

**PLETTENBERG BAY COUNTRY CLUB  
ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

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**PLETTENBERG BAY COUNTRY CLUB**  
**Annual Financial Statements for the year ended 30 June 2018**  
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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**

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**To the members of Plettenberg Bay Country Club****Opinion**

We have audited the annual financial statements of Plettenberg Bay Country Club set out on pages 5 to 15, which comprise the statement of financial position as at 30 June 2018, and the statement of comprehensive income, statement of changes in funds 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 Plettenberg Bay Country Club as at 30 June 2018, and its financial performance and cash flows for the year then ended in accordance with the basis of accounting described in note 1 to the financial statements.

**Responsibilities of the committee for the Annual Financial Statements**

The committee is responsible for the preparation and fair presentation of the annual financial statements in accordance with basis of accounting as set out in Note 1 to the financial statements, and for such internal control as the committee determines 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 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 committee 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**

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 committee.

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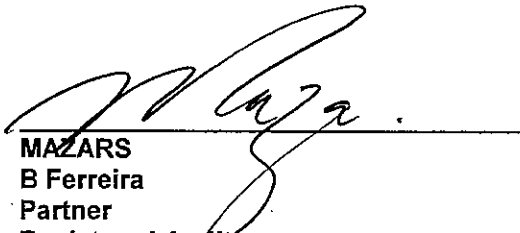
PARTNERS: H SAVEN (NATIONAL CHAIRMAN), J DU PLESSIS (MANAGING PARTNER), AT JEFFERY, CP DU PLESSIS, B FERREIRA

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**INDEPENDENT AUDITOR'S REPORT**

- Conclude on the appropriateness of the committee's 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 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.



**MAZARS**  
**B Ferreira**  
**Partner**  
**Registered Auditor**  
**17 September 2018**  
**Plettenberg Bay**

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**PLETTENBERG BAY COUNTRY CLUB**  
**Annual Financial Statements for the year ended 30 June 2018**  
**Committee's Responsibilities and Approval**

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The 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 its 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 basis of accounting as set out in Note 1 to the financial statements. 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 accounting policies of the Plettenberg Bay Country Club and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.~~


The committee acknowledges that it is ultimately responsible for the system of internal financial control established by the club and places considerable importance on maintaining a strong control environment. To enable the 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 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 committee has reviewed the club's cash flow forecast for the year to 30 June 2019 and, in the light of this review and the current financial position, it is satisfied that the club has, or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the club's annual financial statements. The annual financial statements have been examined by the club's external auditors and their report is presented on pages 2 to 3.

The annual financial statements set out on pages 5 to 15, which have been prepared on the going concern basis, were approved by the committee on 17 September 2018 and were signed by:

  
\_\_\_\_\_  
Chairperson

**PLETTENBERG BAY COUNTRY CLUB**  
**Annual Financial Statements for the year ended 30 June 2018**  
**Statement of Financial Position as at 30 June 2018**

<b>Figures in Rand</b>	<b>Note(s)</b>	<b>2018</b>	<b>2017</b>
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	2	9,390,960	9,879,650
<b>Current Assets</b>			
Inventories	4	170,436	134,316
Trade and other receivables	3	147,373	261,807
Cash and cash equivalents	5	7,643,337	6,236,673
		<b>7,961,146</b>	<b>6,632,796</b>
<b>Total Assets</b>		<b>17,352,106</b>	<b>16,512,446</b>
<b>Funds and Liabilities</b>			
<b>Funds and Reserves</b>			
Funds		765,173	1,129,291
Accumulated reserves		11,883,269	11,297,070
		<b>12,648,442</b>	<b>12,426,361</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	6	4,644,051	4,038,803
Current tax payable		59,613	47,282
		<b>4,703,664</b>	<b>4,086,085</b>
<b>Total Funds and Liabilities</b>		<b>17,352,106</b>	<b>16,512,446</b>

**PLETTENBERG BAY COUNTRY CLUB**  
**Annual Financial Statements for the year ended 30 June 2018**  
**Statement of Comprehensive Income**

