

REPORT: FINANCE: COUNCIL MEETING OF 8th NOVEMBER 2013

1. Incentive scheme for new members

The incentive scheme for growing our membership and which was in force up to the end of July 2013, did not have the desired effect and at the previous Council meeting on 7th June, it was decided that the scheme be suspended and looked at afresh. In spite of the discounts that were granted on BSC Affiliation fees, membership continued to decline and new members who did join, were merely replacing those who left the sport. It will be appreciated that for such a scheme to have any benefit there must be a consistent growth in membership. The Executive has therefore decided to do away with the incentive scheme altogether and to rather urge clubs to actively recruit new members through, e.g. their business leagues. It is ironic that business leagues are flourishing while clubs are struggling to maintain or grow membership. Business leagues and their impact on the sport as such will be discussed under a separate item on the agenda.

The attention of clubs is also drawn to the incentive scheme that was introduced by Bowls South Africa. Full particulars regarding the scheme are contained in BSA Circular 41/2013, available on their website as well as on our website www.bowlssc.co.za. According to this scheme, a member who introduces a new member will be eligible for exemption of his full BSA affiliation fee for the following year. This is backed with a new application form which contains details regarding the member who has introduced the new member. Such details will then be recorded on the database by the relevant club and from this BSA will be able to establish who qualifies for the exemption.

2. Affiliation fees: 2014

Statements of Account for the 2014 Affiliation fees (both BSA and BSC) were sent to clubs on 16th October 2013, with payment due on 15th November. At the time of writing this report, only 3 of the 20 clubs have responded. Clubs that have not yet paid are urged to rectify the matter as soon as possible. A reconciliation of the fees already paid will be done on 1st January 2014, based on the information on the database as at that date.

3. Accommodation and Travelling: Provincial sides

Accommodation arrangements in respect of the three sides representing Southern Cape in the 2014 Inter-District championships during March 2014 have been finalized and the necessary deposits paid in order to secure such accommodation. The total cost of the accommodation comes to R106 925, which represents an increase of 16.4% compared to 2014. Provision has however been made for an extra night's accommodation in respect of the Open Side to afford them the opportunity to travel to Bloemfontein one day in advance.

The Senior side will fly to Johannesburg at a cost of R33 000, very much on par with the cost of last year's "B" Side who also had to make use of air travel to Johannesburg. It must however be understood that this is a group booking which comes at a discounted rate, but with conditions attached, e.g. no breakaways on the forward flight. Changes to group bookings also carry penalties and in view thereof, no changes to accommodate personal travel arrangements will be allowed.

4. Investment of reserve funds

In line with a decision last year, our reserve funds were invested in the Coronation Strategic Income Fund through the Investec platform. After 55 straight months of positive returns, the return on this fund turned negative over the period of May/June 2013. This was the result of a severe correction in the financial markets, simultaneous with a sell-off in the bond market. Although the stock market has recovered since then, the same cannot be said of bonds and it was the opinion of Johan van der Westhuizen from Personal Trust, through whom our investment is channeled, that it heralded the start of an extended period of more muted returns on Income Funds in general and that these funds are no longer suitable for investors with a medium to long term time horizon, such as Bowls Southern Cape. He therefore recommended that our funds, or at least part of it, be switched to a fund with greater exposure to growth assets. We accepted his recommendation that approximately one-half of our funds be switched to the Personal Trust Conservative Managed Fund, where 30% of the assets are allocated to local equities. The process of switching our funds has now been completed.