

Durban Golf Club
(NPO number 159-393)
Annual Financial Statements
for the year ended 31 December 2022

These annual financial statements were prepared by:
SAB&T DURBAN
Chartered Accountants (S.A.)
Registered Auditors

Durban Golf Club

Annual Financial Statements for the year ended 31 December 2022

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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 Companies Act 71 of 2008.

Durban Golf Club

Annual Financial Statements for the year ended 31 December 2022

Management Committee's Responsibilities and Approval

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 2023 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 annual financial statements set out on pages 6 - 14, which have been prepared on the going concern basis, were approved by the committee on 24 March 2023 and were signed on its behalf by :

Approval of annual financial statements

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 Auditor's Report

To the Management Committee of DURBAN GOLF CLUB

Opinion

We have audited the annual financial statements of Durban Golf Club set out on pages 6 to 14, which comprise the statement of financial position as at 31 December 2022, 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 2022, 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 Club 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 2022", which includes 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

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.

Logie Govender & Co.

Per: L Govender

**24 March 2023
Durban**

Durban Golf Club

Annual Financial Statements for the year ended 31 December 2022

Management Committee's Report

The management committee submits their report for the year ended 31 December 2022.

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 17 192 (2021: profit R 250 324).

2. 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

R. Chetty - Vice President

Z. Khan - Secretary

P.L. Popat - Treasurer

S. Sunkur

S. Naicker

F. Jamal

K. Dorasamy - Assistant Treasurer

N. Surjuprosad

T. Govender - Captain

T. Kaunda - Vice Captain

1. Property, plant and equipment

There was no change in the nature of the property, plant and equipment of the club or in the policy regarding their use.

At 31 December 2022 the club's investment in property, plant and equipment amounted to R258 219 (2021:R294 208), of which R24 144 (2021: R92 141) was added in the current year through additions.

Durban Golf Club

Annual Financial Statements for the year ended 31 December 2022

Statement of Financial Position as at 31 December 2022

Figures in Rand	Note(s)	2022	2021
Assets			
Non-Current Assets			
Property, plant and equipment	2	258 219	294 208
Other financial assets	3	368 185	368 185
		<u>626 404</u>	<u>662 393</u>
Current Assets			
Inventories	4	26 636	29 892
Trade and other receivables	5	-	5 579
Cash and cash equivalents	6	609 569	564 155
		<u>636 205</u>	<u>599 626</u>
Total Assets		<u>1 262 609</u>	<u>1 262 019</u>
Equity and Liabilities			
Equity			
Retained income		<u>1 193 402</u>	<u>1 210 594</u>
Liabilities			
Current Liabilities			
Trade and other payables	7	<u>69 207</u>	<u>51 425</u>
Total Equity and Liabilities		<u>1 262 609</u>	<u>1 262 019</u>

Durban Golf Club

Annual Financial Statements for the year ended 31 December 2022

Statement of Comprehensive Income

Figures in Rand	Note(s)	2022	2021
Revenue		659 779	619 540
Other income		-	204 009
Operating expenses		(695 744)	(580 784)
Operating Surplus	8	(35 965)	242 765
Investment revenue	9	18 773	7 559
(Loss) profit for the year		(17 192)	250 324

Durban Golf Club

Annual Financial Statements for the year ended 31 December 2022

Statement of Changes in Equity

Figures in Rand	Retained income	Total equity
Balance at 01 January 2021	960 270	960 270
Profit for the year	250 324	250 324
Balance at 01 January 2022	1 210 594	1 210 594
Loss for the year	(17 192)	(17 192)
Balance at 31 December 2022	1 193 402	1 193 402
Note(s)		

Durban Golf Club

Annual Financial Statements for the year ended 31 December 2022

Statement of Cash Flows

Figures in Rand	Note(s)	2022	2021
Cash flows from operating activities			
Cash generated from operations	11	50 785	303 118
Interest income		18 773	7 559
Net cash from operating activities		69 558	310 677
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(24 144)	(92 141)
Movement of financial assets		-	490 914
Movement of other financial assets		-	(368 185)
Net cash from investing activities		(24 144)	30 588
Total cash movement for the year		45 414	341 265
Cash at the beginning of the year		564 155	222 890
Total cash at end of the year	6	609 569	564 155

Durban Golf Club

Annual Financial Statements for the year ended 31 December 2022

Accounting Policies

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 club 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 Financial instruments

Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

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Annual Financial Statements for the year ended 31 December 2022

Accounting Policies

1.2 Financial Instruments (continued)

Financial instruments at amortised cost

These include loans, trade receivables and trade payables. Those debt instruments which meet the criteria in section 11.8(b) of the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

1.3 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.