<b>Figures in Rand</b>	<b>Note(s)</b>	<b>2018</b>	<b>2017</b>
Revenue	7	13,967,379	13,450,946
Other income		1,383,636	1,322,727
Operating expenses		(14,783,635)	(14,590,701)
<b>Operating surplus</b>	<b>8</b>	<b>567,380</b>	<b>182,972</b>
Investment revenue	9	373,356	365,537
<del>Transfer of funds (to) Asset replacement stabilization fund</del>		<del>(300,000)</del>	<del>(300,000)</del>
Finance costs		(45)	-
<b>Surplus before taxation</b>		<b>640,691</b>	<b>248,509</b>
Taxation	10	(54,492)	(40,660)
<b>Total comprehensive surplus for the year</b>		<b>586,199</b>	<b>207,849</b>

**PLETTENBERG BAY COUNTRY CLUB**  
**Annual Financial Statements for the year ended 30 June 2018**  
**Statement of Changes in Funds and Reserves**

Figures in Rand	Chairman's	Caddies'	Captains'	Asset	Tennis club-	Total	Accumulated	Total
	fund	fund	fund	replacement stabilization fund	house renovation fund	reserves	reserves	reserves
<b>Balance at 01 July 2016</b>	<b>59,182</b>	<b>179,439</b>	<b>256,218</b>	<b>250,000</b>	<b>120,000</b>	<b>864,839</b>	<b>11,119,221</b>	<b>11,984,060</b>
Surplus for the year	-	-	-	-	-	-	207,849	207,849
Transfers in/(out)	1,605	121,268	(38,421)	300,000	(120,000)	264,452	(30,000)	234,452
<b>Total movements for the year</b>	<b>1,605</b>	<b>121,268</b>	<b>(38,421)</b>	<b>300,000</b>	<b>(120,000)</b>	<b>264,452</b>	<b>177,849</b>	<b>442,301</b>
<b>Balance at 01 July 2017</b>	<b>60,787</b>	<b>300,707</b>	<b>217,797</b>	<b>550,000</b>	<b>-</b>	<b>1,129,291</b>	<b>11,297,070</b>	<b>12,426,301</b>
Surplus for the year	-	-	-	-	-	-	586,199	586,199
Transfers in	4,936	25,091	69,855	300,000	36,000	435,882	-	435,882
Transfers out	-	-	-	(800,000)	-	(800,000)	-	(800,000)
<b>Total movements for the year</b>	<b>4,936</b>	<b>25,091</b>	<b>69,855</b>	<b>300,000</b>	<b>36,000</b>	<b>435,882</b>	<b>586,199</b>	<b>1,022,081</b>
<b>Balance at 30 June 2018</b>	<b>65,723</b>	<b>325,798</b>	<b>287,652</b>	<b>50,000</b>	<b>36,000</b>	<b>765,173</b>	<b>11,883,269</b>	<b>12,648,442</b>



**PLETTENBERG BAY COUNTRY CLUB**  
**Annual Financial Statements for the year ended 30 June 2018**  
**Statement of Cash Flows**

<b>Figures in Rand</b>	<b>Note(s)</b>	<b>2018</b>	<b>2017</b>
<b>Cash flows from operating activities</b>			
Cash generated from operations	12	1,802,002	2,021,581
Finance costs		(45)	-
Tax paid		(42,161)	(16,708)
<b>Net cash from operating activities</b>		<b>1,759,796</b>	<b>2,004,873</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	2	(755,931)	(1,826,462)
Sale of property, plant and equipment	2	29,443	4,900
Interest income		373,356	365,537
<b>Net cash from investing activities</b>		<b>(353,132)</b>	<b>(1,456,025)</b>
<b>Total cash movement for the year</b>		<b>1,406,664</b>	<b>548,848</b>
Cash at the beginning of the year		6,236,673	5,687,825
<b>Total cash at end of the year</b>	5	<b>7,643,337</b>	<b>6,236,673</b>

**PLETTENBERG BAY COUNTRY CLUB**  
**Annual Financial Statements for the year ended 30 June 2018**  
**Accounting Policies**

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**1. Presentation of annual financial statements**

The annual financial statements have been prepared 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 are tangible items that are held for use in the production or supply of goods or services, or for rental to others or for administrative purposes; and are expected to be used during more than one period.

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

Cost 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.

The initial estimate of the costs of dismantling and removing an asset and restoring the site on which it is located is also included in the cost of property, plant and equipment, when such dismantling, removal and restoration is obligatory.

