

SOUTH PACIFIC MOTOR SPORTS CLUB



ANNUAL REPORT

and

BALANCE SHEET

1970

PRESIDENT'S REPORT 1969-70

It is now five years since I first became President of your Club. During that time our fortunes have changed regularly, but I feel confident that now, on the eve of my retirement, the Club is on a sound footing in terms of management, membership, and finance.

We have, for the past twelve months had a keen and hardworking committee, all members of which pulled their weight and handled the affairs of the Club in a most businesslike manner. I particularly commend the efforts of your Treasurer, Mr. Barry Webster, who has been prepared many times to stand alone against the Committee in defence of his purse-strings, and like all good Treasurers, has always managed to paint a financial picture at least 20% blacker than it actually was. This attitude has acted as an anchor to our more optimistic committeemen, myself included, and has helped considerably to create the position where, twelve months after completion of our new Clubhouse, I can say that our economy is buoyant, we have no overdue accounts and are in fact in danger of having surplus funds in the near future. The Treasurer will present his very comprehensive report shortly, but I am pleased to report that despite burglaries, competition expenses, and various other drains on our revenue, the Club's overall accounts show a net profit in excess of \$5,000 for the year. This should not be viewed as a reason to plan an immediate extension to the Clubhouse or any other high-priced project as I must remind you that we started the year in a very delicate state financially, and have only this month raised our heads above water. I personally and on behalf of the Committee thank all our sundry creditors who were more than patient with us during this lean time.

Many factors have contributed to our successful year. At mid-term we were fortunate to secure the services of Mr. Jerry Wilby as bar manager and his most-times happy personality and inability to make bad friends has alone increased our income considerably. At risk of making him conceited I feel he has come as close as anyone can to being indispensable in the Club's interest and extend to him my thanks for his continued assistance to me personally throughout the year.

Others who have helped to make the year a success are our retiring Secretary Ross Smith who, like myself, has had his share of misunderstandings in his two years in the hot-seat; our competition directors, Gary Boyd, Byron Sullivan, David Ford, who unfortunately has returned to Australia and is a great loss to the Club, and Jim McKissack; our Papuan Safari Director and Club raconteur, Bill Chapman, and the dozens of volunteer workers who unfortunately must remain nameless.

Half-way through the year the Committee appointed Mrs. Yvonne Harrison as Club Caterer and her continued cheerful presence at the Club has ensured that our single members are not forced to leave the Club too early. This also has increased our revenue.

Our membership in the past twelve months has increased from 130 to over 400, after remaining steady at approximately 100 for many years. I attribute this to the new building, the new manager, the catering service and Ross Smith's Sunday night pictures. The new and exciting three-way competition, once a month, has also played its part in increasing spectator membership.

During the year we have partly constructed the courtyard which, when complete, will completely enclose the Clubhouse area. The old Clubhouse has been completely rebuilt on its new location and will be used as a committee and competition room.

As a result of a spate of burglaries in May-June we have installed a burglar alarm which protects not only the Clubhouse but the committee room as well. I understand Gary Boyd can commend its efficiency.

Spectator areas have been fenced and much improvement has been effected in the Club's competition circuits.

The Club's land is protected until 10th June, 1976. However the Department of Lands advises that on that date it will be resumed. In view of the lack of resumption action on other Clubs such as the Leagues Club, it is difficult to know which way to treat this ultimatum. However I feel that this meeting tonight should give the new committee clear guidelines as to the members' wishes in regard to future development. I personally feel that irrespective of what action is taken by the Lands Department in future years, it is foolish to remain in our already cramped quarters for six years because we may be resumed on that date. In five short years we have built our Club from virtually nothing to a \$70,000 per year business, with, I predict, a clear indication of \$100,000 turnover in the new year. Surely, our profits from improved premises in the final two or three years of our tenure would be ample to re-establish, should the need arise.

On this note, I would like to touch briefly on a petition presented to the Committee during the year. I thought the method of presentation, i.e. placing it on the Club's notice board, in bad taste, and felt that this did not help the cause of the petition, which was provision of a billiard room. The accompanying publicity dwelt ad nauseum on the high cost of the Papuan Safari 1969, and the lack of amenities for social members, with veiled references to the high value of social members to the Club.

