



SOUTHBROOM
GOLF CLUB

**Annual Report and Financial
Statements
Year Ended 31 August 2021**

Southbroom Golf Club

Annual Report and Financial Statements

Notice to Members

Notice is hereby given that the Annual General Meeting of the Southbroom Golf Club will be held in the clubhouse on Thursday 16th December 2021 at 18h00

Please click on the link below

Agenda

1. Confirmation – Minutes of the previous Annual General Meeting dated 17th December 2020 (page 2)
2. Matters arising from the minutes of the previous Annual General Meeting (page 4)
3. Report of the Committee on the affairs of the club together with the operating and capital budgets for the ensuing year (page 5)
4. Approval of the capital expenditure budget
5. Proposed changes to the constitution
6. Consideration and adoption of the audited financial statements (page AFS 8)
7. Appointment of the auditor for the ensuing year.
8. Election of the President
9. Election of the Committee
10. Election of the Captain
11. Honorary life membership
12. General

Note:

- Members wishing to raise contentious matters under general are requested to give advance written notice by 9th December 2021 to allow for a constructive response

MINUTES OF THE SIXTY-EIGHTH ANNUAL GENERAL MEETING OF THE SOUTHBROOM GOLF CLUB
HELD AT SOUTHBROOM GOLF CLUB ON THURSDAY 17 DECEMBER 2020 AT 18h00

PRESIDENT: Chairman John Fox and 25 members in good standing as per attendance register.

WELCOME: Vic Pretorius Club President welcomed all to the 68TH AGM. A special welcome was made to Colin and Dolores Mason.

Members were thanked for supporting the club during challenging times. The committee was congratulated on assisting the club during Covid-19. In particular Jenny Grant, Gavin Sole & John Fox were thanked for their efforts in running the club and looking after the finances. The staff were thanked for taking salary sacrifices and for job sharing during this pandemic. Charl, Nick, AB and Emmanuel were thanked for their efforts in maintaining the course during lock down.

DJ, Sheena, Dane & Beauty were thanked for opening the pro shop during the latter part of lock down.

Sheena & the members, who donated toward the relief caddy fund, were also thanked.

John Neaves was thanked for assisting the club with the insurance claim.

Liz Norton was thanked for looking after the gardens around the club and on the golf course. The course committee was congratulated on looking after the course during the year. A special thank you was made to DJ, Nick and Charl who were a pleasure to work with.

QUORUM: There being sufficient members to constitute a quorum, the Chairman declared the meeting open and welcomed members to the 68th AGM.

OBITUARIES: Members stood for a moment's silence in memory of members who had passed away, namely: Bob Bosshart, Jean Claude Peridon, Ivor Kahn, Brian Brasher, Roy Hales, Roel Germs, Nelson Nhlumayo, Dusty Miller

NOTICE: The notice of the meeting was taken as read.

AGENDA: The agenda, as circulated.

ITEM 1: **Confirmation of minutes of 2019 AGM:** Approved. Proposed – Allyson Thomas;
Seconded – Chris Ledden

ITEM 2: **Matters arising from previous AGM minutes:** R500 000 was raised through 25 members for the Course Equipment- A player levy was introduced at R10 plus vat. Members were reminded that this levy will continue. This reserve fund balance was R198 000.00 as at the 31 August 2020.

ITEM 3: **Committee Report:** Was circulated.
Special thank you was made to Chantel Elliott for their assistance in claiming the TERS UIF for Staff.

ITEM 4: **Approval of Capital budget:** None Requested

ITEM 5: **Proposed changes to the Constitution:** A request was made for consideration to be given to couples and possible discount on membership fees. Members were reminded that this had been published in a Big Fish Newsletter and that the committee would look into this category. A special AGM will be called for consideration in February 2021 to look at 3 items.

1. A 6 month review on the trading of the club.
2. Consideration of family membership or discount
3. Correcting the constitution with regards to the election of the committee.

ITEM 6: **Consideration and adoption of the Audited Annual Financial Statements at 31 August 2020:**
Proposed – Richard Bridgeford. Seconded – Graham Volck

ITEM 7: Appointment of the auditor for the ensuing year: Chantel Elliott & Company was unanimously re-appointed for the 2020/21 financial year. Proposed – Richard Bridgeford; Seconded – John Neaves

ITEM 8: Election of the President: Vic Pretorius stepped down and Gerald Fitzgerald was nominated unopposed. Gerald Fitzgerald was duly elected President.

ITEM 9: Election of the Committee: Current committee will remain on for a further year as per the constitution. The committee were thanked for their efforts in assisting the club during a difficult year.

ITEM 13: Election of the Captain: Don Osbourn was proposed and elected Captain unopposed.

ITEM 14: Honorary Membership: Libby Cochrane was nominated for Honorary Social Membership by Gerald FitzGerald. All agreed

ITEM 15: General:

Preview for 01 September to 30 November 2021 – Trading surplus which includes member subscriptions of R1 278 94 was achieved compared to last year (R365 047) and compared to budget of (R331 000.00)

Rounds of golf for this period are 900 rounds up on the previous year.

