



2013 proved to be a very successful year for our club. Our financial results have improved significantly from the previous twelve months with a dramatic turnaround in the financial impact of our competition

events. This year's competition gross profit of \$4,596, compared to a gross loss (\$19,892), last year. This turnaround is due to the enormous efforts of Andrew Bonwick, who has managed a very challenging set of competition events with a great focus on costs control, enabling this improvement, with only a modest increase in revenues. There was also a significant improvement in the financial result of the 6 hour event at Sandown.

Another great improvement has been achieved in the net cost of the clubs magnificent magazine, mainly from magazine advertising revenues which have increased by more than \$4,000, thanks to some tireless work from Leon. Ron has done a great job for us once again, with no increases in the costs of the magazine. The net cost per magazine, per primary member has improved from \$2.49 in 2012, to just \$1.63 for 2013 – really excellent.

We are planning on achieving a small profit in 2014, with a budget target of \$3,500.

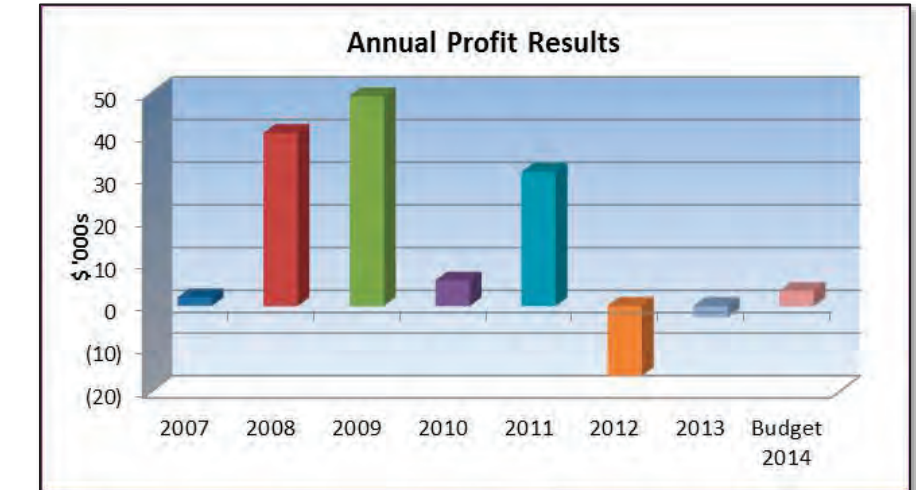
With changes to legislation, new model rules were issued by Consumer Affairs Victoria, leading to our club submitting our amended club rules which were voted on at our June Special General Meeting, and subsequently accepted by Consumer Affairs Victoria. The new Act provides that a tier 2 association, such as PCV, must have its financial statements "reviewed" prior to the AGM. This independent review has been conducted, and our financial statements have been available on our web-site. The review replaces the audit which had been conducted previously.

## Last Year's Financial Results.

For the twelve months to June 30, 2013 the club will report a small financial loss of (\$2,666), and holds members' funds (our net assets), of \$286,218 as at the end of the financial year. This compares to a loss of (\$16,384) for the same period last year, with members' funds of \$288,884.

To put this into perspective the loss of \$2,666 resulted from total income of over \$521,000 and total expenses of over \$523,000.

The result for the year included some very large unbudgeted expenditure items; the Archiving Project – which will provide on line access to all our past magazines; the Wild Apricot Development – which provides for online member access and booking



of events, and the establishment of our LSL accrual, is really quite excellent.

Our member's funds of \$286,218; 88% is held as cash on deposit; 11% in fixed assets; 9% in stock and debtors; offset by 6% in creditors and unearned income; and 3% in provisions.

## Non-profit incorporated association.

There are two important features of our club's status as a non-profit incorporated association:

1. Contributions and receipts from members for the services provided by the Club are excluded from the assessable income of the Club, and

2. We are prohibited from making distributions of surpluses to members.

The committee take these requirements into account when decisions are made about the fees we charge for subscriptions, and our events. Essentially any income we receive, we receive on the trust that we will spend on services provided to our members.

Without purpose or mandate we should not collect revenue that builds reserves for no reason, reserves cannot be returned to members.

Sufficient reserves are required to ensure that there are reasonable grounds to believe that the Club will be able to pay its debts as and when they fall due.

## How we manage your money.

Subscription Income:

Our subscription income enables us to operate our club; this income covers the Administration Costs, Club Night Costs, and the Net Cost of Porsche Parade. Any excess subscription income is applied to the Annual Dinner, and other shortfalls that may arise from running events.

## Net Competition Surplus or Loss: (fixed and variable costs)

Competition events are budgeted to cover all the costs of running a particular event. Competition Overheads (e.g. Van Costs, Compliance Testing, and Trophies), may be covered by the full years result, or may become a shortfall to be covered by accumulated reserves or any surplus subscription Revenue.

All other events, Social, Registers, 6 Hour Relay, are events that are managed to breakeven on their own accord.

We operate to a detailed budget, and financially report to the committee on a monthly basis. It is our objective to achieve as close as possible to a neutral financial result, with a preference for small profits.

## Total Membership.

As at the end of June we had 1428 members, up 70 on the previous year, up 240 or just over a 20% increase from 2006. This is a truly great result.

With increased members, and with increased administration support to our members via the online system, together with the Club Permit scheme, and increased merchandising, our administration costs have also increased. During the year we increased our subscription fees to mitigate some of these increased costs. The increase in subscription fees was the first increase in three years.

As always if there is anything that concerns you about the finances of the club, please do not hesitate to contact me, and I will happily answer any query you may have.