This petition did not have my support for many reasons, the main one being that the Club just could not and still cannot afford the five or six thousand dollars necessary for the project.

I tend to fancy myself with a cue a little and enjoy a game of snooker as much as the next man. However I would remind the petitioners of the following:

1. Most of the signatures are new to the Club, hence very few of the members concerned have had to put up with the discomforts of our first few years, to gain our present reasonably high standards.
2. The new Clubhouse is still not one year old and cost upwards of \$15,000. The main beneficiaries of the new Clubhouse are the Social Members.
3. While I agree that the social members contribute greatly to the Club's revenue, and are an asset we could not lose without hardship, they attend the Club from choice and appear to enjoy their visits.
4. At the time of presentation of the petition, the Committee was attempting to placate creditors of over three months standing and was in fact in dire financial straits as a result of the cash purchase of the new building.
5. Full membership and subsequent voting rights are easy to obtain. It requires only a certain amount of hard work for the Club. I was personally responsible for the inclusion of the clause limiting voting rights and this petition has more than justified my action in my opinion.
6. Finally, the Club is primarily a motor sports club and has always had a policy of conducting its sporting activities at a loss if necessary. The main component of the \$2,500 loss on the Papuan Safari was a bill for \$1,300 for meals, most of which were consumed by marshals and competitors. I was personally responsible for promoting this debt and consider it fully justified.

For the future, I charge the incoming committee to remember our purpose for existing, and to continue to resist any pressure intended to advance our social comforts at the expense of the sport. However, as money becomes more plentiful, there is an obvious need for expansion in view of our present membership increase rate of approximately 40 per month, and a billiard room sounds like a wonderful project for 1971-72.

I am pleased to report that the Club is now an incorporated association with members liability at any time limited to fees outstanding. We have also completed affiliation papers for the Confederation of Australian Motor Sport under the Queensland Branch.

On the competition side we continue to expand and have a new rallycross circuit partially completed. Spectator areas have now been fenced to allow greater crowd control. The Papuan Safari 1970 is listed on the International Calendar and an early starter is Brian Culceth who drove a Triumph 2.5 PI to second place in the World Cup Rally and recently won the Scottish Rally. He will probably drive an ex-marathon Austin 1800 for P.N.G. Motors. Last year's winners, John Keran and John Bryson will also return under the New Guinea Motors banner. Our Club Champion for 1969 was my ex trials partner Gary Boyd who also won the Gymkhana and Hillclimb crown. Allen Montgomery and Bill Rudd were best local entrant with a third in the Papuan Safari and took out the Rally Championship. Greg Roach again won the Go-karts and Wally Pekarek won the Drags title. John McLean was awarded the trophy for overall motorcycle events.

A team of four riders contested the New Guinea Motor Cycle Championships at Madang and returned with all but one of the titles. Most successful rider was Marshal Paul.

Three teams competed in Australian Rallies during the year. New Guinea Motors sent Allen Montgomery and Bill Rudd in a Bellett GT to the Southern Cross 1969 which was also contested by Jan Myers and Anne Rogers in a Colt. P.N.G. Motors provided a Subaru for John Smith and myself for the just-completed Ampol Trial around Australia. The name of the Club, I can assure you, is well and truly on the map in Australia.

With the departure last month to retirement in Australia of our patron Mr. Ian McDonald, we now have two absentee patrons. While not presuming to suggest that either Mr. McDonald or Brigadier Hunter should be excluded from our list of patrons I would suggest that this meeting give consideration to extending an invitation to some locally based person of good repute to join them as patron of the Club. It is highly desirable that the Club have at least one patron in Port Moresby.

This concludes my report. I have enjoyed the last five years of rewarding work for the Club and hope that you have been satisfied with my results. I thank all the committeemen who through the years have helped me build the Club to its present standard.

I hand the Club over to the new President confident that not too many loose ends remain to be tied and look forward to joining my friend Ron Gough and his partners on the other side of the Committee fence.