Cash on hand at 17 December 2021 R3 954 000.00

In summary, we lost 8000 rounds of golf which amounts to R2 000 000.00. Due to the generosity of member donations towards machinery, the R&M account reduced by ½ million. Our staff sacrificed a million rand in salaries and wages. An ATM was installed which will save the club in the region of R50 000.00 per annum. A bore hole was added due to a members donation and will save the club in the region of R84 000.00 per annum.

The committee will continue to work on reducing costs in the New Year.

Vic Pretorius was thanked for his many years of loyal service.

Agenda Item 2: Matters arising from the minutes of the Annual General Meeting held in the clubhouse on 17 December 2020

Agenda Item 3: Report of the committee for the year ended 31 August 2021

Committee members for the year under review

Executive Members

John Fox	Chairman	
Don Osbourn	Captain	
Paul Lawson	Vice-Captain	Deceased 23 January 2021
Richard Bridgeford		
John Neaves		
Peter Volck	Vice-Captain	
Chris Ledden		Appointed 23 March 2021

EX-Officio Members

Gerald Fitzgerald	President
Jo Ledden	Lady Captain
Gavin Sole	General Manager
Derek James	Director of Golf

Sub-Committees

Golf	Osbourn (Chairman), Fox, J. Ledden, Volck, Sole, James
Course	James (Chairman), Fox, Osbourn, Volck, Sole
Property	Bridgeford (Chairman), Fox, J. Ledden, Volck, Sole
Food & Beverage	Sole (Chairman), Fox, J. Ledden
Marketing	C. Ledden (Chairman), Fox, Neaves, Sole, D. James, S James
Finance	Fox (Chairman), Fitzgerald, Neaves, Sole
Remuneration	Fox (Chairman), Fitzgerald, Sole

Ladies Committee

Augustine D'Ewes	Lady President
Jo Ledden	Lady Captain
Lesley Godley	
Lee Mutch	
Sharon Turnbull-Jackson	
Michelle Van Der Hoek	
Rene Matthew	
Solange Fox	
Val Volck	

Management

Gavin Sole	General Manager
Derek James	Director of Golf
Charl Potgieter	Course Superintendent
Nic Van Deventer	Workshop Manager

Obituaries

We record with regret the deaths of members and past members during the year.

Tim D'Ewes, David Le Roux, Bobby Naidoo, Hans Rose, Howard Buttery, John Haswell, Paul Lawson, Jannie Ackerman, John Winter, Frank Thomas, Clive Cotton, Gavin Vice

Membership and Rounds of Golf

Full membership continues to diminish and until younger local membership is achieved this trend is a challenge.

Rounds played totalled 23 863 which represents an increase of 3799 rounds above the previous year.

Membership Strength							
Category	2016	2017	2018	2019	2020	2021	% Change 2020
Full	353	322	284	253	224	213	-4.90%
Senior	132	133	122	112	103	102	-8.90%
Country (Closed)	6	5	2	2	1	0	
Honorary	6	4	4	4	3	3	
Under 35	11	15	19	16	12	10	
Under 25	33	36	28	23	20	18	
Under 20	30	31	27	29	28	23	
Total Playing	571	546	486	439	391	369	-5.60%
Social	86	111	95	87	121	152	25.60%
Virtual Social			21	86	94	88	
Honorary	4	6	4	4	0	0	
Total Non-Playing	90	117	120	173	215	240	11.60%
Total	661	663	606	612	606	609	
Rounds Comparison							
Category	2016	2017	2018	2019	2020	2021	% Change 2020
Groups	2416	2405	2147	2997	854	1175	37.60%
Members	15785	13827	14160	14218	10736	12281	12.20%
Visitors	12457	12091	10943	10915	8391	10407	24.00%
Total	30658	28323	27250	28130	20064	23863	19.90%
APC included in members	8896	7014	6092	6207	5788	7384	20.30%

Finance

Given the financial challenges associated with the Covid-19 pandemic the club has successfully navigated these.

Cash on hand at year end amounted to a pleasing R4 850 761 of which approximately R1 600 000 was receipts for 2022 membership and APC fees. Cash at year end excluding advance fee payments amounts to an increase of R1 650 000 over the 2020 financial year.

The cancellation of the Ladies Classic and the reduction of bookings to actual played in the Men's Classic had a negative impact on revenue.

Included in the nett profit of R1 600 000 was a receipt of R400 000 for Covid insurance. Your committee confirms that no APC's were gifted or awarded during the year under review.

