

THE ROYAL AUTOMOBILE CLUB
MOTOR SPORTS ASSOCIATION LTD

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2009

COMPANY REPORT & 2008 GROUP FINANCIAL STATEMENTS

The Royal Automobile Club
Motor Sports Association Limited





The past twelve months have been perhaps the busiest and most productive of any I have witnessed at the Motor Sports Association. So much has happened that we can look back with great satisfaction at what has been achieved this year.

It has also been a challenging year economically for all of us but, while it is still too early to call the end of the downturn or its impact, there has still been some good news and encouraging signs from unexpected quarters.

Interest in motor sport continues to grow and although much of that may be fuelled by the success of Lewis and Jenson in Formula 1, we must recognise that the associated media attention has positive spin-offs for the rest of the sport. Let's Go Karting venues are reporting great interest and we are seeing an increase in people taking ARKS tests; these young people are being inspired to get involved with our sport as a result of what they are seeing on television and in the press.

Consequently, the importance of maintaining major international events in the UK has never been greater. That is why, when IMS and the Welsh Assembly were involved in a contractual dispute, the MSA took the decision to underwrite the costs of running the 2009 Rally of Great Britain. At the time of writing, it is still unclear whether an agreement can be reached, but the MSA will be able to step in, if required, largely as a result of the financial prudence that we have exercised in recent years.

Silverstone can rarely have looked better than it did earlier this summer when we enjoyed an

excellent British Grand Prix on an unfamiliar June date. Where the event is held next year is up to others to decide, but the MSA will continue to play an active role in ensuring that a British Grand Prix is retained in 2010 and beyond.

At the start of 2009 we forecast a small drop in licence applications and event entries, particularly at the grass roots level and this has proved fairly accurate with falls of between 5% and 10% being seen so far. However, some disciplines are bucking the trend; autotest and rallycross are growing, while the popularity of historic motor sport continues to increase.

Never has it been more important to have a clear strategy for the development of the sport and you will read in this publication about the MSA's new Whole Sport Development Plan. It is a hugely significant milestone for the governing body; it brings us into line with other sports and will be instrumental in assisting our efforts to grow the sport, invest in its infrastructure and identify promising talent.

Part of that strategy continues to be the Go Motorsport project which is playing a major role in attracting new people to the sport. The recent recruitment of eight Regional Development Officers allows the motor sport message to be taken directly to people in their locality. We are confident that the RDOs will build strong relationships with the clubs and associations in their area so that the sport can be a little more co-ordinated in the way it attracts new members.

Likewise, the MSA Academy concept that has been put together by MSA Performance Director Robert Reid finally completes the structure that began with the Rally Elite programme four years ago. The MSA Academy provides a clear pathway for competitors from the age of 8 years old right through to world championship level, providing training and development

while also ensuring that their educational needs are met. It's an ambitious project that has been incredibly well received and you will find more about it within these pages.

The third element of the Whole Sport Plan is the investment we make in the infrastructure of the sport, whether in people or facilities, and despite the current economic situation we must continue to push forward in this area. The MSA enjoys a worldwide reputation for excellence particularly in terms of training and has recently been awarded substantial funding to run a series of international safety seminars in partnership with the FIA Institute.

We have come a long way in twelve months and it is impossible to do justice to any of it in just a few words. We have also made significant progress in other areas such as licensing, public affairs and the increasingly important issue of the environment.

I hope that this publication will provide a fuller picture of the breadth of activity with which the MSA is involved. Perhaps it will also give a greater understanding and appreciation of the significant successes that we are enjoying, although we recognise that we still have a long way to go.

As ever, the MSA could not begin to achieve any of this without the dedication of its staff and the commitment of the thousands of volunteers and officials involved in the sport. I would like to take this opportunity to thank them all for their efforts, without which none of the successes in this publication would be possible.

Colin N Hilton

Chief Executive
Motor Sports Association

CHAIRMAN'S MESSAGE



Looking back, it has been another great twelve months for British motor sport – both domestically and around the world – starting with that most extraordinary final lap in Brazil, which gave us Britain's ninth F1 World Champion, Lewis Hamilton.

Lewis' achievements, followed by Jenson's fabulous season, underline the fundamental importance of having success on the international stage; it creates heroes, role models and aspirations for others to follow. It's no coincidence that we have seen a huge surge in karting interest over the last 18 months.

