

FINANCIAL REPORT: 1 APRIL 2011 - 31 MARCH 2012

1. The Financial Statements for the year ending 31 March 2012 were considered and approved by Council on 18 May 2011. It has been distributed to Clubs and is also included in the booklet distributed at this meeting. I would like to comment as follows on the financial position of the District:
 - The operations of Bowls Southern Cape during the financial year under review resulted in a net deficit of **R16 346**. From a financial point of view, the 2011/12 year was always going to be a difficult year and has to be regarded as a transitional period where the change in the competition year from Sept – August to Jan – Dec resulted in a six months period with no income from competition fees and no income from league fees. In spite of these factors, we managed to cut the deficit from **R28 000** in the 2010/11 year to only **R16 000** the past year, thereby limiting the damage brought about by these changes. The deficit is again financed from the reserve fund.
 - In spite of the deficit, there are a number of positive factors which deserve to be highlighted. It is gratifying to note that total membership has, for the first time in 8 years, shown a year-on-year increase. At the end of March 2012 Bowls Southern Cape had **1 445** members, as reflected in page 7 of the statements. Since 2004 and up to 2011, membership has decreased by 202, or a cumulative 12.5%. The increase in 2012 of 1.8% (26 members) can therefore hardly be described as significant, but fact is that the downward trend has been arrested, even if it is only for this year. This was the main reason, together with the increase in affiliation fees, for the increase in income from that source (up from **R134 000** to almost **R150 000**). An increase of more than R15 000, or 11.7%.
 - The grant from the Department of Cultural Affairs and Sport has steadily increased over the past couple of years and amounted to **R20 000** for the year 2011/12. It now gives me great pleasure to announce that for the forthcoming year (2012/13) the grant has not only been increased to **R30 000**, but a further special grant of **R10 000** has been awarded to Bowls Southern Cape. This brings the total amount received from the Department for the 2012/13 financial year to **R40 000**. We are indeed grateful to the Department for their assistance. It must however be noted that such a grant is not guaranteed and that we will have to intensify our development efforts to ensure continued compliance with the requirements laid down by Government.
 - It will also be noted from the financial statements that we succeeded in reducing administrative expenses by nearly a quarter, or more precisely 24%, from **R53 800** the previous year to **R40 900** this year. Unfortunately, such a reduction is not sustainable, mainly due to normal price increases and other cost pressures. The recent steep rise in the price of fuel and the concomitant adjustment in our kilometer allowance can be mentioned as an example in this regard. You can however rest assured that the Executive is constantly looking at cost saving measures.
 - Another positive development, and one that I must commend our District players for, is the additional fundraising undertaken in order to reduce the burden of accommodation and travelling costs of the Inter-District tournaments. The funds raised in this manner amounted to **R15 000** and it certainly helped a great deal. More will be said regarding Inter-District expenditure later on.
 - Questions?

2. I would like to thank Our President, Jenny, Secretary, Christine and the Executive Committee for their valuable contributions and support during the past year. I would also like to recognise the role played by Club Managements, especially Club Treasurers. I am indeed grateful for their co-operation.
3. **I now move that the Financial Statements for 2011/12, as approved by Council and presented today, be adopted.**
4. Turning to the new year, it has been customary to modestly adjust our affiliation fees upwards every year and this year is no exception. This policy has been adopted in order to prevent steep increases in any particular year and it is therefore proposed to increase the BSC Affiliation fee from **R100** to **R110** with effect from 1 January 2013.
5. Other fees and tariffs, i.e. competition fees and league fees as well as the fee payable to Clubs to cover the cost of green fees and tea/sandwiches, have been reviewed last year and since a full competition year has not passed since implementation, it is deemed inappropriate at this stage to consider further increases.
6. Turning now to the costs associated with the Inter-District tournaments, it is clear from our annual statements that this is our single biggest expense. It therefore makes sense that our long term financial stability would, to a large degree, depend on how we manage this item and how we succeed in containing the inevitable cost increases in this regard. The Executive has therefore appointed a sub-committee, consisting of Akker van der Merwe, Johan de Bruyn and myself to investigate the financial aspects relating to our participation in the Inter-District tournaments and to come up with viable suggestions in this regard. The Committee's brief included a comparison with other districts and it was found that other districts, notably, but not restricted to the smaller ones, are in a similar position when it comes to funding their Inter-District expenditure. The financial burden being placed on Districts as well as players in this regard has prompted a number of districts submitting motions to the AGM of Bowls South Africa, to be held on 25/26 August 2012, with a view to amending the current format of these tournaments. These motions will be dealt with as a separate item on the agenda, but considering the different models followed by Districts and taking into account the peculiar circumstances of Bowls Southern Cape, the sub-committee has made the following recommendations:
- An immediate increase in the contribution by players from R750 to **R1 000** per player.
 - A specific target be set for fundraising, to be done either by way of raffle lists, one day tournaments or any other suitable means, much as was done this year. **The target for 2013 to be set at R15 000.** A specific person, preferably a senior player, will be tasked with organizing fundraising.
 - The administrative side be tightened up, i.e. earlier payment of the players contribution (as soon as the final squads are announced), early flight bookings so as to obtain the most favourable rates as well as arranging suitable accommodation as soon as specific venues are made known.
 - The Club contribution of R300 per player in respect of the Open, "B" and Senior sides and R200 per player for the Under 25's to remain unchanged.

The Executive has accepted these proposals and the responsibility now rests with this meeting to formally adopt the new measures.

7. Honoraria – The total amount of Honoraria paid annually is **R10 900** and this amount has remained static for the past seven years, i.e since 2005. An increase is now long overdue and it is proposed that it be set at **R12 600** for the new year.
8. Auditor – It is proposed that the firm of Mazars be retained as Auditors.

J A Louw
Treasurer
11 August 2012