

Manawatu Car Club

Financial Report For the year ended 30th September 2024

After the stellar financial result of 2022/23 it's something of a return to earlier years' performance. At a high level the cause of the reduction is two-fold – a lower number of entries and increased overheads. While down \$42,209 on the prior year, the result is still a \$23,611 Net Profit.

After adding back depreciation our efforts yielded a \$47,025 Operating Cash Surplus as reflected in the table below:

	2024	2023	2022
Reported Net Surplus/(Loss)	\$23,611	\$65,820	\$1,136
Add Back Depreciation and Loss on Disposal	\$23,414	\$15,299	\$14,609
Less Prior Year Adjustment	-	(7,670)	-
Operating Cash Surplus	\$47,025	\$73,449	\$15,745

Core Motorsport activities delivered \$17,761 less than 2022/23 with the drop in entries in the Winter Series and Open Days showing significant reductions. The absence of a second Super Sprint event accounts for more than half the reduction alone. Analysis by category is shown in the summary below:

	2024	2023	2022
Winter Series	\$42,143	\$48,631	\$46,966
IRC Meetings	\$23,743	\$21,845	-
Open Days	(\$4,032)	(\$981)	\$2,466
Tier 1	-	\$9,618	-
Summer Series	\$21,011	\$20,539	\$30,381
Drifting	\$25,065	\$27,366	\$10,920
Clubsport Events	\$3,983	\$2,656	\$832
Total Motorsport Gross Margin	\$111,913	\$129,674	\$91,565

Total Winter Series entries were down by a combined 45 across the four rounds, with an increase in motorsport levies adding to the pain. The series still contributed \$42,143, amounting to 38% of the combined Gross Margin.

The IRC Meetings category includes only OctoberFAST, with no February Flatfoot being run in the last three years. The event netted similar to the prior year with entries up, gate takings down and levies up.

Open Day entries averaged only 38, compared with 50 the year before. A new format is being used in 2024/25 to try to attract more competitors.

The Summer Series incorporated what would otherwise have been our Tier 1 event. While revenue was up when compared to the prior year, this was more than offset by the higher circuit hireage associated with this category of event.

Drift events delivered a similar level of Gross Margin to the previous year. While \$2,301 down on 2022/23 the result underpins its importance among the suite of events the Club offers.

The range of Clubsport events run delivered a \$3,983 Gross Margin, up \$1,327 on the prior year. Key events were:

- Bent Sprint – \$4,026 profit (up \$3,402);
- Parorangi Road Gravel Sprint – \$994 profit (nil in 2022/23);
- Multi Event Weekend – \$458 loss (down \$2,159);
- 24 Minutes of Le Manfeild – \$210 profit (down \$1,350).

Operating Revenue streams were supported by:

- Interest Received of \$20,495 – up \$7,389 on the back of higher interest rates and increased cash reserves.
- Subscriptions Revenue of \$24,463 (up \$937).
- Management of various third party events, including the MG Classic, Superlap and Alfa May Madness, at a combined \$5,952 net contribution.

During the year the Club staged the successful Manfeild 50th Anniversary celebrations at a net cost of \$8,759.

Cash Overhead costs rose by \$11,596, the main reasons being:

- Bank Charges up \$1,578 – Motorsport NZ moved to a new entry platform, Sporty, which carries transactional charges through its linked collection platform, Stripe.
- Insurance up \$1,837, representing a 13% increase on the previous year.
- Bad Debts of \$4,268. The Club was caught with the liquidation of NZ XMS Ltd, who ran “Super Sprint”. \$5,183 of the total \$9,451 fee charged was collected. The process around payment for third party events management has since been modified to mitigate this risk in the future.

During 2022/23 the Club upgraded the MyLaps timing system equipment. 2023/24 carries a full year depreciation charge, which drives a \$8,116 increase in this cost.

Capital purchases of \$6,322 made during the year include:

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|--------------------------------|---------|
| • Samsung Galaxy tablet | \$887 |
| • Race Radio upgrades | \$3,362 |
| • Broadband portable UHF Radio | \$1,431 |
| • 2 x Lenovo tablets | \$642. |

The Club’s balance sheet boasts Net Assets totalling \$581,485 (2022/23: \$557,874) with Cash Reserves comprising \$404,516 (2022/23: \$377,617). Net Working Capital of \$389,862 provides a secure level of liquidity.

The motorsport environment remains challenging. On top of recent increases in motorsport levies the club has been handed an approximate 40% increase in circuit hireage charges. To remain profitable we have no choice but to pass these on to competitors. Competitors must wear this on top of their own increasing costs – licences, fuel and the general cost of living. Faced with the choice of “feeding the family” versus “going racing” many will see the former as their priority, which leaves the sport with a diminished market. We need to ensure we continue to deliver the highest quality events in the most efficient and cost-effective manner.

We are well placed currently to meet these challenges, but we must remain at the top of our game. There are plenty of challenges for the incoming committee to navigate.



Tim Wilde

Treasurer

22nd February 2025