



MOTORSPORT SOUTH AFRICA NPC

Reg. No 1995/005605/08

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REPORT OF THE FINANCIAL DIRECTOR TO THE 24th ANNUAL GENERAL MEETING OF MOTORSPORT SOUTH AFRICA

The members' attention is drawn to the audited annual financial statements of the company for the year ended 31 December 2018 that were circulated to the members prior to the meeting.

Revenue

The gross revenue of the company remained static for the year ended 31 December 2018 at an amount of R9.8 million. Investment income increased 22.6 % to R 1 083 409. Total revenue has therefore increased by 2.5% to R10.9 million.

Licence revenue increased by 5.4% for the year under review.

Expenditure

Overall expenditure increased by 11.6% to a total of R 10.6 million.

Prime drivers of the increased expenditure for the period are:

- Development expenditure of R762 808 - MSA board agreed to re-invest the interest earned on the company's reserves during 2017, on transformation and development initiatives.
- Legal expenses of R413 550 incurred in defending an urgent High Court review application launched by the parent of a karting competitor. The urgent application was dismissed with costs and MSA managed to recover approximately R150 000 of the expenditure incurred, which will reflect in the company's 2019 accounts.

Net Surplus

The net surplus for the year under review amounted to R 302 560 compared to the R 1 138 108 for the year ended 31 December 2017.

Balance sheet items

The company remains in a stable position with the reserves amounting to R9 562 925

ANTHONY TAYLOR
FINANCIAL DIRECTOR

MOTORSPORT SOUTH AFRICA IS THE ONLY RECOGNISED MOTORSPORT FEDERATION IN SOUTH AFRICA



sport & recreation
Department:
Sport and Recreation South Africa
REPUBLIC OF SOUTH AFRICA

Directors: A. Roux (Chairman), A. Scholtz (Chief Executive Officer), A. Taylor (Financial), F. Alibhai, D. Easom, G. Hall, A. Harri, E. Murray, M. Rowe, R. Schilling, Ms M. Spurr, S. Themba, S. Van der Merwe