N. G. CHAY.
23rd July, 1970.

SOUTH PACIFIC MOTOR SPORTS CLUB

REPORT OF THE TREASURER

FOR THE YEAR ENDED

30TH JUNE 1970

Ladies and Gentlemen,

As you can no doubt see from the accompanying Balance Sheet and Accounts, your Club has enjoyed a reasonably prosperous year, the profit overall being \$5,194 The new club house has proved a resounding success, both in providing leaning space for some of our more seasoned imbibers, and in offering a congenial atmosphere for members and their families in which to gather. Thanks to your patronage of the New Club, bar takings have increased by almost \$21,000 to \$73,400. Even taking into consideration that 1969 was an eleven month trading period, this is an extremely satisfactory result.

The profit taken across the Bar was put to good use in bringing our creditors to something closer to normal credit terms than those that existed at the last balance date, and purchasing \$ 14,000 worth of assets, including final payments on the Club House and surrounds.

It was pleasing to find that Subscriptions received of \$ 3,118 adequately covered the cost of competition during the year, despite a disappointing loss of \$2,500 on the Papuan Safari. I trust this year's Safari will be less of a drain on the resources of the Club, and those responsible for conducting this event give considerably more thought to the Club's capacity to conduct a financially self-supporting trial. I would even venture to say the Executive Committee should be consulted, a radical step perhaps in the eyes of the organisers, none the less desirable for you the members, who pay for the Safari.

You are no doubt aware that the Club has on lease an Austin 1800 motor vehicle, the latter title for which it just qualifies. This beast cost the Club \$800 in repairs during the year, undoubtedly a result of somewhat over-vigorous driving by one or two of our members early in its life. I believe on one occasion a budding Juan Manuel extensively re-modified the front suspension on an unwary ditch. However, this workshop proprietor's dream will soon be disposed of, the lease expiring in September of this year. We will undoubtedly incur an additional loss of some \$400 to \$500 when the lease expires by virtue of our guarantee of the residual value of \$800 to the lessor. It can only be hoped that persons responsible for the purchase of future Club vehicles will adhere to an unwritten law of not leasing an non-income producing asset, the obvious source of finance being Hire Purchase.

At this point, I would like to comment on how pleasing it is to note the respect currently being shown, by the members, for the Club's property. I recall a time, not long after the new Club was completed when the Club House suffered from a plague of "flying toads". I trust this pestilence and those akin to it are gone, never to return.

Sundry Debtors of \$205 appear on the accompanying Balance Sheet. For your information this figure represents dishonoured cheques for which funds have not been forthcoming. The number of cheques which are returned unpaid each month is, to say the least, alarming. This Club is not a finance company and I can assure you that should I be elected Treasurer for the forthcoming year, a far more stringent policy will be adopted against persons continually writing cheques on Dunlop paper. I trust nothing too radical is required.

The Net Profit for the year of \$5,194 was arrived at after charging depreciation of \$769 and meeting expenses of approximately \$4,000 relating to the previous financial period. Also incorporated in the Bar Trading results are losses of some \$700 to \$800 through theft. A burglar alarm has been installed in the Club and an insurance policy has been taken out to cover such events, so no further losses through thievery are anticipated.

Perhaps now is the time for considerable thought to be put into the Club's future. Although I can foresee the immediate future for the most part, being very bright financially, we should remember that the land we presently occupy will, on the expiration of our lease, revert to the Administration. I feel the best course is for all future Capital Expenditure to be confined to assets we can "take with us".

Now that the Club has attained a degree of stability in its financial operations, I confidently predict the coming year will be extremely pleasing to all members. The Bar takings will be in the vicinity of \$90,000 with a Gross Profit content of around \$27,000. Net Profit for the year on the aforementioned Gross Profit would, I expect, be approximately \$11,000.

I would like to take this opportunity to thank the Executive Committee who throughout the year, helped to make my job easier, despite the occasional confrontation. Special thanks go to our Bar Manager, Mr. Wilby, whose pleasant and efficient manner has been a major factor in promoting your Club. Finally I would like to thank you the members for, through your seemingly insatiable desire for an ale or two, providing the funds to further the activities of the Club.

B.M. Webster - Treasurer.