SOUTHBROOM GOLF CLUB				
Budget for the year ending 31 August 2022				
			<u>TOTAL 2022</u>	<u>ACTUAL 2021</u>
<u>INCOME</u>				
Gross income			8,945,409	9,299,671
Playing fees, trail fees and cart maintenance			5,024,779	4,928,958
Food & Beverage - Trading profit			1,976,410	1,958,715
Subscriptions and interest			1,771,633	2,068,319
Competition profits and other income			151,906	308,214
Advertising revenue, Garage rental			20,681	35,465
<u>EXPENDITURE</u>				
	<u>House</u>	<u>Course</u>		
Total expenditure	3,722,231	4,719,471	8,441,702	7,558,593
Employment costs	2,208,064	2,975,882	5,183,946	4,616,997
General	1,307,384	447,180	1,754,564	1,525,402
Repairs and maintenance	206,783	563,680	770,463	736,684
Course specific - Chemicals and fuels		732,729	732,729	679,510
			-	
NET SURPLUS/(DEFICIT) BEFORE CAPEX			503,707	1,741,078
<u>CAPITAL EXPENDITURE</u>				
Capital expenditure	-	-	-	7,495
NET SURPLUS/(DEFICIT) AFTER CAPEX			503,707	1,733,583
PLAYING LEVY RECEIPTS TRANSFERRED TO CAPITAL RESERVE			209,069	199,113

SOUTHBROOM GOLF CLUB										
Income Statements comparison from 2012 to 2021										
	31 Aug 21	31 Aug 20	31 Aug 19	31 Aug 18	31 Aug 17	31 Aug 16	31 Aug 15	31 Aug 14	31 Aug 13	31 Aug 12
INCOME										
Golf fees	R4 867 396	R3 774 297	R4 606 801	R4 364 776	R4 256 616	R4 223 552	R3 972 349	R3 570 328	R3 513 407	R3 470 434
Subscriptions	1 529 252	1 453 054	1 511 374	1 445 501	1 396 376	1 407 821	1 307 233	1 307 877	1 283 196	1 170 148
Trading profit - Bar	1 016 548	669 727	1 249 510	1 107 728	963 676	901 241	821 799	801 230	863 151	759 514
Trading profit - Catering	1 173 293	744 787	1 041 599	952 583	833 871	805 416	733 771	584 038	749 003	504 241
Interest received	99 408	135 658	160 747	126 035	132 789	123 954	98 289	71 689	136 359	72 899
Other income	532 834	672 904	657 450	641 582	784 204	806 807	863 103	611 822	608 572	442 175
	9 218 731	7 450 427	9 227 482	8 638 205	8 367 532	8 268 791	7 796 544	6 946 984	7 153 688	6 419 411
EXPENDITURE										
Staff costs	4 556 451	4 427 566	5 711 295	5 212 976	5 213 459	4 836 079	4 459 641	4 371 832	4 374 648	3 792 762
Repairs and maintenance	708 859	793 759	1 229 808	1 065 755	1 171 384	960 545	769 392	733 176	910 673	918 218
Fuel	288 300	302 176	300 770	311 825	304 957	318 681	347 358	333 319	326 096	334 638
Fertilizer and insecticides	172 734	170 959	160 535	167 838	158 941	164 841	181 873	146 447	167 259	170 630
Electricity and water	465 419	434 764	466 458	395 973	404 296	409 672	380 383	330 688	327 563	314 428
Security	11 675	45 885	80 353	48 823	57 322	86 016	40 582	39 929	212 014	210 116
Insurances	135 947	120 991	110 512	102 350	83 345	95 907	120 235	99 332	88 408	79 433
Computer support	70 237	65 720	62 930	60 755	70 903	53 056	125 823	112 858	-	-
Cleaning and laundry	170 546	172 920	250 786	137 850	159 907	190 325	199 501	125 980	115 385	108 224
Bank charges	144 818	136 137	178 031	153 041	126 820	116 289	106 683	102 747	101 904	88 844
Other expenses	879 827	666 983	527 488	787 988	713 358	677 431	640 189	573 668	484 052	396 175
	7 604 813	7 337 860	9 078 966	8 445 174	8 464 692	7 908 842	7 371 660	6 969 976	7 108 002	6 413 468
TRADING PROFIT BEFORE CAPEX AND TAXATION	R1 613 918	R112 567	R148 516	R193 031	R(97 160)	R359 949	R424 884	R(22 992)	R45 686	R5 943
ACCUMULATED SURPLUS RECONCILIATION										
Opening balance	R746 581	R755 337	R841 586	R697 080	R968 470	R832 935	R588 119	R1 056 926	R1 350 586	R1 626 869
Trading profit/(loss)	1 613 918	112 567	148 516	193 031	(97 160)	359 949	424 884	(22 992)	45 686	5 943
Capital expenditure	(7 495)	(104 061)	(515 996)	(69 756)	(152 923)	(201 856)	(282 523)	(445 815)	(329 164)	(364 763)
Other items	188 371	(17 262)	281 231	21 231	(21 307)	(22 558)	102 455		(10 182)	82 537
CLOSING BALANCE	R2 541 375	R746 581	R755 337	R841 586	R697 080	R968 470	R832 935	R588 119	R1 056 926	R1 350 586

House

During the past five years, thanks mainly to significant generous donations from anonymous donors, we have successfully completed important projects. This has assisted with cost saving and an increase of functionality and marketing.