Depreciation is provided using the straight-line method to write down the cost, less estimated residual value over the useful life of the property, plant and equipment as follows:

<b>Item</b>	<b>Average useful life</b>
Machinery and electronics	6 years
Leasehold improvements	33 years
Furniture and fittings	6 years
Golf carts and motor vehicles	4 years
Clubhouse equipment and appliances	6 years
IT equipment	3 years
Irrigation system - pumps	10 years
Irrigation system - sprinklers	5 years
Grounds machinery and equipment	5 years
Tractors and trailers	6 years

If the major components of an item of property, plant and equipment have significantly different patterns of consumption of economic benefits, the cost of the asset is allocated to its major components and each such component is depreciated separately over its useful life.

The residual value, depreciation method and useful life of each asset are reviewed only where there is an indication that there has been a significant change from the previous estimate.

Gains and losses on disposals are recognised in surplus or deficit.

**PLETTENBERG BAY COUNTRY CLUB**  
**Annual Financial Statements for the year ended 30 June 2018**  
**Accounting Policies**

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**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 surplus or deficit) 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.

**Financial instruments at amortised cost**

These include loans, trade receivables and trade payables and other assets as identified. Those debt instruments which meet the criteria, 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 surplus or deficit.

**1.3 Tax**

**Current tax assets and liabilities**

The entity has been approved as a recreational club in terms of s30A of the Income Tax Act. Receipts and accruals are exempt from normal income tax in terms of s10(1)(cO) of the Income Tax Act. Receipts and accruals which fall outside of the normal scope of recreational club activities are taxable.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date.

The tax liability reflects the effect of the possible outcomes of a review by the tax authorities.

**1.4 Inventories**

Inventories are measured at the lower of cost and estimated selling price less costs to complete and sell, on the weighted average cost basis.

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.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised.

The amount of any write-down of inventories to the selling price less costs to sell 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 the selling price less costs to sell, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

**PLETTENBERG BAY COUNTRY CLUB**  
**Annual Financial Statements for the year ended 30 June 2018**  
**Accounting Policies**

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### **1.5 Revenue**

Revenue is measured at the fair value of the consideration received or receivable, excluding sales taxes and discounts.

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

- the entity has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the entity 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 entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Service revenue is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The stage of completion is determined by services performed to date as a percentage of total services to be performed.

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

Interest is recognised, in surplus or deficit, using the effective interest rate method.

### **1.6 Borrowing costs**

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

### **1.7 Funds (Chairman's, Caddies', Captains', Asset replacement's and Tennis club-house renovation)**

The Chairman's fund consists of donations received from Honorary Life Members and surplus whisky draw funds. It is to be used at the discretion of the Chairman with all disbursements requiring full committee approval.

The Caddies' fund comprises the cumulative levy placed on all caddy fees paid. It is to be used at the discretion of the club manager and the Chairman for the welfare of the caddies.

The Captains' fund consists of surplus competition fees. It is to be used at the discretion of the Captains with all disbursements requiring full committee approval.

The Asset replacement stabilization fund consists of surplus funds which have been reserved for future asset purchases. The use of these reserves are subject to committee approval.

The Tennis club-house renovation fund consist of funds which have been reserved for the renovation of the tennis club-house. The use of these reserves are subject to committee approval.

**PLETTENBERG BAY COUNTRY CLUB**  
**Annual Financial Statements for the year ended 30 June 2018**  
**Notes to the Annual Financial Statements**

Figures in Rand 2018 2017

**2. Property, plant and equipment**

	2018			2017		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Building renovations - car park	311,419	(18,874)	292,545	311,419	(9,437)	301,982
Buildings and amenities	3,968,605	(238,767)	3,729,838	3,924,479	(118,924)	3,805,555
Furniture and fixtures	537,414	(414,086)	123,328	537,415	(378,305)	159,110
Golf carts and motor vehicles	2,278,567	(1,817,349)	461,218	1,963,230	(1,786,393)	176,837
Grounds	2,790,768	(84,516)	2,706,252	2,789,014	(84,516)	2,704,498
Grounds machinery and equipment	6,152,957	(4,457,822)	1,695,135	7,944,359	(5,476,300)	2,468,059
IT equipment	221,304	(221,304)	-	216,000	(216,000)	-
Irrigation system	1,424,775	(1,345,822)	78,953	1,351,815	(1,337,856)	13,959
Machinery and electronics	120,223	(112,445)	7,778	120,223	(109,323)	10,900
Clubhouse equipment and appliances	707,394	(540,664)	166,730	627,591	(522,191)	105,400
Paving	137,517	(8,334)	129,183	137,517	(4,167)	133,350
Tractors and trailers	174,000	(174,000)	-	283,147	(283,147)	-
<b>Total</b>	<b>18,824,943</b>	<b>(9,433,983)</b>	<b>9,390,960</b>	<b>20,206,209</b>	<b>(10,326,559)</b>	<b>9,879,650</b>

