



ESTD 1922

# DURBAN Country Club

1 July 2011

Dear Members

## CONVERSION OF CLUB CREDIT ACCOUNTS TO DEBIT ACCOUNTS

Attached to this letter is an explanatory memorandum in respect of the conversion of Club credit accounts to debit accounts.

As indicated in the memorandum this new Club policy was raised by both myself and Jebb McIntosh (the Chairman of the Club's Finance Committee) as essential to help improve the Club's financial position and in particular its cash-flow.

The Board is now proceeding with the implementation of this policy and we would very much appreciate your co-operation in its implementation. I would additionally remind members of the need to always have their membership cards, for identification purposes, when using the Club facilities even if it is your intention to pay cash or use your credit card.

Thank you for your co-operation and continued support of the Club.

Yours sincerely

**RICHARD PEMBERTON**  
**CHAIRMAN**  
**DURBAN COUNTRY CLUB**

## CONVERSION OF CLUB CREDIT ACCOUNTS TO DEBIT ACCOUNT

At our recent AGM it was announced that the Club would be converting members' accounts from a credit to debit accounts. The reason for the change is that the Club is borrowing money on which it pays interest and is on-lending these funds to members at no cost. In addition, excessive bad debts have been incurred. This change will improve the Club cashflow by more than R4,0 million and it is in line with best practice in the industry.

The Club membership card will be used as a debit card from 1 August 2011. This will require that your Club account is kept in credit at all times. The good news is that all food and beverage purchases on the Club card from 1 August 2011 will receive a 5% discount. (If used monthly this equates to an annualized return of 60%.)

Alternative methods of payment for members are cash or credit card; however these forms of payment will not receive the benefit of a 5% discount.

- The effective date of the change will be 1 August 2011. (It would be appreciated if all accounts be brought 100% up to date by the end of July.)
- Credit cards can be used to pay existing outstanding accounts.
- All amounts outstanding after 1 August 2011 will be regarded as overdue.
- Overdue accounts will attract interest and a monthly admin fee.
- In addition we would like to draw your attention that the annual subscriptions are due on or before 1 January 2012 and should be paid before this date to avoid creating a debit balance on your member's account.

The current financial conditions have ensured that the Board had very little option in making the above changes, which will help substantially to improve the Club's financial position.

The Board appreciates the co-operation and understanding of members. If there are any queries, please contact the accounts department.

### Summary:

- June and July - ensure sufficient payments are made to bring your account fully up to date by 1 August. Existing Club accounts can be paid by credit card.
- From 1 August, if you wish to continue using your Club card for payment, the card must be kept in credit.
- All food and beverage purchases from 1 August will enjoy a 5% discount if your account is in credit.
- Alternative payment methods are either cash or credit card.
- The Loyalty pre-paid scheme will be discontinued.