

FINANCIAL REPORT: 1 APRIL 2012 – 31 MARCH 2013

1. The financial statements for the year 1st April 2012 to 31st March 2013 were reviewed by the auditing firm Mazars and accompanied your agenda for this meeting. The financial statements are the responsibility of Council and are therefore presented for your approval.

The operations of Bowls Southern Cape during the financial year under review resulted in a net surplus of **R19 365**, which is in stark contrast to the accumulated deficit of almost **R45 000** of the past two years. Together with the grants from the Department of Cultural Affairs and Sport, totaling R40 000, our accumulated funds therefore increased by **R59 365**. This has been achieved on the back of an increase of R43 000, or 21.3%, in revenue and a simultaneous decrease in expenditure of R12 500 (5.2%). **This turnaround is indicative of the new positive spirit in the District and is part of the winning culture that our President often refers to. From a financial point of view, it is best reflected in the willingness of Provincial players and other members to support efforts from management with regard to fundraising drives, functions and the like.**

2. On analyzing the statements, many positives can be found, but allow me to highlight a few of them:
 - Investment of Funds: Due to the current economic climate and interest rates being at an all time low, the Executive has in September of last year decided to withdraw our reserve funds from the ABSA Money Market account and to rather invest these funds in an appropriate Income Fund. Income funds, although a slightly higher risk investment than the Money Market, are still classified as conservative, low risk investments. It must also be noted that Income Funds have, for at least the past decade, consistently out-performed cash. The fund that was chosen was the Coronation Strategic Income Fund and our investment is channeled via the Investec platform and administered by Personal Trust. It must however be borne in mind that unit trusts (like the Coronation Strategic Income Fund) should be considered a medium to long-term investment. The value of units may go down as well as up. Furthermore, past performance is not necessarily an indication of future performance. I therefore believe that we will only be able to gauge the true value of our investment in three to five year's time.
 - Expenditure: Inter-District Tournaments: The total expenditure on the four Inter-District tournaments (Open, "B", Senior and Under 25) is substantially lower than in the previous year, **R96 625** against the previous **R121 649**. Percentage wise, the decrease amounts to 20.5%. The last time the provincial expenditure was below R100 000, was in the year 2008, when the Seniors played at home. A number of factors contributed to this favourable outcome:
 - a) The fact that only one side, i.e. the "B" Side, had to make use of air travel, instead of the two sides the previous year.
 - b) An increase in the player's contribution from R750 to R1 000 per player.
 - c) A concerted effort from the Executive and players alike to collect more funds through fundraising drives at various clubs as well as through a raffle list. More than three times the amount of the previous year has been raised in this manner. This has enabled the Executive to return some of the funds so raised to the players in the form of a cash pool to be utilized for green fees, meals, etc.
 - d) The decision to, where possible, make use of private vehicles, at a far lower cost, instead of rental cars. Even where rental cars had to be used, the decision to rent from Tempest at preferential rates instead of the higher rates of other companies had an effect on overall costs.
 - Official Yearbook: Major changes have been effected this year to our Official Yearbook. Greater emphasis has been placed on Club tournaments and sponsored days by bringing such tournaments into the main body of the book, in line with national and Southern Cape events. Unnecessary information that only served to clutter the book, has also been omitted. Judging by the record number of club entries as well as full page adverts, the new-look Yearbook has been well received. A record number of books have been sold (295) and although on a smaller scale than the other items, income from this source is 40% higher than in the previous year (**R7 710** against **R5 475**). I might add that the process to produce next year's Official Yearbook will start in a week or two.

3. There are however also some negative aspects as apparent from the financial statements:
- Membership: After a brief flicker of hope last year, the downward slide in membership has unfortunately been continued and the cumulative drop in membership over the past five years now stands at **6%**. This means that the incentive scheme that was introduced with effect from 1st August 2012, in its current form, did not have the desired effect and more about that will be said later on.
 - Competition fees: It is clear from the drop in income from competition fees (**R16 600** from the previous year's **R24 785**) that fewer members are entering Southern Cape competitions. Steps have already been taken to ensure that a larger number of our prospective provincial players enter competitions on a regular basis. Clubs are also urged to encourage more players, especially newcomers, to participate in District competitions.
4. The financial affairs of an Organization do not take place in a vacuum, it is the result of the efforts of various role players, none more so than the members of the Executive Committee. I therefore thank each and everyone who has contributed in some way to the successes that we have achieved on the financial front. The role of Club Managements, especially Club Treasurers, is also recognized. **I would however fail in my duty if I do not give recognition to the exceptional input and support received from our President Trevor.**

Koos Louw
Treasurer: Bowls Southern Cape
7 June 2013

PROPOSALS FOR 2014

1. Affiliation fees: 2014

It has been customary to modestly adjust our affiliation fee 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 **R110.00** to **R120.00** with effect from 1st January 2014. This will be the full year fee for existing members. New members who join after January 2014 will continue to pay affiliation fees on a pro rata basis according to the month of the year during which they join. Based on current membership figures, the gross additional revenue will be R14 300. Provision must however be made for the R20 per member that has to be transferred to the Central Karoo Zone as well as the 25% discount on the 2014 affiliation fee in respect of new members who join or have joined between 1st August 2012 and 31st July 2013. It is calculated that of the R14 300, only about R7 600 will actually find its way to our coffers.

2. Incentive scheme for new members

To assist Clubs in growing their membership, an incentive scheme has been introduced for the year 1st August 2012 to 31st July 2013. The scheme comprises the granting of a 50% discount on the Bowls Southern Cape affiliation fee (or pro rata part) for that year of joining, plus a 25% reduction in the full year affiliation fee for 2014. The discount is only applicable in respect of new members, i.e. first time on Bowls SA database. Up to today the scheme did not have the desired effect as membership did not show any real growth over the past 10 months. New members are merely replacing those who leave the sport. It will be appreciated that for such a scheme to have any benefit there must be a consistent growth in membership. In view of the above, the Executive recommends as follows:

- Discounts on pro rata fees be suspended for the remainder of the affiliation year, i.e. after 31st July 2013 up to the end of December.
- The feasibility of a scheme whereby discounts on affiliation fees are granted in respect of new members be looked at afresh and that any new scheme or continuation thereof be synchronised with the affiliation year, i.e. 1st January to 31st December. Such proposals to be submitted to Council at the next meeting, i.e. 8th November 2013.

3. League fees

Currently League fees amount to R150.00 per team of 4 players or R300.00 per side of 8 players. That equates to R37.50 per player. With the decision this morning to change all leagues to five a side (Trips and Pairs) it is necessary to adjust our league fees so as to maintain the same level of revenue earned from this source. Assuming that the same number of players as previously will be involved, it is recommended that league fees for the new leagues be set at R200.00 per side, or R40.00 per player.

4. Other fees and tariffs

Other fees and tariffs applicable in the District have all been reviewed recently and it is deemed unnecessary at this stage to consider further increases. For the record, the current fees and tariffs are quoted hereunder:

Competition fees:

Champion of Champions:	R50.00 per player
All other competitions:	R25.00 per player

Contributions iro District Players:

Players:

Open, 'B' and Senior:	R1 000.00 per player
Under 25:	No contribution

Clubs:

Open, 'B' and Senior: R300.00 per player
Under 25: R200.00 per player

Fee payable to Clubs to cover the cost of green fees and tea/sandwiches:

R20.00 per player

5. Honoraria

The total amount of honoraria paid annually has last year been increased to **R12 600** and it is not envisaged to increase the amount for 2014.

Koos Louw
Treasurer: Bowls Southern Cape
7 June 2013