

RICHARDS BAY COUNTRY CLUB
(PBO number 930 031 476)
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2009

RICHARDS BAY COUNTRY CLUB

Annual Financial Statements for the year ended 30 September 2009

General Information

Nature of business and principal activities	To promote sport and recreation.
Business address	Kurperkurwe Meerensee 3901
Postal address	P. O. Box 10024 Meerensee 3901
Bankers	First National Bank, a division of FirstRand Bank Limited
Auditors	Sneddon & Co. Registered Auditors

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

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Independent Auditor's Report

To the members of Richards Bay Country Club

We have audited the annual financial statements of the Richards Bay Country Club, which comprise the balance sheet as at 30 September 2009, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 6 to 20.

Executive Committee's Responsibility for the Annual Financial Statements

The Executive Committee is responsible for the preparation and fair presentation of these annual financial statements in accordance with South African Statements of Generally Accepted Accounting Practice, and in the manner required by the constitution. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of annual financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these annual financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the annual financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the annual financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the annual financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the annual financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Bases for Qualified Opinion

In common with similar organisations, it is not feasible for the country club to institute accounting controls over donations received, fundraising, subscriptions, green fees and playing fees received prior to initial entry of the collections in the accounting records. Accordingly, it was impracticable for us to extend our examination beyond the collections actually recorded.

Qualified Opinion

In our opinion, except for the possible effects of the matters described in the Bases for Qualified Opinion paragraph, the annual financial statements present fairly, in all material respects, the financial position of Richards Bay Country Club as at 30 September 2009, and its financial performance and cash flows for the year then ended in accordance with South African Statements of Generally Accepted Accounting Practice, and in the manner required by the constitution.

Supplementary Information

Without qualifying our opinion, we draw your attention to the fact that the supplementary information set out on pages 21 to 23 do not form part of the annual financial statements and is presented as additional information. We have not audited this information and accordingly do not express an opinion thereon.

Sneddon & Co.

03 November 2009

Empangeni

RICHARDS BAY COUNTRY CLUB

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APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

The Executive Committee is required to maintain adequate accounting records and is 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 country club as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with South African Statements of Generally Accepted Accounting Practice, and in the manner required by the constitution. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with South African Statements of Generally Accepted Accounting Practice, and in the manner required by the constitution and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The Executive Committee acknowledge that they are ultimately responsible for the system of internal financial control established by the country 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 country club and all employees are required to maintain the highest ethical standards in ensuring the country club's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the country club is on identifying, assessing, managing and monitoring all known forms of risk across the country club. While operating risk cannot be fully eliminated, the country 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 is 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 has reviewed the country club's cash flow forecast for the year to 30 September 2010 and, in the light of this review and the current financial position, they are satisfied that the country club has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the country club's annual financial statements. The annual financial statements have been examined by the country club's external auditors and their report is presented on pages 3 and 4.

The annual financial statements and supplementary information set out on pages 6 to 20, which have been prepared on the going concern basis, were approved by the Executive Committee on 03 November 2009 and were signed on its behalf by:

Chairman

Treasurer

Empangeni

03 November 2009

RICHARDS BAY COUNTRY CLUB

Annual Financial Statements for the year ended 30 September 2009

Balance sheet

	Note	2009 R	2008 R
Assets			
Non-Current Assets			
Property, plant and equipment	2	4,391,804	4,082,565
Current Assets			
Inventories	3	158,493	131,156
Trade and other receivables	4	221,466	332,727
Cash and cash equivalents	5	116,830	124,336
		496,789	588,219
Total Assets		4,888,593	4,670,784
Equity and Liabilities			
Equity			
Reserves		5,317,119	4,344,570
Accumulated deficit		(1,232,051)	(917,540)
		4,085,068	3,427,030
Liabilities			
Non-Current Liabilities			
Instalment sale agreements	6	-	311,450
Current Liabilities			
Instalment sale agreements	6	-	173,707
Trade and other payables	7	720,616	758,597
Provisions	8	82,909	-
		803,525	932,304
Total Liabilities		803,525	1,243,754
Total Equity and Liabilities		4,888,593	4,670,784

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Annual Financial Statements for the year ended 30 September 2009

Income statement

	Note	2009 R	2008 R
Revenue	13	1,223,546	1,041,819
Cost of sales		(681,385)	(571,567)
Gross surplus		542,161	470,252
Other income		3,220,187	2,853,605
Operating expenses		(3,963,310)	(3,628,479)
Operating deficit	14	(200,962)	(304,622)
Investment revenue	15	3,992	12,965
Finance costs	16	(68,190)	(47,843)
Deficit for the year		(265,160)	(339,500)