1. Upgrade to kitchen layout and equipment
2. Installation of new and larger television sets throughout the club house
3. Design change to the main bar counter
4. Construction of a new coffee bar
5. Installation of an upgraded public address system
6. Fitting of a permanent wooden dance floor
7. Glass enclosure of covered stoep area resulting in the creation of Mulligans
8. Total overdue upgrade to ladies change rooms
9. Upgrade to workshop facility
10. Replacement of faulty wooden doors and windows with aluminium
11. Restructure of Eskom account with annual saving of in excess of R50 000
12. Rewiring and installation of new LED lights in club house to reduce costs and enhance lighting
13. Installation of three water tanks for water security
14. Installation of two generators
15. Installation of borehole to assist cost saving and continuous water supply

Course

The outbreak of a viral infection (not unique to Southbroom) and the negative winter growth of Poa Annua has resulted in the condition of some greens deteriorating during the winter months. We are using recommended chemicals to counter the problem.

Poa Annua (winter grass) thrives on water, and having recorded 435 mm of rain for May to August compared to 61mm in 2020 and 81mm in 2019, the negative affect speaks for itself.

Encroaching vegetation on holes 15,16,17 and 3 has been severely eradicated with resultant appreciation from most members. Other than the greens problem the course is in great condition prompting positive feedback from many visitors and groups.

Golf

Golf rounds increased by 3799 year on year which is significant considering the negative impact of the Corona Virus Pandemic. Derek, Sheena and Dane in the Pro Shop have played a significant role in achieving this gratifying result.

Group and visitors rounds played equate to 45.8%of total played. The Ladies Classic was cancelled due to the pandemic and the Men's Classic competitors dropped by 45 percent on original bookings. Both events contribute significantly to the financial wellbeing of the club.

General

The Corona virus pandemic created many challenges during the past two years which the club has managed to successfully navigate.

Gavin, Derek and Sheena's contribution is applauded, as ever, for their commitment.

Our staff have displayed amazing loyalty and deserve recognition.

Special thanks to the committee who have tirelessly given of their time in assisting with projects and ensuring the financial wellbeing of the club

MAJOR EVENTS	
MEN	
CLUB CHAMPION	GAVIN SOLE
B-DIVISION	PETER VOLCK
C-DIVISION	ANDREW LECKIE
MATCHPLAY CHAMPION	
A-DIVISION	
JUNIOR CLUB CHAMPION	JEAN-HENRI ELS
FUND RAISING GOLF DAY	MALCOLM GREENLAND, BOB CARMICHAEL, RORY O DONNEL & COLIN MCKAY
ROEL GERMS TROPHY-	DEREK JAMES & PETER KUPISIEWICZ
SOUTHBROOM AMATEUR CLASSIC	WERNER DUGGAN & BO BERGQVIST
PRESIDENTS TROPHY	JOHN NEAVES & BOB THOMAS
CAPTAINS TROPHY	MALCOLM MOORLEY
FRANK EYLES TROPHY	GEOFF SKELTON
PRO'S DAY	ANDRE STEYN & CRAIG TREHERNE
BERTIE BROWN TROPHY-B/BALL STAB	2020-RIAAAN CROUCAMP & JOHAN WENTZEL/ 2021 -
DOUGLAS GREEN BELLINGHAM	GERALD FITZGERALD & PAUL COLE
HUGH PURTELL TROPHY GREENSOMES	2020-DEREK JAMES & HOWARD KELLY
BILTON TROPHY	MALCOLM GREENLAND & CLIVE MILLER
MIXED	
SPOONER ROSE BOWL	GAVIN SOLE & JEANETTE PEYIOS
SOUTHBROOM MIXED CLASSIC	NEIL CROSSEY & LYNNE DOVETON
INTERNATIONAL SHOOT OUT	CHRISTER SOLGEVIC, NEILL CROSSEY, WERNER DUGGAN & BO BERGQVIST
LADIES	
CLUB CHAMPION	LIZZIE CURRIE
BRONZE DIVISION - MEDAL	IRENE SCHANDA
BRONZE DIVISION - STABLEFORD	HELEEN HISSEY
SOUTHBROOM LADIES CLASSIC	NOT PLAYED
CORA HICKS - SUMMER	C. AMM
CORA HICKS - WINTER	
NOELLE EDWARDS TROPHY	LOUISE LEAL & CANDIDA AMM
PRESIDENT'S TROPHY	KAREN BRIDGEFORD & LEANNE OLLEWAGEN
ADAMSON TROPHY	HELEEN HISSEY
FAMOUS FIVE	SANDRA FITZGERALD
PRO'S DAY	ELI BACHMANN & JEAN COLE
MARY THOMSON ESPIRIT CORPS	RENE MATTHEW
PAM QUARMBY TROPHY	ALLYSON THOMAS, JILL WEBSTER, SHIRLEY JEFFERY & GWYNETH WRIGHT
DOUGLAS GREEN BELLINGHAM	JEAN CORFE & JEAN POWELL
GERRYS JUG	
CURLEWIS SHIELD	SHARON TURNBULL-JACKSON