BALANCE SHEET AS AT 30TH JUNE, 1970

ACCUMULATED MEMBERS' FUNDS

<u>1969</u>		
8,718	Balance, 1st July 1969	10,917.54
4,790	<u>Less:</u> Write Off - Old Club Buildings	"
370	Write Off - Go-Kart Track	"
"	Write Off - Vehicle Sold 1969	734.00
<u>5,160</u>		10,183.54
3,558		
<u>154</u>	<u>Add:</u> Bank Adjustment	"
3,712		10,183.54
7,206	<u>Add:</u> Net Profit for the Year	5,194.37
<u>\$10,918</u>	<u>Balance, 30th June 1970</u>	<u>\$15,377.91</u>

SOUTH PACIFIC MOTOR SPORTS CLUB

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30TH JUNE 1970

1969 (11 months)			
14,806	Gross Profit from Bar Trading		21,369.43
1,168	Subscriptions Received		3,118.50
168	Interest Received		-
716	Sundry Income		447.83
-	Profit:- Racing Car News		2.56
16,858	<u>Gross Income</u>		24,938.32
(<u>Less:-</u>		
(Loss on Papuan Safari	2,534.25	
1,126)	Loss on General Competition	26.31	
- (Loss on Film Nights	247.84	
15,732	Loss on Catering	263.61	3,072.01
			21,866.31
	<u>Less: Overhead Expenses</u>		
230	Accountancy Fees	325.05	
176	Advertising	815.25	
19	Bank Charges	115.75	
280	Depreciation	769.00	
755	Electricity and Water	1,167.84	
253	Functions	220.80	
-	Ice	338.00	
99	Insurance	215.63	
-	Interest Paid	98.40	
903	Lease of Equipment	884.94	
154	Licence Fees	259.20	
122	Members' Amenities	107.25	
-	Members' Badges	191.88	
-	Motor Vehicle Expenses	789.91	
117	Postages, Printing and Stationery	209.24	
-	Rent Paid	270.00	
247	Repairs and Maintenance	978.70	
-	Sundry Bar Expenses	251.80	
157	Telephone	255.39	
-	Travelling and Entertaining	154.52	
5,014	Wages and Salaries	8,253.39	
8,526			16,671.94
\$7,206	<u>Net Profit for the Year</u>		<u>\$ 5,194.37</u>

SOUTH PACIFIC MOTOR SPORTS CLUB

BAR TRADING ACCOUNT

FOR THE YEAR ENDED 30TH JUNE 1970

1969 (11 months)			
52,647	SALES		73,362.98
	<u>Less: Cost of Sales</u>		
1,007	Stock on Hand, 1st July 1969	1177.34	
38,011	Purchases	52645.75	
39,018		53823.09	
	<u>Less: Stock on Hand,</u>		
1,177	30th June 1970	1829.54	
37,841			51,993.55
\$14,806	<u>Gross Profit, transferred to</u>		<u>\$21,369.43</u>
	<u>Profit and Loss</u>		

SOUTH PACIFIC MOTOR SPORTS CLUB

DEPRECIATION SCHEDULE FOR THE YEAR ENDED 30TH JUNE 1970

	Cost 30.6.69	Depreciation 30.6.69	Rate	Written Down Value 30.6.69	Additions At Cost	Disposals	Date	Depreciation 1970	Written Down Value 30.6.70
<u>Land and Buildings</u>									
Leasehold Land	1,000	-	2½%	1,000					1,000
Club House	6,011	-		6,011	8,716		Sept. 69	314	14,413
Fences	-	-		-	1,598		Mar-June 70	6	1,592
Committee Room	-	-		-	776		March 70	5	771
	7,011			7,011	11,090			325	17,776
<u>Motor Vehicles</u>			22½%						
V.W. 1300 Sedan	1,028	294		734		734	July 68	-	-
	-	-		-	180		March 70	10	170
	1,028	294		734	180	734		10	170
<u>Furniture and Fittings</u>			7½%						
	963	100		863				72	791
					168		Dec. 69	6	162
					132		March 70	2	130
					86		May 70	-	86
	963	100		863	386			80	1,169
<u>Plant and Equipment</u>			15%						
Coolroom					1,235		July 69	185	1,050
Cash Register					998		July 69	150	848
Stove					120		Aug. 69	15	105
Pie Warmer					50		Nov. 69	4	46
Tape Recorder					100		May 70	-	100
Glass Washer					270		June 70	-	270
					2,773			354	2,419