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STATEMENT OF CHANGES IN EQUITY

	R	R	R	R	R	R	R	R	R
	Improvements to leasehold property reserve	Plant and equipment reserve	Entrance fee reserve	Cart path reserve	Capital expenditure reserve	Total reserves	Accumulated surplus (accumulated deficit)	Total equity	
Balance at 01 October 2007	3,031,750	1,079,877	190,750	-	-	4,302,377	(578,040)	3,724,337	
Changes in equity									
Entrance fees for the year	-	-	42,193	-	-	42,193	-	42,193	
Net income (expenses) recognised directly in equity	-	-	42,193	-	-	42,193	-	42,193	
Deficit for the year	-	-	-	-	-	-	(339,500)	(339,500)	
Total recognised income and expenses for the year	-	-	42,193	-	-	42,193	(339,500)	(297,307)	
Total changes	-	-	42,193	-	-	42,193	(339,500)	(297,307)	
Balance at 01 October 2008	3,031,750	1,079,877	232,943	-	-	4,344,570	(917,540)	3,427,030	
Changes in equity									
Donations for capital projects	-	-	-	-	942,765	942,765	-	942,765	
Entrance fees for the year	-	-	23,246	-	-	23,246	-	23,246	
Transfer of income	-	-	-	(49,351)	-	(49,351)	(49,351)	(98,702)	
Golf cart pathways	-	-	-	55,889	-	55,889	-	55,889	
Net income (expenses) recognised directly in equity	-	-	23,246	6,538	942,765	972,549	(49,351)	923,198	
Deficit for the year	-	-	-	-	-	-	(265,160)	(265,160)	
Total recognised income and expenses for the year	-	-	23,246	6,538	942,765	972,549	(314,511)	658,038	
Total changes	-	-	23,246	6,538	942,765	972,549	(314,511)	658,038	
Balance at 30 September 2009	3,031,750	1,079,877	256,189	6,538	942,765	5,317,119	(1,232,051)	4,085,068	

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Annual Financial Statements for the year ended 30 September 2009

Cash Flow Statement

	Note(s)	2009 R	2008 R
Cash flows from operating activities			
Cash generated from operations	19	176,065	41,085
Interest income		3,992	12,965
Finance costs		(68,190)	(47,843)
Net cash from operating activities		111,867	6,207
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(557,414)	(531,307)
Cash flows from financing activities			
Repayment of instalment sale agreements		(485,157)	322,860
Donation received		942,765	-
Prior year golf cart path income re-classified as a reserve		(49,351)	-
Increase in reserves		29,784	42,193
Net cash from financing activities		438,041	365,053
Total cash movement for the year		(7,506)	(160,047)
Cash and cash equivalents at the beginning of the year		124,336	284,383
Total cash and cash equivalents at end of the year	5	116,830	124,336

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Annual Financial Statements for the year ended 30 September 2009

Accounting policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with South African Statements of Generally Accepted Accounting Practice, and in the manner required by the constitution. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below.

These accounting policies are consistent with the previous year.

1.1 Improvements to leasehold property

Improvements to leasehold property is recognised as an asset when, and only when, it is probable that the future economic benefits that are associated with the improvements to leasehold property will flow to the country club, and the cost of the investment property can be measured reliably.

Improvements to leasehold property are stated at fair value. The executive committee will cause the improvements to be valued at fair value periodically. Losses arising from changes in fair value will be included in the income statement in the period in which they arise.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

Fair value

Subsequent to initial measurement improvements to leasehold property is measured at fair value.

A gain or loss arising from a change in fair value is included in net profit or loss for the period in which it arises.

1.2 Property, plant and equipment

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits associated with the item will flow to the country club; and
- the cost of the item can be measured reliably.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses

Depreciation is provided on all property, plant and equipment, to write down the cost, less residual value, by equal instalments over their useful lives as follows:

Item	Average useful life
Improvements to leasehold property	Indefinite
Plant and machinery	6 years
Furniture and fixtures	4 years
Motor vehicles	5 years
IT equipment	5 years

The residual value and the useful life of each asset are reviewed at each financial period-end.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item shall be depreciated separately.

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

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Accounting policies

1.2 Property, plant and equipment (continued)

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

1.3 Financial instruments

Initial recognition

The country club classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial assets and financial liabilities are recognised on the country club's balance sheet when the country club becomes party to the contractual provisions of the instrument.