**Reconciliation of property, plant and equipment - 2018**

	Opening balance	Additions	Disposals	Depreciation	Total
Building renovations - car park	301,982	-	-	(9,437)	292,545
Buildings and amenities	3,805,555	44,126	-	(119,843)	3,729,838
Clubhouse equipment and appliances	105,400	118,628	(19,666)	(37,632)	166,730
Machinery and electronics	10,900	-	-	(3,122)	7,778
Furniture and fixtures	159,110	-	-	(35,783)	123,327
Golf carts and motor vehicles	176,837	513,158	-	(228,777)	461,218
Grounds	2,704,498	1,755	-	(86,270)	2,619,983
Grounds machinery and equipment	2,468,059	-	-	(686,654)	1,781,405
IT equipment	-	5,304	-	(5,304)	-
Irrigation system	13,959	72,960	-	(7,968)	78,951
Paving	133,350	-	-	(4,167)	129,183
	<b>9,879,650</b>	<b>755,931</b>	<b>(19,666)</b>	<b>(1,224,957)</b>	<b>9,390,958</b>

**PLETTENBERG BAY COUNTRY CLUB**  
**Annual Financial Statements for the year ended 30 June 2018**  
**Notes to the Annual Financial Statements**

**Figures in Rand** **2018** **2017**

**2. Property, plant and equipment (continued)**

**Reconciliation of property, plant and equipment - 2017**

	Opening balance	Additions	Transfers	Depreciation	Impairment loss	Total
Building renovations - bowls	56,209	-	-	-	(56,209)	-
Building renovations - car park	423,271	-	58,719	(9,437)	(170,571)	301,982
Building renovations - kitchen	88,604	-	-	-	(88,604)	-
Buildings and amenities	7,446,538	-	(3,283,176)	(118,924)	(238,883)	3,805,555
Clubhouse equipment and appliances	52,519	107,779	28,675	(83,573)	-	105,400
Computer software	-	-	28,735	(17,835)	-	10,900
Furniture and fixtures	132,057	-	99,619	(72,566)	-	159,110
Golf carts and motor vehicles	439,720	-	7,666	(270,549)	-	176,837
Grounds	-	-	2,911,630	(84,512)	(122,620)	2,704,498
Grounds machinery and equipment	1,292,254	1,697,824	(8,116)	(513,903)	-	2,468,059
IT equipment	1	20,859	-	(20,860)	-	-
Irrigation system	31,233	-	452	(17,726)	-	13,959
Paving	-	-	155,796	(4,167)	(18,279)	133,350
	<b>9,962,406</b>	<b>1,826,462</b>	<b>-</b>	<b>(1,214,052)</b>	<b>(695,166)</b>	<b>9,879,650</b>

**3. Trade and other receivables**

Containers held under deposit	3,734	3,734
Trade receivables	5,725	18,694
VAT	137,914	239,379
	<b>147,373</b>	<b>261,807</b>

**4. Inventories**

Bar and kitchen	170,436	134,316
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**5. Cash and cash equivalents**

Cash and cash equivalents consist of:

ATM funds	21,700	35,900
Bank - call accounts	4,326,738	4,043,049
Bank - current	1,749,845	1,127,712
Bank - money market	1,480,826	1,014,012
Cash on hand	64,228	16,000
	<b>7,643,337</b>	<b>6,236,673</b>

**PLETTENBERG BAY COUNTRY CLUB**  
**Annual Financial Statements for the year ended 30 June 2018**  
**Notes to the Annual Financial Statements**