So, clearly, we can see that the top end of the sport helps to fuel the bottom – and, likewise, the strong grass-roots element of our sport provides a bigger gene pool from which will come our future stars. And that's precisely the reason why the MSA continues to invest heavily at all levels of our sport...for its long-term growth and success.

Of course the main subject for discussion this year has been the challenging economic situation and we have seen that motor sport is certainly not immune from it, at all levels. However, the MSA will not be cutting back on its activities or initiatives, particularly at such a crucial time when the sport needs our resources more than ever.

In fact the opposite is true. We have invested more than £2m back into the sport over the last three years to continue to contribute positively to our sport's health and on-going development – for everyone's benefit.

The MSA has been investing in its Elite talent development programme for the last four years. Now that this has expanded into the MSA Academy, there is even more to be achieved and the new 'Advanced Apprenticeship in Motor Sport' not only trains the most promising 16-18 year olds, but it gives them a solid qualification that recognises the huge amount that they learn in the heat of competitive motor sport.

The Go Motorsport initiative that was started last year continues to drive the sport forwards, providing the first ever general marketing and PR campaign for British motor sport; in fact we understand it's the first of its type in the world of motor sport. The PR and media coverage alone has reached millions of people to date and we have solid plans for developing Go Motorsport in the future.

Similarly, the MSA's Let's Go Karting initiative is having a major impact at grass roots levels with thousands of young children having their first taste of karting at 20 venues across the country, for just a 'fiver'...and that's a really great message to be sending out about the accessibility of our sport.

Never before has the MSA undertaken so much work in the implementation of strategies and whole sport marketing programmes. In my opinion, it is exactly what a pro-active governing body should be doing and positions the MSA rightly at the heart of our sport.

Amid the new projects, however, we will never lose sight of the administrative and regulatory role that we provide to the sport and the MSA continues to make great strides year on year in this respect.

Under the leadership of Colin Hilton and Andrew Coe, the Executive and their staff within the MSA and IMS respectively continue to ensure that the companies are effectively and efficiently run. On behalf of the Board, my thanks go to all of them.

A year ago, I was confident that the MSA would be making further great strides in the coming year. I am delighted to admit that even I have been surprised by the rate of change and development in the past year.

Yes, these are challenging times, but I don't doubt for a moment that British motor sport is incredibly well-equipped and very able to meet those challenges. And no-one should underestimate the commitment of the MSA to continue to lead and invest in our sport, both in the good and the tough times.

Alan J Gow

Chairman
Motor Sports Association



THE MOTOR SPORTS ASSOCIATION

THE MSA IS A NOT-FOR-PROFIT ORGANISATION MADE UP OF MORE THAN 750 MOTOR CLUBS WITH A TOTAL MEMBERSHIP IN EXCESS OF 200,000 PEOPLE



4,000
COMPANIES

38,500
FULL AND PART TIME JOBS

£2.9 billion
ANNUAL ENGINEERING
TURNOVER – 50% EXPORTS

£1.7 billion
ANNUAL TURNOVER
– CREATIVE AND SUPPORT
SERVICES

STRUCTURE

The Motor Sports Association (MSA) is recognised as the sole national motor sport governing body for Great Britain by the Fédération Internationale de l'Automobile (FIA). The MSA is a not-for-profit organisation made up of more than 750 registered motor clubs (with a total membership in excess of 200,000), organised around 15 Regional Associations across the United Kingdom. It is responsible for the governance and administration of all major forms of four-wheel motor sport in Britain.

The regulatory body of UK motor sport is known as the Motor Sports Council (MSC). It is often referred to as the 'Parliament' of motor sport, but is more accurately described as the Sporting Commission. Its members all act in a voluntary capacity and the constitution, written in 1975, dictates how the Council operates. The Council is made up of the chairmen of the MSA's individual committees that represent the interests of the various disciplines of the sport as

well as delegates from the six specialist Advisory Panels – safety, technical, medical, timekeeping, judicial and volunteer officials. The Council is led by the chairman who is joined by the MSA Chairman, MSA Chief Executive, the Chairman of Regional Committee and representatives of the Home Countries.

