Club

Annual Financial Statements for the year ended 31 December 2020

### Notes to the Annual Financial Statements

Figures in Rand	2020	2019
<b>2. Property, plant and equipment (continued)</b>		
<b>Leasehold improvements</b>		
<b>Property</b>		
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
-Tiling and Door - 2017	63 680	63 680
	<u>366 720</u>	<u>366 720</u>
<b>3. Beneficiary account</b>		
The Durban Golf Club Trust	490 914	404 619
	<u>490 914</u>	<u>404 619</u>
<b>4. Inventories</b>		
Merchandise	32 798	43 144
	<u>32 798</u>	<u>43 144</u>
Merchandise comprises of liquor and snacks.		
<b>5. Trade and other receivables</b>		
Other receivables	25	25
	<u>25</u>	<u>25</u>
<b>6. Cash and cash equivalents</b>		
Cash and cash equivalents consist of:		
Cash on hand	29 776	58 930
Bank balances	193 114	132 404
	<u>222 890</u>	<u>191 334</u>
<b>7. Trade and other payables</b>		
Other payables	19 655	17 769
Amounts received in advance	29 890	34 435
Accrued expense	13 637	34 582
	<u>63 182</u>	<u>86 786</u>

## Durban Golf Club

Annual Financial Statements for the year ended 31 December 2020

### Notes to the Annual Financial Statements

Figures in Rand	2020	2019
<b>8. Operating Surplus</b>		
Operating Surplus for the year is stated after accounting for the following:		
Depreciation on property, plant and equipment	69 127	75 338
Employee costs	167 564	170 201
<b>9. Investment revenue</b>		
Interest revenue		
Other interest	3 676	5 234
<b>10. Auditor's remuneration</b>		
Fees	20 700	18 822
<b>11. Cash generated from operations</b>		
Profit before taxation	61 981	107 501
<b>Adjustments for:</b>		
Depreciation and amortisation	69 127	75 338
<b>Changes in working capital:</b>		
Inventories	10 346	(11 090)
Trade and other receivables	-	8 408
Trade and other payables	(23 603)	32 000
	<b>117 851</b>	<b>212 157</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 2020

## Detailed Income Statement

Figures in Rand	Note(s)	2020	2019
<b>Revenue</b>			
Net bar income		158 382	212 679
Club house hire		1 500	5 720
Entrance Fees		1 375	4 250
Handicap Fees		25 258	26 726
Interest received		3 676	5 234
KZNGU Affiliation Fees		59 672	61 824
Sponsorship		43 051	68 095
Subscriptions		228 320	238 585
Tournament income		3 360	10 511
		<b>524 594</b>	<b>633 624</b>
<b>Other income</b>			
Distribution received		86 295	133 380
<b>Operating expenses</b>			
Auditors remuneration	10	(20 700)	(18 822)
Bank charges		(34 048)	(34 002)
Central league		(13 834)	(14 573)
Cleaning		(9 985)	(5 049)
Coaching fees		(17 500)	(30 000)
Computer expenses		-	(3 789)
Depreciation		(69 127)	(75 338)
Employee costs		(167 564)	(170 201)
Entertainment		(1 292)	(15 501)
Flowers		(748)	(849)
KZNGU affiliation fees		(69 872)	(66 442)
Legal expenses		(4 989)	(8 885)
Licenses		(265)	(292)
NGN fees and handicap cards		(32 774)	(32 840)
Printing and stationery		(3 496)	(2 851)
Rent paid		(116)	(117)
Repairs and maintenance		(15 830)	(19 156)
Signage		(3 736)	(1 035)
Telephone and fax		(763)	(1 029)
Tournament expenses		(19 814)	(73 217)
Trophies and prizes		(62 455)	(85 515)
		<b>(548 908)</b>	<b>(659 503)</b>
<b>Surplus for the year</b>		<b>61 981</b>	<b>107 501</b>

## Durban Golf Club

Annual Financial Statements for the year ended 31 December 2020

### Income Statement for Bar Operations

Figures in Rand	Note(s)	2020	2019
<b>Revenue</b>			
Bar Sales		<u>887 775</u>	<u>1 375 629</u>
<b>Cost of sales</b>			
Opening stock		(43 144)	(32 054)
Purchases		(507 732)	(894 501)
Closing stock		<u>32 798</u>	<u>43 144</u>
		<b><u>(518 078)</u></b>	<b><u>(883 411)</u></b>
<b>Gross surplus</b>		<b><u>369 697</u></b>	<b><u>492 218</u></b>
<b>Operating expenses</b>			
Licence		(2 400)	(4 800)
Repairs and maintenance		(8 371)	(8 973)
Salaries and wages		(182 012)	(238 266)
Subscriptions		(5 154)	(10 956)
Trade expenses		<u>(13 378)</u>	<u>(16 544)</u>
		<b><u>(211 315)</u></b>	<b><u>(279 539)</u></b>
<b>Income for the year</b>		<b><u><u>158 382</u></u></b>	<b><u><u>212 679</u></u></b>