<b>Figures in Rand</b>	<b>2018</b>	<b>2017</b>
<b>6. Trade and other payables</b>		
Trade payables	608,437	572,232
Amounts received in advance	3,148,747	2,912,889
Club accounts - members	184,880	189,885
Other payables	224,731	168,116
Deposits received	8,112	33,973
Accrued expenses	469,144	161,708
	<b><u>4,644,051</u></b>	<b><u>4,038,803</u></b>
<b>7. Revenue</b>		
Playing fees - bowls	29,899	29,071
Playing fees - golf	6,961,070	6,546,452
Playing fees - tennis	28,948	25,521
Subscriptions	3,734,396	3,695,742
Trading revenue - bar	1,463,674	1,436,159
Trading revenue - catering	1,749,392	1,718,001
	<b><u>13,967,379</u></b>	<b><u>13,450,946</u></b>
<b>8. Operating surplus</b>		
Operating surplus for the year is stated after accounting for the following:		
Profit on sale of property, plant and equipment	9,777	4,900
Impairment on property, plant and equipment	-	695,166
Depreciation on property, plant and equipment	1,224,957	1,214,052
Employee costs	3,442,850	3,428,408
	<b><u>4,774,584</u></b>	<b><u>5,342,526</u></b>
<b>9. Investment revenue</b>		
<b>Interest revenue</b>		
Bank	373,356	365,537
	<b><u>373,356</u></b>	<b><u>365,537</u></b>
<b>10. Taxation</b>		
<b>Major components of the tax expense</b>		
<b>Current</b>		
Local normal tax - current period	54,492	40,660
	<b><u>54,492</u></b>	<b><u>40,660</u></b>
<b>Reconciliation of the tax expense</b>		
Reconciliation between accounting profit and tax expense.		
Accounting surplus	640,691	248,509
Tax at the applicable tax rate of 28% (2017: 28%)	179,393	69,583
<b>Tax effect of adjustments on taxable income</b>		
Exempt activities	(124,901)	(28,923)
	<b><u>54,492</u></b>	<b><u>40,660</u></b>

**PLETTENBERG BAY COUNTRY CLUB**  
**Annual Financial Statements for the year ended 30 June 2018**  
**Notes to the Annual Financial Statements**

<b>Figures in Rand</b>	<b>2018</b>	<b>2017</b>
<b>11. Auditor's remuneration</b>		
Audit fee - current year	46,926	42,660
Audit fee - interim audit	30,925	26,514
Other services	1,825	4,050
	<u>79,676</u>	<u>73,224</u>
<b>12. Cash generated from operations</b>		
Surplus before taxation	640,691	248,509
<b>Adjustments for:</b>		
Depreciation and amortisation	1,224,957	1,214,052
Surplus on sale of assets	(9,777)	(4,900)
Interest received	(373,356)	(365,537)
Finance costs	45	-
Impairment deficit	-	695,166
<b>Changes in working capital:</b>		
Inventories	(36,120)	8,045
Trade and other receivables	114,434	(210,562)
Trade and other payables	605,248	202,352
Transfers to reserves	(364,120)	234,456
	<u>1,802,002</u>	<u>2,021,581</u>



**PLETTENBERG BAY COUNTRY CLUB**  
**Annual Financial Statements for the year ended 30 June 2018**  
**Detailed Income Statement**

<b>Figures in Rand</b>	<b>Note(s)</b>	<b>2018</b>	<b>2017</b>
<b>Revenue</b>			
Playing fees - bowls		29,899	29,071
Playing fees - golf		6,961,070	6,546,452
Playing fees - tennis		28,948	25,521
Subscriptions		3,734,396	3,695,742
Trading-revenue--bar		1,463,674	1,436,159
Trading revenue - catering		1,749,392	1,718,001
	7	<b>13,967,379</b>	<b>13,450,946</b>
<b>Other income</b>			
Bridge income		6,292	7,222
Cash overs		-	8,729
Club cards income		70	2,592
Gains on disposal of assets		9,777	4,900
Golf cart income		1,166,540	1,079,904
Insurance claim received		-	12,380
Interest received	9	373,356	365,537
Locker and golf cart parking income		142,622	134,456
Sundry income		58,335	72,544
		<b>1,756,992</b>	<b>1,688,264</b>
<b>Expenses (Refer to page 17)</b>		<b>(14,783,635)</b>	<b>(14,590,701)</b>
<b>Operating surplus</b>	8	<b>940,736</b>	<b>548,509</b>
Finance costs		(45)	-
Transfer of funds (to) Asset replacement stabilization fund		(300,000)	(300,000)
		<b>(300,045)</b>	<b>(300,000)</b>
<b>Surplus before taxation</b>		<b>640,691</b>	<b>248,509</b>
Taxation	10	(54,492)	(40,660)
<b>Surplus for the year</b>		<b>586,199</b>	<b>207,849</b>

**PLETTENBERG BAY COUNTRY CLUB**  
**Annual Financial Statements for the year ended 30 June 2018**  
**Detailed Income Statement**

