

Manawatu Car Club

Financial Report For the year ended 30th September 2023

2022/23 has delivered the club a post-Covid resurgent surplus of \$65,820. After removing a prior year adjustment of \$7,670 the true operating result is \$58,150. This compares very favourably with recent normal operating of around \$35,000.

The prior year adjustment is the combined total of ambulance charges accrued from 2017 to 2020. Despite several attempts to obtain invoices for the charges, Pro-Med were adamant that no fee was due. We'll take the win!

The bounce back in Net Profit is reflected in an increase in Operating Cash Surplus as depicted below:

	2023	2022	2021
Reported Net Surplus/(Loss)	\$65,820	\$1,136	\$33,116
Add Back Depreciation and Loss on Disposal	\$15,299	\$14,609	\$15,578
Less Prior Year Adjustment	(7,670)	-	-
Operating Cash Surplus	\$73,449	\$15,745	\$48,694

A lift in the contribution from Core Motorsport activities of \$38,109 was driven by the return of OctoberFAST (\$21,845) and the continued growth of Drifting (up \$16,446). The summary below depicts the breakdown by category:

	2023	2022	2021
Winter Series	\$48,631	\$46,966	\$36,516
IRC Meetings	\$21,845	-	\$22,373
Track Day / Road & Track	(\$981)	\$2,466	\$28
Speedworks / Tier 1	\$9,618	-	\$6,262
Summer Series	\$20,539	\$30,381	\$11,082
Drifting	\$27,366	\$10,920	\$16,097
Clubsport Events	\$2,656	\$832	\$715
Total Motorsport Gross Margin	\$129,674	\$91,565	\$93,073

A reduction in Winter Series entries was offset by an increased entry fee price. Overall costs were relatively static, yielding a \$1,665 improvement on the 2022 series performance.

The contribution of \$21,845 from OctoberFAST reflects the importance of this event. It's absence last year left a significant hole in the club's cash flow. This is a very popular event, well supported by both competitors and the viewing public.

While Open Day Series entries were up (17 more than 2021/22) a loss has been reported for 2022/23. This is due to the allocation of free track hires to other events. The prior year saw two free days allocated, with all four rounds being charged in 2022/23.

While the reported Summer Series performance is down, it should be noted that last year included some National Championship classes that boosted the result. Including the Speedworks / Tier 1 \$9,618 contribution yields a 2022/23 result only \$224 down on the prior year.

Support continues to grow for our Drift events, with this category showing a whopping \$16,446 improvement on the prior year. Over half of this improvement is due to the success of Showvember.

Clubsport events showed a healthy improvement. Net contribution was up \$1,824, largely on the back of the second year of running the 24 Minutes of Le Manfeild in July. This slightly different racing format was enjoyed by all who entered, and it would be good to see this grow even more.

Other factors contributing to Revenue growth were:

- Interest Received up \$9,696 (almost four times the prior year) reflects the significantly higher interest rates and higher cash reserves.
- Equipment Rental up \$5,131 as we hired out our gear for the MG Classic, which was not run in the prior year.

Member Subscriptions were down by \$1,144, despite continued membership growth. This is due to the timing of receipt of payments as subs are only recognised when payment is received.

While Direct Costs were up in line with increased Revenue, Overhead Costs were largely unchanged (down \$2,976). Significant individual cost fluctuations worth noting include:

- Advertising and Promotion down \$3,463 – last year included expenditure for the 75th Anniversary celebrations.
- Equipment Maintenance up \$4,238 – we purchased road cones, clothing for marshals and two small laptops that didn't require capitalising.
- Maintenance at Manfeild down \$11,081 – last year the club contributed \$14,393 to construction of new flag points and this year we replaced the timing loop at a cost of \$3,615.
- Sundry Expenses up \$6,339 – the club donated \$6,000 in total to St John Ambulance and Manchester House. No donations of this size were made in the prior year.

The balance sheet continues to strengthen with Net Assets of \$557,874 (Sep-22 \$491,380) and cash reserves of \$376,922 (Sep-22 \$308,203). Net Working Capital of \$349,148 (Sep-22 \$308,203) confirms a strong liquidity position.

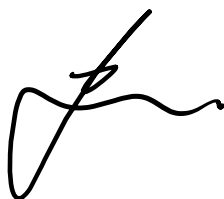
During the year the committee approved the following capital purchases totalling \$47,381:

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|------------------------------------|-----------|
| • Laptop | \$1,303 |
| • 3 x second hand portaloos | \$2,486 |
| • 4 x marshals fireproof overalls | \$2,043 |
| • Honda Odyssey | \$5,652 |
| • 2 x Petrol generators | \$2,191 |
| • MyLaps Timing upgrade and server | \$33,705. |

The two Can Am quads were sold realising a small \$217 gain.

The committee remains committed to building a strong balance sheet and, with it, resilience for the tougher times that will no doubt arrive. No apology is made for the growing level of cash reserves. We have been on something of a roller coaster ride in recent years due to influences beyond our control, and the strength of our liquidity position will help to mitigate the risks associated with any prolonged period of adversity.

We operate in an increasingly competitive Motorsport environment. Our product base and first-class delivery of events underpin our current very favourable position. The future is surely bright, but only if we continue to strive to be better than the rest.



Tim Wilde
Treasurer
23rd February 2024