

Manawatu Car Club

Financial Report For the Year Ended 30th September 2019

2019 has yielded a reduced Net Surplus of \$30,312, which is \$13,160 down on 2018 (\$43,472). This represents a year of “steady as she goes” from our core Motorsport activities, a slight reduction in our peripheral Event Management activities, and increased overhead costs. After adding back Depreciation, the club has generated a \$43,265 Operating Cash Surplus (as below), down \$17,673 on 2018 (\$60,938).

	2019	2018
Reported Net Surplus	\$30,312	\$43,472
Add Back Depreciation and Gain/Loss on Disposal	<u>\$12,953</u>	<u>\$17,466</u>
Operating Cash Surplus	\$43,265	\$60,938

Revenue from Motorsport Operations was down by \$4,326 to \$77,343 (2018 - \$81,669). Most of the reduction is attributable to the Track Day Series (showing an increased deficit of \$5,760), with increased Winter Series performance (up \$17,146) approximately offset by a reduced IRC Meeting margin (down \$16,783). Listed below are the Gross Margins of our key activities for the year:

	2019	2018
Winter Series	\$53,433	\$36,287
IRC Meetings	\$19,055	\$35,838
Track Day Series	(\$10,110)	(\$4,350)
NZ Grand Prix	\$7,546	\$5,856
Summer Series	(\$63)	\$684
Drifting	\$7,414	\$8,034
Clubsport Events	\$68	(\$680)
Total Motorsport Gross Margin	\$77,343	\$81,669

Our Winter Series returned to the entry levels of 2017, although increased costs (levies and circuit related charges) necessitated an increase in entry fees. IRC Meeting attendance was down, particularly at the February Flatfoot meeting, and this has driven the margin for this category down as advised above. The Track Day Series yielded a significant deficit in excess of \$10,000, driven predominantly by increased circuit hire charges. The committee is pursuing avenues to improve this series' performance.

Other Revenue items of note were:

- The Summer Series movement to a small net loss is the result of having to run Round 2 at Manfeild (previously run at Taupo), with its associated circuit hire charges. Entries were insufficient to cover costs.
- Drifting yielded a slightly lower net margin, but remains a viable part of the club's motorsport base (10% of total Gross Margin).
- Clubsport Events yielded a loss last year due to the loss incurred in running the Otara Road sealed event, which wasn't run in 2019.
- Equipment Rental income has reduced with the absence in 2019 of the D1NZ and North Island Enduro events managed by MCC.

Overhead Costs were approximately \$6,700 higher than in 2018. Four main areas contributing to this increase were Clubrooms up \$2,444 (the new fence was erected and painted at a cost of \$2,472), Meetings up \$1,175 (reflects a full year of the Treasurer's reimbursement for travel to Committee Meetings), Vehicle Maintenance up \$945 (graphics for the new FIV cost \$950) and the payment of two Farland Awards (\$1,000).

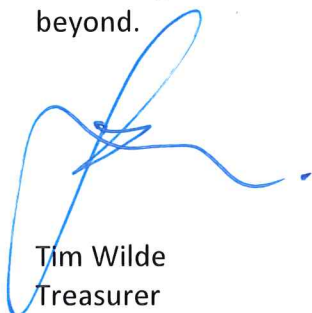
During the year the Committee approved the purchase of \$31,552 of Capital Expenditure, including:

Card Printer	\$1,400
Toyota Land Cruiser (FIV)	\$14,539
Subaru Forrester	\$6,417
Ford Falcon XR6 (Safety Car)	\$9,196

The Nissan Terrano was sold for \$3,913.

Cash Reserves (excluding the A S Farland Fund) have increased by \$13,482 to \$290,027 over the 2019 financial year. This strong base remains a critical linchpin to the club's short to medium term future.

While the 2019 year has not delivered an increased Net Surplus compared to the previous year, the current committee has performed well in delivering a reasonable surplus in an environment of increasing costs. The platform is there for the incoming committee to build from for 2020 and beyond.



Tim Wilde
Treasurer
26th February 2020