<b>Figures in Rand</b>	<b>Note(s)</b>	<b>2018</b>	<b>2017</b>
<b>Operating expenses</b>			
Advertising		23,994	26,233
Auditors remuneration	11	79,676	73,224
Bad debts		66,768	49,945
Bank charges		277,867	261,581
Gleaning		87,935	89,654
Computer expenses		14,988	46,476
Consulting and professional fees		36,000	2,957
Consumables		54,514	61,692
Cost of sales - bar		720,528	692,395
Cost of sales - catering		1,137,471	1,090,199
Depreciation, amortisation and impairments		1,224,957	1,909,218
Development and management fee		72,000	72,000
Employee costs		3,442,850	3,428,408
Fertiliser - tennis and bowls		18,600	18,600
Fuel		-	12,546
General expenses		25,142	23,371
Gifts		-	3,153
Golf course expenses	S2	5,079,371	4,557,549
Insurance		145,222	135,871
League expenses		12,895	15,913
Levies		54,483	54,336
Municipal expenses		501,570	527,764
Other expenses		300,838	285,848
Postage		121,557	169,716
Recruitment		6,500	7,500
Repairs and maintenance - clubhouse		660,922	267,473
Repairs and maintenance - equipment and vehicles		110,852	102,420
Repairs and maintenance - grounds		217,257	281,440
Security		123,627	157,352
Subscriptions		93,132	92,671
Tennis expenses		8,606	9,411
Tools and small equipment		19,377	18,961
Training		-	2,584
Transport and freight		41,213	41,740
Travel - local		2,923	500
		<b>14,783,635</b>	<b>14,590,701</b>

**PLETTENBERG BAY COUNTRY CLUB**  
**Annual Financial Statements for the year ended 30 June 2018**

**Supplementary Information**

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**1. Golf cart income less expenses**

Hire income - golf carts	1,166,540	1,079,904
Golf carts - depreciation	(189,824)	(210,273)
Golf carts - repairs and maintenance	(79,365)	(72,999)
Golf-carts -- employee-costs	(136,852)	(122,726)
	<b>760,499</b>	<b>673,906</b>

**2. Golf course expenses**

Travel and transport	153,297	150,354
Staff costs	2,680,349	2,446,841
Fuel and supplies	378,159	431,174
Parts and services	745,147	652,768
Chemicals	71,236	91,868
Fertiliser	459,295	384,219
Irrigation and pumps	40,588	75,071
Sand & top dressing	430,285	222,874
Other	121,015	102,380
	<b>5,079,371</b>	<b>4,557,549</b>

**PLETTENBERG BAY COUNTRY CLUB**  
**Annual Financial Statements for the year ended 30 June 2018**

**Trading Statement**

**Figures in Rand** **Note(s)** **2018** **2017**

**1. Gross surplus from trading**

	<b>Bar 2018</b>	<b>Bar 2017</b>	<b>Catering 2018</b>	<b>Catering 2017</b>
Sales	1,463,674	1,436,159	1,749,392	1,718,001
Cost of sales	(720,528)	(692,395)	(1,137,471)	(1,090,199)
<b>Gross surplus from trading</b>	<b><u>743,146</u></b>	<b><u>743,764</u></b>	<b><u>611,921</u></b>	<b><u>627,802</u></b>

**2. Gross surplus percentage**

	<b>Bar 2018</b>	<b>Bar 2017</b>	<b>Catering 2018</b>	<b>Catering 2017</b>
Gross surplus percentage	<u>51 %</u>	<u>52 %</u>	<u>35 %</u>	<u>37 %</u>

**3. Net surplus**

	<b>Bar 2018</b>	<b>Bar 2017</b>	<b>Catering 2018</b>	<b>Catering 2017</b>
Gross surplus	743,146	743,764	611,921	627,802
Expenses	(589,104)	(633,612)	(622,322)	(604,767)
<b>Net surplus (deficit)</b>	<b><u>154,042</u></b>	<b><u>110,152</u></b>	<b><u>(10,401)</u></b>	<b><u>23,035</u></b>

**4. Net surplus percentage**

	<b>Bar 2018</b>	<b>Bar 2017</b>	<b>Catering 2018</b>	<b>Catering 2017</b>
Net surplus percentage	<u>11 %</u>	<u>8 %</u>	<u>(1)%</u>	<u>1 %</u>