Fair value determination

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the country club establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement within operating expenses. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in the income statement.

Trade and other receivables are classified as loans and receivables.

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

Financial assets at fair value through profit or loss

Investments are recognised and derecognised on a trade date basis where the purchase or sale of an investment

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Accounting policies

1.3 Financial instruments (continued)

is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned.

Investments are measured initially and subsequently at fair value, gains and losses arising from changes in fair value are included in profit or loss for the period.

Derivatives

Derivative financial instruments, which are not designated as hedging instruments, consisting of foreign exchange contracts and interest rate swaps, are initially measured at fair value on the contract date, and are re-measured to fair value at subsequent reporting dates.

Derivatives embedded in other financial instruments or other non-financial host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contract and the host contract is not carried at fair value with unrealised gains or losses reported in profit or loss.

Changes in the fair value of derivative financial instruments are recognised in profit or loss as they arise.

Derivatives are classified as financial assets at fair value through profit or loss.

Held to maturity

These financial assets are initially measured at fair value plus direct transaction costs.

At subsequent reporting dates these are measured at amortised cost using the effective interest rate method, less any impairment loss recognised to reflect irrecoverable amounts. An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the investment's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition. Impairment losses are reversed in subsequent periods when an increase in the investment's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the investment at the date the impairment is reversed shall not exceed what the amortised cost would have been had the impairment not been recognised.

Financial assets that the company has the positive intention and ability to hold to maturity are classified as held to maturity.

1.4 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Operating leases - lessor

Operating lease income is recognised as an income on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

Income for leases is disclosed under revenue in the income statement.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset. This liability is not discounted.

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Accounting policies

1.4 Leases (continued)

Any contingent rents are expensed in the period they are incurred.

1.5 Inventories

Inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the first-in, first-out (FIFO) formula. The same cost formula is used for all inventories having a similar nature and use to the entity.

When inventories are sold, the carrying amount of those inventories are recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.6 Impairment of assets

The company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the company also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.
- tests goodwill acquired in a business combination for impairment annually.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination.

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Annual Financial Statements for the year ended 30 September 2009

Accounting policies

1.6 Impairment of assets (continued)

An impairment loss is recognised for cash-generating units if the recoverable amount of the unit is less than the carrying amount of the units. The impairment loss is allocated to reduce the carrying amount of the assets of the unit in the following order:

- first, to reduce the carrying amount of any goodwill allocated to the cash-generating unit and
- then, to the other assets of the unit, pro rata on the basis of the carrying amount of each asset in the unit.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.7 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

1.8 Provisions and contingencies

Provisions are recognised when:

- the company has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
 - the business or part of a business concerned;
 - the principal locations affected;
 - the location, function, and approximate number of employees who will be compensated for terminating their services;
 - the expenditures that will be undertaken; and
 - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

After their initial recognition contingent liabilities recognised in business combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

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Annual Financial Statements for the year ended 30 September 2009

Accounting policies

1.8 Provisions and contingencies (continued)

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note .

1.9 Revenue

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the country club has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the country club retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the country club; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the balance sheet date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the country club;
- the stage of completion of the transaction at the balance sheet date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognised only to the extent of the expenses recognised that are recoverable.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

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

1.10 Borrowing costs

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

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Notes to the annual financial statements

	2009	2008
	R	R

2. Property, plant and equipment

	2009			2008		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Improvements to leasehold property	3,060,920	-	3,060,920	3,031,750	-	3,031,750
Plant and machinery	1,633,431	(860,915)	772,516	1,606,406	(657,176)	949,230
Furniture and fixtures	114,800	(72,889)	41,911	114,626	(67,364)	47,262
Motor vehicles	563,717	(73,034)	490,683	62,717	(48,015)	14,702
IT equipment	91,529	(65,755)	25,774	91,310	(51,689)	39,621
Total	5,464,397	(1,072,593)	4,391,804	4,906,809	(824,244)	4,082,565

Reconciliation of property, plant and equipment - 2009

	Opening Balance	Additions	Depreciation	Closing Balance
Improvements to leasehold property	3,031,750	29,170	-	3,060,920
Plant and machinery	949,230	27,025	(203,739)	772,516
Furniture and fixtures	47,262	-	(5,351)	41,911
Motor vehicles	14,702	501,000	(25,019)	490,683
IT equipment	39,621	219	(14,066)	25,774
	4,082,565	557,414	(248,175)	4,391,804

Reconciliation of property, plant and equipment - 2008

	Opening Balance	Additions	Disposals	Depreciation	Closing Balance
Improvements to leasehold property	3,031,750	-	-	-	3,031,750
Plant and machinery	612,671	522,141	-	(185,582)	949,230
Furniture and fixtures	65,981	-	(9,180)	(9,539)	47,262
Motor vehicles	24,304	-	-	(9,602)	14,702
IT equipment	41,393	9,166	-	(10,938)	39,621
	3,776,099	531,307	(9,180)	(215,661)	4,082,565

Pledged as security

Carrying value of assets pledged as security:

Plant and machinery	-	610,968
Secured by instalment sale agreements. Refer to note 6.		

