

FINANCIAL REPORT

EXECUTIVE COMMITTEE MEETING: 20 SEPTEMBER 2013

1. Accommodation and Travelling: Provincial Teams

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 Open Side will be playing in Bloemfontein where the Men will be accommodated in the **African Lodge** and the Women in the **Rise and Shine Lodge**. Both of these are on a bed only basis. Provision has however been made for an extra night's accommodation to afford them the opportunity to travel to Bloemfontein one day in advance.
- The "B" Side will be playing in East London and both the Men and Women will be accommodated on a bed and breakfast basis at the **Gonubie Hotel**.
- The Senior Side will be playing in Pretoria and both the Men and Women will stay, also on a bed and breakfast basis, at the **Jakaranda Lodge**.

The total cost of the accommodation will be R106 925, which represents an increase of 16.4% compared to 2013.

The Senior Side will fly on Kulula.com to Johannesburg at a cost of R33 013, 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 the booking also carry a penalty of R200 per person. In view of the above, no changes to accommodate personal travel arrangements will be allowed.

2. Investment of reserve funds

Currently our reserve funds, totaling approximately R526 000, are 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. Johan van der Westhuizen from Personal Trust, through whom our investment is channeled, is of the opinion that this heralds 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 R300 000 of our funds be switched to the Personal Trust Conservative Managed Fund, where 30% of the assets are allocated to local equities. This fund delivered a return of 16.1% over the 12 month period ending 31 August 2013. The process of switching our funds is currently underway.

3. Personal Injury Insurance

Following our experience in the Envar Buys case and bearing in mind the possible financial consequence of such accidents, a quotation for personal injury cover in respect of our provincial teams who has to travel to other centres, has been obtained. The quote is from AON Insurance and cover the following:

Accidental death	R50 000
Permanent total disability	R200 000
Accidental medical expenses	R30 000

A premium of R22.74 per capita has been quoted, but with a minimum of R5 000 per policy. Our requirements have been calculated at 175 players covering a period of 35 days and based on this, it would mean an actual premium of R28.57 per player.

Perfect Delivery has also been approached for a quote in this regard and Mr G C Swanepoel, the Managing Director, has advised that he is currently investigating similar cover in respect of Bowls South Africa. He will keep us informed of developments in this regard.

J A Louw
Treasurer
17 August 2013