1.4 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.

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Notes to the Annual Financial Statements

Figures in Rand

2022

2021

2. Property, plant and equipment

	2022			2021		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Caffeteria equipment	39 493	(10 409)	29 084	39 493	(3 138)	36 355
Plant and machinery	879 477	(806 477)	73 000	879 477	(788 228)	91 249
Leasehold improvements	366 720	(319 854)	46 866	366 720	(308 137)	58 583
Furniture and fixtures	105 452	(85 013)	20 439	86 897	(82 287)	4 610
Club equipment	109 885	(71 382)	38 503	104 296	(67 569)	36 727
Office equipment	33 727	(19 736)	13 991	33 727	(16 238)	17 489
IT equipment	35 141	(19 572)	15 569	35 141	(11 904)	23 237
Kitchen utensils	2 061	(2 060)	1	2 061	(2 060)	1
Two way radio	4 468	(940)	3 528	4 468	(58)	4 410
Airconditioner	94 382	(77 144)	17 238	94 382	(72 835)	21 547
Total	1 670 806	(1 412 587)	258 219	1 646 662	(1 352 454)	294 208

Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Depreciation	Closing balance
Caffeteria equipment	36 355	-	(7 271)	29 084
Plant and machinery	91 249	-	(18 249)	73 000
Leasehold Improvements	58 583	-	(11 717)	46 866
Furniture and fixtures	4 610	18 555	(2 726)	20 439
Club equipment	36 727	5 589	(3 813)	38 503
Office equipment	17 489	-	(3 498)	13 991
IT equipment	23 237	-	(7 668)	15 569
Kitchen utensils	1	-	-	1
Two way radio	4 410	-	(882)	3 528
Airconditioner	21 547	-	(4 309)	17 238
	294 208	24 144	(60 133)	258 219

Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Disposals	Depreciation	Closing balance
Caffeteria equipment	1 090	39 494	-	(4 229)	36 355
Plant and machinery	114 062	-	-	(22 813)	91 249
Leasehold improvements	73 228	-	-	(14 645)	58 583
Furniture and fixtures	15 829	-	(9 439)	(1 780)	4 610
Club equipment	19 062	23 230	(3 863)	(1 702)	36 727
Office equipment	23 141	-	-	(5 652)	17 489
IT equipment	1 280	24 949	(964)	(2 028)	23 237
Kitchen utensils	1	-	-	-	1
Two way radio	166	4 468	(148)	(76)	4 410
Airconditioner	28 538	-	-	(6 991)	21 547
Digital camera	428	-	(406)	(22)	-
	276 825	92 141	(14 820)	(59 938)	294 208

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Annual Financial Statements for the year ended 31 December 2022

Notes to the Annual Financial Statements

Figures in Rand	2022	2021
2. Property, plant and equipment (continued)		
Leasehold improvements		
Property		
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>
3. Other financial assets		
Investment	368 185	368 185
	<u>368 185</u>	<u>368 185</u>
<p>The above investment is stated at cost. The investment is for a period of five years beginning on 19 July 2021 and ending on 19 July 2026 with a guaranteed maturity value of R 480 458.</p>		
4. Inventories		
Merchandise	<u>26 636</u>	<u>29 892</u>
<p>Merchandise comprises of liquor and snacks.</p>		
5. Trade and other receivables		
Trade receivables	<u>-</u>	<u>5 579</u>
6. Cash and cash equivalents		
<p>Cash and cash equivalents consist of:</p>		
Cash on hand	14 081	18 662
Bank balances	595 488	545 493
	<u>609 569</u>	<u>564 155</u>
7. Trade and other payables		
Other payables	25 054	21 704
Amounts received in advance	29 381	29 721
VAT	11 185	-
Accrued expense	3 587	-
	<u>69 207</u>	<u>51 425</u>