3. Inventories

Bar stock	123,854	131,156
ProShop accessories	9,323	-
Halfway House stock	25,316	-
	158,493	131,156

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Notes to the annual financial statements

	2009 R	2008 R
4. Trade and other receivables		
Trade receivables	204,416	296,654
Prepayments	14,503	6,768
Deposits	43,350	43,350
VAT	22,773	-
Provision for doubtful debts	(63,576)	(14,045)
	221,466	332,727
5. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	32,539	37,582
Bank balances	84,291	86,754
	116,830	124,336
6. Instalment sale agreements		
Held at amortised cost		
The Standard Bank of South Africa Limited Secured by an instalment sale agreement over plant and equipment with a carrying value of R Nil (2008: R 92,223). The loan was repaid during the financial year.	-	69,381
The Standard Bank of South Africa Limited Secured by an instalment sale agreement over plant and equipment with a carrying value of R Nil (2008: R 56,579). The loan was repaid during the financial year.	-	57,154
ABSA Bank Limited Secured by an instalment sale agreement over plant and equipment with a carrying value of R Nil (2008: R 166,083). The loan was repaid during the financial year.	-	127,949
ABSA Bank Limited Secured by an instalment sale agreement over plant and equipment with a carrying value of R Nil (2008: R 296,083). The loan was repaid during the financial year.	-	230,673
	-	485,157
Non-current liabilities		
At amortised cost	-	311,450
Current liabilities		
At amortised cost	-	173,707
	-	485,157

RICHARDS BAY COUNTRY CLUB

Annual Financial Statements for the year ended 30 September 2009

Notes to the annual financial statements

	2009 R	2008 R	
7. Trade and other payables			
Trade payables	319,424	464,547	
Amounts received in advance	327,382	217,220	
VAT	-	35,329	
Accrued expenses	73,810	34,573	
Deposits received	-	6,928	
	720,616	758,597	
8. Provisions			
Reconciliation of provisions - 2009			
	Opening Balance	Additions	Closing Balance
Provision for leave pay	-	55,503	55,503
Provision for bonuses	-	27,406	27,406
	-	82,909	82,909
There were no provisions raised in the prior year.			
9. Improvements to leasehold property reserve			
Leasehold improvements		3,031,750	3,031,750
10. Entrance fee reserve			
Opening balance		232,943	190,750
Movement for the year		23,246	42,193
Closing balance		256,189	232,943
11. Golf cart pathway reserve			
Opening balance		-	-
Prior year golf cart income reclassified as a reserve		49,351	-
Golf cart income		50,296	-
Golf cart expenses		(93,109)	-
Closing balance		6,538	-
12. Reserve for donations received for capital projects			
Opening balance		-	-
Ndlovu Development Trust		942,765	-
Closing balance		942,765	-

RICHARDS BAY COUNTRY CLUB

Annual Financial Statements for the year ended 30 September 2009

Notes to the annual financial statements

	2009 R	2008 R
13. Revenue		
Bar sales surplus	962,035	1,041,819
Golf cart surplus	152,450	-
Construction contracts	109,061	-
	1,223,546	1,041,819
14. Operating deficit		
Operating deficit for the year is stated after accounting for the following:		
Operating lease charges		
Equipment		
• Contractual amounts	29,824	26,517
Loss on sale of property, plant and equipment	-	9,180
Depreciation	248,175	215,661
Employee costs	749,239	596,361
15. Investment revenue		
Interest revenue		
Bank	3,992	12,965
16. Finance costs		
Overdue accounts	348	234
Instalment sale agreements	67,842	47,609
	68,190	47,843
17. Auditor's remuneration		
Fees	29,000	25,000
Adjustment for previous year	4,000	(3,000)
Other services	66,397	57,952
	99,397	79,952
18. Operating leases		
Future minimum lease payments		
- within one year	3,613	5,341
- in second to fifth year inclusive	9,032	-
	12,645	5,341