The Motor Sports Association is the Executive body and decisions taken at Council are passed to the MSA for implementation. The MSA has around 30 employees and operates within the confines of budgetary control by its Board of Directors. The MSA Board consists of a maximum of 15 members. Of these, six are appointed from the Motor Sports Council (including the Chairman), three are appointed by the Royal Automobile Club and three are the senior MSA executives. There are a maximum of three further positions to facilitate the appointment of external Directors.

OBJECTIVES

The primary function of the Motor Sports Association has always been to regulate and administer the sport. This it has been able to do more efficiently and effectively in recent years as a result of the operational changes that have been introduced.

As a result, the MSA now has a secondary objective to lead the development of the sport in this country with substantial finances being committed to a long-term strategy.

The creation of a Whole Sport Development Plan, recognised by DCMS, Sport England and the CCPR, illustrates a fundamental re-alignment of the organisation's goals and targets. It clearly articulates a strategy for the development and growth of the sport along the lines of Grow / Excel / Sustain and brings motor sport in line with other major sports.

INCOME

The Motor Sports Association's income is generated from the issuing of competition licences for participants and permits for events and championships, as well as promotional rights fees for the major MSA British Championships.

The MSA does not receive any direct funding from government nor does it benefit from lottery grants. Unlike many other sports, the revenue generated by the sport's flagship event (the British Grand Prix) does not filter down through the governing body to create a funding stream for grassroots participation projects.

The income generated by the MSA is used to fund all of the essential activities which the governing body is required to deliver on behalf of licence holders, event organisers, volunteer officials, spectators and the wider motor sport community. Thereafter, the level of funds remaining after the provision of these services determines the investment that can be made by the MSA in the future development of the sport.

750
MEMBER CLUBS

2,800
LICENSED OFFICIALS

5,000
LICENSED EVENTS

12,000
REGISTERED
VOLUNTEER MARSHALS

33,000
COMPETITION LICENCE
HOLDERS

155,000
EVENT ENTRIES

200,000
ACTIVE PARTICIPANTS
IN MOTOR SPORT

THE SPORT

Motor sport is an integral component of both the British sporting and business scenes. Every year more than 33,000 MSA competition licence holders contest around 5,000 licensed events staged throughout the country. Thousands more compete in disciplines such as autotests, production car trials and navigational rallies for which an MSA licence is not always required.

There are an estimated 200,000 active participants in UK motor sport, most of whom belong to one of the 750 MSA-accredited motor clubs. The UK boasts in excess of 12,000 active marshals and 2,800 licensed officials currently registered on the MSA database.

British motor sport has long been recognised as one of the best proving grounds for young drivers and more than half of the current Formula 1 drivers have benefited from the experience of competing in British championships.

THE INDUSTRY

The UK is the world-leader in the motor sport industry, with six of the ten Formula 1 teams being based in the UK, as well as major World Rally Championship outfits M-Sport and Prodrive.

There are approximately 4,000 companies involved in the UK motor sport industry and its support activities. The engineering sector has an annual turnover of £2.9 billion, more than half of which is exported. The creative side (PR and sponsorship) is worth an additional £1.7 billion a year. UK motor sport supports 38,500 full and part time jobs (All industry sources: MIA).

A recent economic impact assessment confirmed that a total expenditure of £54m within the UK was directly attributable to the British Grand Prix, while Wales Rally GB has brought in excess of £10m a year to the Welsh economy since 2001.

The Motor Sports Association's primary function is the effective administration of UK motor sport. As a result of the expertise of the MSA staff and the established systems, the MSA is able to:

- Assist clubs and officials in the organisation of motor sport events
- Create a fair and level playing field for all competitors
- Ensure as far as is practicable as safe an environment as possible for all competitors, officials, marshals and spectators

It is these three over-riding principles that guide the day-to-day work of the MSA and its staff. Much of the activity, by its very nature, takes place under the radar and is rarely visible to the majority of competitors or even many of those involved in the running of the sport.

The MSA undertakes a huge amount of work behind the scenes to support and administer the sport. This allows the many thousands of people to get on with enjoying their motor sport, unencumbered by the extensive work undertaken by the MSA staff on their behalf.



LICENSING

Perhaps the most visible element of the MSA to most people is the licensing department. Although there are many motor sport events and disciplines that can be enjoyed without the need for an MSA competition licence, the MSA issues more than 33,000 licences every year. As the majority of applications and renewals are condensed into the early part of the year, this becomes a very stressful and pressurised time in the calendar and customers rightly expect the highest levels of service.

