

The Committee
Trafalgar Golf Club Inc.
PO Box 123
Trafalgar 3824

Dear **Members & Committee,**

RE: - Management Letter

We have been approached by the Trafalgar Golf Club Inc. to undertake a review of the financial statements and processes for the year ended 30 June 2025. The review was conducted to provide limited assurance that the financial statements are free from material misstatement. In addition, we considered internal controls and financial practices of the Club.

Please note this report has been prepared solely for the use of the members of the Trafalgar Golf Club Inc.

During the course of the review, I have formed the opinion that there are no material issues or misstatements that need addressing. I believe the financial statements reflect fairly the financial activities of the Trafalgar Golf Club Inc.

Please note that our review did not include any consideration for the Seniors Golf Club as this was not within the scope of the review.

We take this opportunity to provide observations and recommendations for strengthening financial management and governance practices.

Strengthening of Internal Controls:

- **Update of Depreciation Report:** As per our prior year's recommendation we can see review of the Depreciation Reports have been conducted and appropriate adjustments have been made by Tyrrell Partners in the preparation of the financial reports and reflected in the General Ledger. We encourage regular reviews of the Depreciation Report each year, especially with the significant new capital purchases in 2025 (e.g., golf carts, machinery shed). This ensures obsolete assets are removed and useful lives are reviewed frequently. Therefore, significant adjustments are not required each year and present a better comparable report for each year.
- **Enhanced Accounts Receivable Management:** As per our prior year's recommendation we can see the Debtors of the Club has decreased to the prior year, however, there are some Debtors that remain over 90 days, we encourage any expired debtors that are not collectible to be written off. In addition, and in line with the prior year, we would recommend regular monitoring of aging receivables, setting up automated reminders for overdue accounts, and establishing clear credit policies.



- **Digital Record-Keeping:** The Club maintains meticulous paper records, which demonstrates strong commitment to accountability. However, reliance on manual systems increases risk of error and administrative burden. We recommend implementing a digital record-keeping solution (e.g., Hubdoc, Dext, or Reckon affiliated record-keeping programs) to capture invoices, bank statements, and receipts electronically. This would improve efficiency, reduce reliance on paper, and create a stronger audit trail.

In addition, to reduce the impact of any paper records lost or destroyed, a digital backup retained off premises is recommended.

Future Considerations:

- **Payroll & Employee Provisions:** The provision for employee entitlements increased significantly this year (\$17,196 vs \$9,020). We recommend continuing monitoring of annual leave and long service leave accruals, with clear budgeting for these obligations as they continue to grow.
- **Governance & Continuity:** We note the Club's reliance on volunteers for financial management roles. We encourage documenting key processes (e.g., banking, payroll approvals, stocktakes) to support succession planning and smooth transitions between committee members.

Conclusion

Overall, the Club is in a sound financial position with strong cash reserves and good record-keeping practices. The recommendations above are intended to support continued improvement in financial management, efficiency, and governance.

Sincerely Yours,

Dylan Farrugia CPA
11/09/2025