RICHARDS BAY COUNTRY CLUB

Annual Financial Statements for the year ended 30 September 2009

Notes to the annual financial statements

	2009	2008
	R	R
19. Cash generated from operations		
Deficit before taxation	(265,160)	(339,500)
Adjustments for:		
Depreciation	248,175	215,661
Loss on sale of property, plant and equipment	-	9,180
Interest received	(3,992)	(12,965)
Finance costs	68,190	47,843
Movements in provisions (Note 8)	82,909	-
Changes in working capital:		
Inventories	(27,337)	(29,348)
Trade and other receivables	111,261	(102,426)
Trade and other payables	(37,981)	252,640
	176,065	41,085

20. Related parties

Relationships

Member of key management

P G Gibson

Related party transactions

Management contract

P G Gibson

153,859

122,557

Commission paid

P G Gibson

67,260

97,046

RICHARDS BAY COUNTRY CLUB

Annual Financial Statements for the year ended 30 September 2009

Detailed Income Statement

	Note	2009 R	2008 R
Gross trading surplus			
Bar sales gross surplus	a	425,131	470,252
Halfway House gross surplus	b	40,709	-
Golf cart gross surplus	c	76,321	-
		542,161	470,252
Other income			
Advertising		70,824	54,995
Club 50		1,630	-
Commission received		58,891	-
Fundraising surplus		7,743	5,913
Green fees, playing fees and season tickets		1,369,205	1,096,518
Interest received		3,992	12,965
Maintenance recovered from Municipality		409,747	375,245
Rental income		31,504	19,039
Sponsorships and competitions		299,760	320,114
Subscriptions		698,770	634,128
Sundry income		24,148	12,673
Venue hire surplus		247,965	334,980
		3,224,179	2,866,570
Expenses (Refer to page 22)		(3,963,310)	(3,628,479)
Operating deficit		(196,970)	(291,657)
Finance costs		(68,190)	(47,843)
Deficit for the year		(265,160)	(339,500)

RICHARDS BAY COUNTRY CLUB

Annual Financial Statements for the year ended 30 September 2009

Detailed Income Statement

	Note	2009 R	2008 R
Operating expenses			
Advertising		82,250	77,636
Auditor's remuneration		99,397	79,952
Bad debts		50,418	16,934
Bank charges		68,515	57,454
Cleaning		69,920	59,392
Commission paid		67,260	97,046
Competition and promotions		139,619	157,306
Computer expenses		11,852	7,645
Consumables		113,529	216,398
Courier and postage		1,152	1,898
Depreciation		248,175	215,661
Employee costs		749,239	596,361
Entertainment		16,758	41,366
Fuel and oil		9,359	8,607
Greenkeeping contract		1,127,288	918,857
Happy hour expenses		481	985
Health and hygiene		8,906	7,254
Insurance		79,969	69,182
Irrigation expenses		87,816	33,694
Lease rentals on operating lease		29,824	26,517
Legal expenses		541	-
Levies		10,500	12,550
Licences		11,785	2,913
Loss on disposal of plant and equipment		-	9,180
Management contracts		316,083	281,294
Motor vehicle expenses		632	-
Printing and stationery		21,794	20,647
Relocation cost		10,650	-
Repairs and maintenance		159,184	292,537
Security		77,612	78,301
Staff welfare		11,753	6,599
Stock theft		6,765	(1,725)
Storage		-	3,020
Subscriptions		32,281	21,222
Sundry expenses		1,225	1,942
Telephone and fax		64,372	59,340
Training		557	7,287
Travel - local		5,676	4,268
Uniforms		9,217	3,701
Water and electricity		160,956	135,258
		3,963,310	3,628,479

RICHARDS BAY COUNTRY CLUB

Annual Financial Statements for the year ended 30 September 2009

SUPPLEMENTARY INFORMATION

a. Bar sales trading account

Income		
Bar sales	962,035	1,041,819
Cost of sales		
Opening stock	122,560	95,259
Purchases	526,854	598,868
Closing stock	(112,510)	(122,560)
	(536,904)	(571,567)
Gross surplus	425,131	470,252

b. Halfway House trading account

Income		
Revenue	152,450	-
Cost of sales		
Purchases	137,057	-
Closing stock	(25,316)	-
	(111,741)	-
Gross surplus	40,709	-

c. Golf carts trading account

Income		
Golf cart hire	109,061	-
Cost of sales		
Fuel	8,160	-
Hire	17,544	-
Repairs	7,036	-
	32,740	-
Gross surplus	76,321	-