Durban Golf Club

Annual Financial Statements for the year ended 31 December 2022

Notes to the Annual Financial Statements

Figures in Rand	2022	2021
8. Operating Surplus		
Operating Surplus for the year is stated after accounting for the following:		
Loss on disposal of assets	-	(14 820)
Depreciation on property, plant and equipment	60 133	59 938
Employee costs	218 944	173 543
	<u>218 944</u>	<u>173 543</u>
9. Investment revenue		
Interest revenue		
Bank	18 773	7 559
Other interest	7 559	3 676
	<u>26 332</u>	<u>11 235</u>
10. Auditor's remuneration		
Fees	25 047	22 770
	<u>25 047</u>	<u>22 770</u>
11. Cash generated from operations		
(Loss) profit before taxation	(17 192)	250 324
Adjustments for:		
Depreciation and amortisation	60 133	59 938
Loss on sale of assets	-	14 820
Interest received	(18 773)	(7 559)
Changes in working capital:		
Inventories	3 256	2 906
Trade and other receivables	5 579	(5 554)
Trade and other payables	17 782	(11 757)
	<u>50 785</u>	<u>303 118</u>

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 2022

Detailed Income Statement

Figures in Rand	Note(s)	2022	2021
Revenue			
Club house hire		5 500	500
Entrance Fees		1 650	2 200
Handicap Fees		22 347	20 648
KZNGU Affiliation Fees		48 409	46 052
Net bar income		355 147	350 941
Sponsorship		53 735	28 456
Subscriptions		168 679	170 743
Tournament income		4 312	-
		<u>659 779</u>	<u>619 540</u>
Other income			
Insurance proceeds		-	204 009
Interest received	9	18 773	7 559
		<u>18 773</u>	<u>211 568</u>
Operating expenses			
Auditors remuneration	10	(25 047)	(22 770)
Bank charges		(38 003)	(43 314)
Central league		-	(400)
Cleaning		(1 116)	(6 978)
Coaching fees		(30 750)	(27 500)
Computer expenses		(3 270)	(770)
Depreciation		(60 133)	(59 938)
Employee costs		(218 944)	(173 543)
Entertainment		(5 449)	(4 880)
Flowers		(1 585)	-
KZNGU affiliation fees		(54 196)	(67 448)
League expenses		(43 288)	-
Legal expenses		(1 701)	(2 057)
Licenses		-	(265)
Loss due to theft		-	(14 688)
Loss on disposal of assets		-	(14 820)
Motor vehicle expenses		-	(2 300)
NGN fees and handicap cards		(27 973)	(43 295)
Printing and stationery		(625)	(6 025)
Rent paid		(116)	(115)
Repairs and maintenance		(9 692)	(9 932)
Signage		-	(3 444)
Tournament expenses		(173 856)	(76 302)
		<u>(695 744)</u>	<u>(580 784)</u>
(Loss) profit for the year		<u>(17 192)</u>	<u>250 324</u>

Durban Golf Club

Annual Financial Statements for the year ended 31 December 2022

Income Statement for Bar Operations

Figures in Rand	Note(s)	2022	2021
Revenue			
Bar Sales		<u>1 609 747</u>	<u>1 460 876</u>
Cost of sales			
Opening stock		(29 892)	(32 798)
Purchases		(972 187)	(789 717)
Closing stock		<u>26 636</u>	<u>29 892</u>
		(975 443)	(792 623)
Gross surplus		634 304	668 253
Operating expenses			
Cleaning		(9 285)	-
Fuel		(2 865)	-
Licence		(11 330)	(2 400)
Printing and stationery		(3 997)	-
Repairs and maintenance		(3 059)	(10 165)
Salaries and wages		(213 336)	(199 336)
Subscriptions		(9 023)	(8 925)
Trade expenses		(26 262)	(96 486)
		<u>(279 157)</u>	<u>(317 312)</u>
Income for the year		<u>355 147</u>	<u>350 941</u>