ACKNOWLEDGEMENTS

Barry Elliott

Colin Mckay

John Caple

Jo & Chris Ledden

Nashua South Coast

Maser

Xavier Pollet

Hibiscus Brokers-Southbroom Amateur Classic

Applied Outsourcing-Southbroom International Shootout

Gayridge Poultry Farms- Chicken Run

Ubuntu Resource Management & CTL Holdings

Southbroom Business Day

Security Club House & Workshop

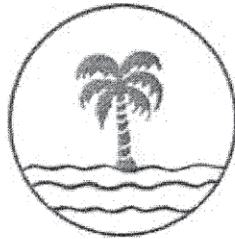
Mens Classic

Other important contributors

- Pip Kemm
 - Realty 1 Southbroom
 - Irene & Erwin Schanda
 - Southbroom Pro Shop
 - Tim Hutchinson
 - Pat Quarmby
- The Classics
Nationals vs Internationals
Pro's Day
Douglas Green Bellingham Day
Pam Quarmby Day

Golf Highlights

- Men's Interclub Champions
 - Lewis Reynolds Trophy
- David Rush, Jean-Marc Bouic & Gavin Sole
Jeanette Peyios, Louise Leal, Heleen Hissey & Annemarie Bruwer



SOUTHBROOM
GOLF CLUB

Exceeding Expectations

Southbroom Golf Club
Annual Financial Statements
for the year ended 31 August 2020

Chantel Elliott & Company
Chartered Accountant (SA)
Registered Auditor

Southbroom Golf Club

Annual Financial Statements for the year ended 31 August 2021

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	To provide golf facilities as well as other social and recreational amenities and facilities for the members of the club
Committee members	John Fox Chris Ledden Don Osbourn Richard Bridgeford John Neaves Peter Volck Jo Ledden
Registered office	Captain Smith Road Southbroom 4277
Business address	Captain Smith Road Southbroom 4277
Postal address	P.O. Box 24 Southbroom 4277
Bankers	First National Bank limited
Auditor	Chantel Elliott & Company Chartered Accountant (SA) Registered Auditor Lot 702 Reveille Road Shelly Beach 4265 PO Box 805 Shelly Beach 4265
PBO Number	930011432
Tax reference number	9017601163
Level of assurance	These annual financial statements have been audited in compliance with the applicable requirements of the The Constitution.
Preparer	The annual financial statements were independently compiled by: T.J. Harty
Issued	21 October 2021

Southbroom Golf Club

Annual Financial Statements for the year ended 31 August 2021

Contents

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

	Page
Committee members' Responsibilities and Approval	3
Committee members' Report	4 - 5
Independent Auditor's Report	6 - 7
Statement of Financial Position	8
Statement of Comprehensive Income	9 - 10
Statement of Changes in Reserves	11
Statement of Cash Flows	12
Accounting Policies	13 - 14
Notes to the Annual Financial Statements	15 - 16

Level of assurance

These annual financial statements have been audited in compliance with the applicable requirements of the The Constitution.

Southbroom Golf Club

Annual Financial Statements for the year ended 31 August 2021

Committee members' Responsibilities and Approval

The executive committee of the club are required to maintain 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 entity specific accounting policies and the requirements of the Constitution. The external auditor is engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with entity specific accounting policies and the requirements of the Constitution and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The executive 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 executive committee to meet these responsibilities, the executive 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.

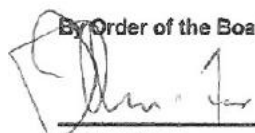
The executive committee are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal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

The executive committee have reviewed the club's cash flow forecast for the year to 31 August 2022 and, in the light of this review and the current financial position, they are satisfied that the club has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditor is responsible for independently auditing and reporting on the club's annual financial statements. The annual financial statements have been examined by the club's external auditor and their report is presented on page AFS6.

The annual financial statements set out on pages AFS 8 to AFS 16, which have been prepared on the going concern basis, were approved by the executive committee on 05/11/2021 and were signed on its behalf by:

By Order of the Board



Chairperson

Southbroom Golf Club

Annual Financial Statements for the year ended 31 August 2021

Committee members' Report

The executive committee have pleasure in submitting their report on the annual financial statements of Southbroom Golf Club for the year ended 31 August 2021.

1. Review of financial results and activities

The annual financial statements have been prepared in accordance with Entity specific basis of accounting and in accordance with the Constitution. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the club are set out in these annual financial statements.

2. Executive Committee

The Committee in office at the date of this report are as follows:

John Fox	Chairperson	
Paul Lawson		Deceased -23 January 2021
Chris Ledden	Member	Appointed - 23 March 2021
Don Osbourn	Captain	
Jo Ledden	Lady Captain	
Richard Bridgeford	Member	
John Neaves	Member	
Peter Volck	Vice - Captain	

3. Borrowing powers

In terms of the Constitution of the club, the committee members may raise and borrow money for the club, within the constraints of the approved budgets except in the case of an emergency.

4. Events after the reporting period

The executive committee are not aware of any material event which occurred after the reporting date and up to the date of this report.

5. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

6. Auditors

Chantel Elliott & Company are available to continue as auditors for the club for 2022.

