

FINANCIAL REPORT: 1 APRIL 2013 – 31 MARCH 2014

1. The financial statements for the year 1st April 2013 to 31st March 2014 were reviewed by the auditing firm Mazars and have been distributed to Clubs. A limited number of copies are still available, if required. The financial statements are the responsibility of Council and are therefore presented for your approval.
2. At the outset I wish to inform Council that, up to now, our financial statements were reviewed annually by Mazars free of charge in order to obtain only moderate assurance as to whether the statements are free of material misstatement. However, due to the complexity of the District's finances and to ensure continued preparation and presentation of the financial statements in accordance with the accounting policies and in the manner required by the Constitution of Eden Bowls, the Executive Committee has decided henceforth to engage the auditor to review our statements in accordance with the **International Standard on Review Engagements (ISRE 2400)**. This has been done at a cost of approximately **R6 000** and the review report is included in the financial statements.
3. The operations of Eden Bowls during the financial year under review resulted in a nett surplus of **R72 800**, due in no small measure to the 2013 All Cape Tournaments. The surplus on these tournaments was distributed as indicated in Appendix B to the financial statements, with an amount of **R68 000** being transferred to Eden Bowls. The surplus resulting from normal operations therefore came to a mere **R4 800**. In line with our accounting policies, the surplus on the All Cape was transferred to the reserve fund. Accumulated funds were boosted by the funding awards from the Department of Cultural Affairs and Sport, totaling **R50 000**, as well as the return on our investments (**R44 700**). As reflected in the balance sheet, total accumulated funds has reached the **R500 000** mark, while the Reserve Fund has appreciated to a level of **R160 000**.
4. At this point, it would be well to reflect on the funding awards obtained annually from the Department. The value of these awards cannot be over-emphasised and it must be noted that it has grown exponentially over especially the last two years. Total funds awarded for the 5 year period ending 31 March 2012 was R70 500 whilst the amount for the past two years (2013 and 2014) was R90 000. Members of Council, this can no longer be ascribed merely to us being compliant with directives from the Department, but has more to do with us fully embracing the objectives of the Western Cape Provincial Sports Confederation. I am referring to, *inter alia*, the creation of a Western Cape Bowls Federation, demarcation, the changing of our name to Eden Bowls and the inclusion of the prescribed arbitration clause in our Constitution. **This is no coincidence as our President, Trevor Davis, has played a leading role.** Few of us are aware of the effort and hard work involved in this portfolio.

5. Income and Expenditure Items

The financial statements are self explanatory, but allow me a few comments on specific items in the income and expenditure account:

- Inter-District tournaments. The total cost of the 2014 Inter-Districts tournaments (Open, "B" and Senior as well as the Under 25's of April 2013) came to **R89 900**, some 7% lower than the previous year's **R96 600**. Although accommodation costs of the Open, "B" and Senior sides were substantially higher than in the previous year (**R107 900** compared to **R98 000**), we managed to achieve an overall saving of **R6 700**, due, mainly to the fact that those sides that travelled by road, made use of private vehicles instead of hired buses or rental cars. Fact is that the cost of sending our sides to the Inter-Districts remains our single biggest expenditure and this will need careful management in future if we were to keep this item within bounds. More about this item will be said later on.
- Administration expenses. Administration costs for the year ended 31 March 2014 totalled **R48 400**, down 8.3% from the previous year. This is a remarkable feat considering that 5 years ago, in 2009/10, administration expenses came in at **R58 700**. The decrease was made possible through cost saving measures that were introduced, especially over the past year. Due to inflation and normal prize increases, coupled to new items like audit fees, this low level of administration costs might not be sustainable in years to come.

- Affiliation fees. Income from affiliation fees for the year 2013/14 show no growth at all, in spite of the **R10** per member increase that was implemented on 1 January 2014. Although it could be argued that the reasons for this is the discounts that were granted on full year fees plus the payment to Central Karoo, truth is that the continuing decline in membership is preventing us from gaining any meaningful growth in this, our single biggest revenue item. This is clearly seen from the decrease in pro rata fees (**R10 400** this year compared to **R15 700** the previous year). Affiliation fees will be further addressed when the proposals for next year are tabled.

6. The successes that we have achieved on the financial front are the result of the contributions of many role players, none more so than the members of the Executive Committee and they deserve our gratitude for their efforts. The support from Council as well as Club Managements is also highly appreciated. Finally, I would like to personally thank our President, Trevor Davis, for his guidance and support to me during the past year.

Koos Louw
Treasurer: Eden Bowls
6 June 2014