At the AGM, the members will be requested to reappoint Chantel Elliott & Company as the independent external auditors of the club and to confirm Mrs C.V. Elliott as the designated lead audit partner for the 2022 financial year.

7. Statement of disclosure to the club's auditor

With respect to each person who is a committee member on the day that this report is approved:

- there is, so far as the person is aware, no relevant audit information of which the club's auditor is unaware; and
- the person has taken all the steps that he or she ought to have taken as a committee member to be aware of any relevant audit information and to establish that the club's auditor is aware of that information.

Southbroom Golf Club

Annual Financial Statements for the year ended 31 August 2021

Committee members' Report

9. Date of authorisation for issue of annual financial statements

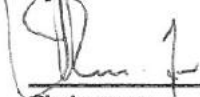
The annual financial statements have been authorised for issue by the committee members on Thursday, 28 October 2021. No authority was given to anyone to amend the annual financial statements after the date of issue.

10. Acknowledgements

Thanks and appreciation are extended to all of our members, staff, suppliers and consumers for their continued support of the club.

The annual financial statements set out on page AFS 8 to AFS 16, which have been prepared on the going concern basis, were approved by the executive committee on 05/11/2021, and were signed on its behalf by:

By Order of the Board



Chairperson

Independent Auditor's Report

To the Executive Committee Members of Southbroom Golf Club

Opinion

I have audited the annual financial statements of Southbroom Golf Club set out on pages 8 to 16, which comprise the statement of financial position as at 31 August 2021, statement of changes in equity and statement of cash flows for the year then ended, and the notes to the annual financial statements, including a summary of significant accounting policies.

In my opinion, the annual financial statements of Southbroom Golf Club for the year ended 31 August 2021 are prepared, in all material respects, in accordance with the basis of accounting as set out in Note 1 to the financial statements to the annual financial statements and the requirements of the The Constitution.

Basis for Opinion

I conducted my audit in accordance with International Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Annual Financial Statements section of my report. I am independent of the company 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. I have fulfilled my 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 corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter - Basis of Accounting

I draw attention to Note 1 to the annual financial statements, which describes the basis of accounting. The annual financial statements are prepared in accordance with the club's own accounting policies to satisfy the financial information needs of the club's members. As a result, the annual financial statements may not be suitable for another purpose. My opinion is not modified in respect of this matter.

Other Information

The executive committee is responsible for the other information. The other information comprises the information included in the document titled "Southbroom Golf Club annual financial statements for the year ended 31 August 2021", which includes the Committee's Report as required by the The Constitution and the supplementary information as set out on pages 9 to 16. The other information does not include the annual financial statements and my auditor's report thereon.

My opinion on the annual financial statements does not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.

In connection with my audit of the annual financial statements, my 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 my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Independent Auditor's Report

Responsibilities of the Executive Committee Members for the Annual Financial Statements

The Committee members are responsible for the preparation of the annual financial statements in accordance with the basis of accounting as set out in Note 1 to the financial statements to the annual financial statements and the requirements of the The Constitution, for determining that the basis of preparation is acceptable in the circumstance and for such internal control as the Committee members 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 Committee members are 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 Committee members either intend to liquidate the club or to cease operations, or have no realistic alternative but to do so.

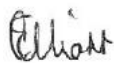
Auditor's Responsibilities for the Audit of the Annual Financial Statements

My 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 my 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, I exercise professional judgement and maintain professional scepticism throughout the audit. I 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 my 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 Committee members.
- Conclude on the appropriateness of the Committee members 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the club to cease to continue as a going concern.

I communicate with the committee members regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Chantel Elliott & Company
C.V. Elliott
Registered Auditor
Chartered Accountant (SA)
IRBA number: 456527
Date : 05/11/2021

Southbroom Golf Club

Annual Financial Statements for the year ended 31 August 2021

Statement of Financial Position as at 31 August 2021

Figures in Rand	Note(s)	2021	2020 Restated *
Assets			
Non-Current Assets			
Property, plant and equipment	2	1	1
Current Assets			
Cash and cash equivalents	3	4 850 761	3 291 818
Inventories	4	254 963	183 749
Trade and other receivables	5	242 606	169 060
		5 348 330	3 644 627
Total Assets		5 348 331	3 644 628
Funds and Liabilities			
Funds			
Reserves		532 877	340 119
Retained income		2 137 300	402 078
		2 670 177	742 197
Liabilities			
Current Liabilities			
Current tax payable		-	4 384
Loan from members		-	450 000
Trade and other payables	6	2 678 154	2 448 047
		2 678 154	2 902 431
Total Funds and Liabilities		5 348 331	3 644 628

* See Note 14

Southbroom Golf Club

Annual Financial Statements for the year ended 31 August 2021

Statement of Comprehensive Income

Figures in Rand	Note(s)	2021	2020 Restated *
Revenue			
Beverage and cigarettes		1 975 505	1 696 719
Catering		2 234 036	1 711 210
	8&9	4 209 541	3 407 929
Cost of sales			
Opening stock		(183 749)	(237 006)
Purchases		(2 322 039)	(1 940 159)
Closing stock		254 963	183 749
	8&9	(2 250 825)	(1 993 416)
Gross profit		1 958 716	1 414 513
Other income			
Cart garage rental and electricity		19 695	23 131
Cart maintenance income		512	12 409
Donations		12 934	54 522
Golf classics		180 713	465
Golf competitions and other events		62 694	57 270
Green fees		4 867 395	3 774 297
Hundred club and other sundry items		81 198	45 258
Insurance claims		27 825	89 071
Insurance relief		393 057	200 000
Other house income		6 693	1 885
Subscriptions		1 529 252	1 453 054
Trail fees		257 846	188 894
		7 439 814	5 900 256

* See Note 14

Southbroom Golf Club

Annual Financial Statements for the year ended 31 August 2021

Statement of Comprehensive Income

Figures in Rand	Note(s)	2021	2020 Restated *
Operating expenses			
Advertising and marketing		41 509	52 190
Auditors remuneration		75 575	62 385
Bank charges		144 818	136 137
Cleaning		173 939	172 920
Computer equipment rental and support		68 887	65 720
Employee costs		4 550 026	4 427 566
Entertainment		13 009	17 695
Fertilizer and insecticides		172 734	170 959
Fines and penalties		-	25 523
Fuel		373 501	302 176
Gardens, flowers and decorations		15 712	39 857
Gifts		600	527
Insurance		135 947	120 991
League expenses		29 222	84 362
Legal and consulting expenses		10 147	-
Licences		12 491	8 701
Municipal expenses		467 890	437 018
Postages and telephone		85 695	75 424
Printing and stationery		36 178	47 941
Proshop commission		196 794	143 056
Protective clothing and uniforms		8 339	6 012
Repairs and maintenance	10	1 027 807	793 759
Secretarial fees		9 825	6 485
Security		11 675	45 885
Staff refreshments and transport		63 229	73 632
Subscriptions		15 546	20 939
Training		4 800	-
		7 745 895	7 337 860
Operating surplus / (deficit)		1 652 635	(23 091)
Investment income		100 186	135 658
Finance costs	11	(10 103)	(2 784)
		90 083	132 874
Surplus before taxation		1 742 718	109 783
Taxation	12	-	(17 407)
Surplus for the year after taxation		1 742 718	92 376

* See Note 14

Southbroom Golf Club

Annual Financial Statements for the year ended 31 August 2021

Statement of Changes in Reserves

Figures in Rand	Donation Reserve Fund	Capital Reserve Fund	Total reserves	Retained income	Total equity
Restated* Balance at 01 September 2019	-	311 093	311 093	444 244	755 337
Surplus for the year	-	-	-	92 376	92 376
Transfer of capex donations received	278 806	(278 806)	-	-	-
Increase in capital reserve fund	-	165 922	165 922	-	165 922
Capital expenditure - Building	(135 441)	-	(135 441)	-	(135 441)
Capital expenditure - Course	-	-	-	(134 542)	(134 542)
Decrease in donations reserve fund	(1 455)	-	(1 455)	-	(1 455)
Total changes	141 910	(112 884)	29 026	(134 542)	(105 516)
Restated* Balance at 01 September 2020	141 910	198 209	340 119	402 078	742 197
Surplus for the year	-	-	-	1 742 718	1 742 718
Increase in donations reserve fund	366 600	-	366 600	-	366 600
Increase in capital reserve fund	-	199 113	199 113	-	199 113
Capital expenditure - Machines and equipment	(210 599)	-	(210 599)	(7 496)	(218 095)
Capital expenditure - Building	(162 356)	-	(162 356)	-	(162 356)
Total changes	(6 355)	199 113	192 758	(7 496)	185 262
Balance at 31 August 2021	135 555	397 322	532 877	2 137 300	2 670 177

* See Note 14

Southbroom Golf Club

Annual Financial Statements for the year ended 31 August 2021

Statement of Cash Flows

Figures in Rand	Note(s)	2021	2020 Restated *
Cash flows from operating activities			
Cash receipts from customers		9 547 851	12 127 478
Cash paid to suppliers and employees		<u>(7 809 869)</u>	<u>(12 228 474)</u>
Cash generated from (used in) operations	7	1 737 982	(100 996)
Interest income		100 186	135 658
Finance costs		(10 103)	(2 784)
Tax paid		(4 384)	(13 023)
Transfer to reserves		<u>185 262</u>	<u>(105 516)</u>
Net cash from operating activities		<u>2 008 943</u>	<u>(86 661)</u>
Cash flows from financing activities			
Proceeds from long term loan		<u>(450 000)</u>	<u>(50 000)</u>
Net cash from financing activities		<u>(450 000)</u>	<u>(50 000)</u>
Total cash movement for the year		1 558 943	(136 661)
Cash at the beginning of the year		<u>3 291 818</u>	<u>3 428 479</u>
Total cash at end of the year	3	<u>4 850 761</u>	<u>3 291 818</u>

* See Note 14

Southbroom Golf Club

Annual Financial Statements for the year ended 31 August 2021

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 accounting policies as set out below. The annual financial statements have been prepared on the historical cost basis. 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 is written off against net surplus less any proceeds received from disposals and any inflows in respect of such purchases.

1.2 Financial instruments

Trade and other receivables

Trade and other receivables are measured at amortized cost, using the effective interest method, less any impairment loss. An allowance for impairment of trade and other receivables is established if the collection of a receivable becomes doubtful.

Cash and cash equivalents

Cash and cash equivalents include all cash balances and short-term highly liquid investments that are directly convertible into cash. Cash and cash equivalents are measured at fair value.

Trade and other payables

Trade and other payables are measured at amortized cost, using the effective interest method.

1.3 Tax

Tax expenses

Tax expense is recognised in the same component of total comprehensive income or funds as the transaction or other event that resulted in the tax expense.

1.4 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.

1.5 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as leave pay and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

1.6 Provisions and contingencies

Provisions are recognised when the club has an obligation at the reporting date as a result of a past event; it is probable that the club will be required to transfer economic benefits in settlement; and the amount of the obligation can be estimated reliably.

Provisions are measured at the present value of the amount expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

Provisions are not recognised for future operating losses.

Southbroom Golf Club

Annual Financial Statements for the year ended 31 August 2021

Accounting Policies

1.7 Revenue

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

Revenue comprises the invoiced value of sales, recorded in the financial statements. Revenue, which excludes Value Added Tax, comprises of subscription income which is recognised on the receipts basis, sale of goods and interest received.

Revenue from the sale of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer.

Donations are recognised, in profit or loss, when the club's right to receive payment has been established.

1.8 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

Southbroom Golf Club

Annual Financial Statements for the year ended 31 August 2021

Notes to the Annual Financial Statements

Figures in Rand	2021			2020		
2. Property, plant and equipment						
	2021			2020		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Buildings and other assets	1	-	1	1	-	1
3. Cash and cash equivalents						
Cash and cash equivalents consist of:						
Cash on hand				55 450		82 127
Bank balances				4 795 311		3 209 691
				4 850 761		3 291 818
4. Inventories						
Bar				110 956		86 860
Catering				91 358		54 170
Other inventories				52 649		42 719
				254 963		183 749
5. Trade and other receivables						
Customer control account				81 590		67 783
Other receivables and deposits				161 016		101 277
				242 606		169 060
6. Trade and other payables						
Trade payables				332 792		318 410
Clearing and control accounts				541 567		451 161
Debtors received in advance				1 735 988		1 616 236
Other payables				67 807		62 240
				2 678 154		2 448 047
7. Cash generated from (used in) operations						
Profit before taxation				1 742 718		109 783
Adjustments for:						
Interest received				(100 186)		(135 658)
Finance costs				10 103		2 784
Changes in working capital:						
Inventories				(71 214)		53 257
Trade and other receivables				(73 546)		104 008
Trade and other payables				230 107		(235 170)
				1 737 982		(100 996)
8. Trading Profit - Beverage and Cigarettes						
Sales				1 975 505		1 696 719
Cost of sales				(1 190 082)		(1 026 992)
				785 423		669 727

Southbroom Golf Club

Annual Financial Statements for the year ended 31 August 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
9. Trading Profit - Catering		
Sales	2 234 036	1 711 210
Cost of sales	(1 060 743)	(966 423)
	1 173 293	744 787
10. Repairs and Maintenance		
Repairs and maintenance - funded by club		
- Course	152 604	116 296
- Equipment	393 290	252 114
- General building repairs	265 260	237 759
- Replacements	65 046	49 197
- Locker rooms	8 829	69 816
- Signage	10 481	9 760
- Workshop	132 297	58 817
	1 027 807	793 759
11. Finance costs		
Interest paid - other	10 103	336
Late payment of tax	-	2 448
	10 103	2 784
12. Taxation		
Major components of the tax expense		
Current taxation		
South African normal tax - 2020	-	4 384
South African normal tax - 2019	-	11 333
South African normal tax - 2018	-	1 690
	-	17 407
<p>The club has been approved as a Recreational Club in terms of Section 30A of the Income Tax Act. Current tax is calculated in terms of Section 10(1)(cO) of the Act.</p>		
13. Contingent asset		
<p>The club is expecting a Temporary Employee/Employer Relief Scheme (TERS) payout for the months of January 2021, February 2021 and March 2021. This estimated amount can not be reliably calculated due to the changes in the nature of the calculation of recent TERS receipts; however this will be a reimbursement to the club for outlays made. At the date of approval of the Annual Financial Statements the Unemployment Insurance Fund had still not approved the TERS payout and the application is still reflecting as pending.</p>		
14. Prior period restatement		
<p>The additions for the ladies' locker room funded by a donation reflected in the donation reserve fund was incorrectly allocated to retained income. The prior year has been restated to reflect this correction.</p>		
<p>The restatement results in adjustments as follows:</p>		
Statement of Financial Position		
Donation Reserve fund	135 441	135 441
Retained income	(135 441)	(135 441)