The licensing period 2008/9 saw a seismic shift in the perception of the MSA. Thanks to significant investment in IT infrastructure and additional personnel, the MSA was able to deliver a level of service way in excess of any targets. 99% of licences were despatched much earlier than the advised three week turnaround time, with many licences being with applicants within a few days.

On-line applications are now available for more than 75% of licence renewals and the MSA expects to see the number of electronic applications rise sharply on the 20% achieved last year. The system operated so effectively that it was possible to reduce the anticipated delivery time by at least a week in comparison with the regular postal service. The MSA



continues to provide online tracking of applications and a fast-track process for those people not allowing sufficient time for the normal turn-around of their licence.

ROUTE AUTHORISATION

Through the Royal Automobile Club, the MSA is the only body empowered by the Department for Transport to act as its agent for authorisation of the use of public highways for motor sport in England and Wales. The MSA provides a team of regional route liaison officers who work with clubs, competitors, police authorities and National Parks, on every road event using the public highway to minimise disruption and to ensure adherence to the Road Traffic Act. The MSA undertook 202 Route Authorisations in 2008.

SECRETARIAT

The MSA provides full secretarial and administrative support to the Motor Sports Council, its sporting committees, sub-committees, advisory panels and other groups that represent the various disciplines of the sport. The MSA Executive co-ordinates the meetings, takes and circulates minutes and accompanying information, provides meeting facilities at Colnbrook, progresses decisions of the Motor Sports Council and ensures their implementation throughout the sport.



MARSHALS

Almost 12,000 race and rally marshals are registered with the MSA and the establishment of the marshals' register in recent years has led to significant improvements in communication with this crucial band of volunteers. Marshals are provided annually with free specialist training appropriate to their disciplines, including fire fighting, incident handling, safety management and spectator control, delivered by MSA-accredited Training Instructors. The MSA currently licenses 67 Rescue units, 24 Stage Safety units and 56 Recovery units as well as more than 300 rescue or recovery crew members and almost 100 trainee crew members.

OFFICIALS AND EVENTS

The MSA made more than 1,200 appointments of MSA stewards to attend 4,868 events in 2008. MSA-licensed officials are appointed by the organising club.

JUDICIAL

The National Court considered 47 cases in 2008 and of the 37 appeals received, 11 were upheld. A total of £50,780 was collected in fines, all of which was donated to the Motorsport Safety Fund. The judgements of every case are made available through the MSA website and its quarterly publication, Motorsports Now.



FORESTRY COMMISSION

The vast majority of woodland used by rally events is managed by the Forestry Commission. The MSA has concluded negotiations with Forest Enterprise through its Common Access Agreement to set acceptable charges for the use of this land to run until the end of 2010.

The MSA and the Forestry Commission have signed a memorandum of understanding to work together to minimise the impact of motor sport events on the environment and have this year concluded a full stage rally event – the Greenerways Rally – to assess the potential impact of less aggressively treaded tyres.

RISK MANAGEMENT

Every year the MSA undertakes around 50 venue inspections. Race circuits are inspected at least once every two years and all other venues are inspected on a rolling schedule of once every 3-5 years. There are a total of 118 venues that hold an MSA licence.

The MSA Technical Services team continues to monitor new safety standards for equipment and technology and is always available to provide advice to competitors.



INSURANCE

JLT Sport became the MSA's Insurance Broker at the start of 2008 and extended the existing third party cover to provide £5m of Public Liability insurance for member clubs' social activities, saving MSA Clubs an estimated £100,000 annually. The MSA has also increased the Personal Accident cover for MSA Officials, providing enhanced benefits to those already in place. JLT Sport has created a bespoke website to assist clubs with their insurance requirements and to provide further information on policy cover.

BLUE BOOK

The regulations for UK motor sport are all contained within the MSA's 'Blue Book' and its production every year is a hugely demanding task. The 2010 Blue Book will be substantially overhauled and renumbered to make referencing easier. The entire contents of the Blue Book are now made available on CD-Rom and the MSA website every year, making it more convenient when searching the regulations.

CHILD PROTECTION

There are many adults in motor sport who are in regular and close contact with young people under 18 years of age. The MSA takes its duty of care to these youngsters extremely seriously and works very closely with the authorities to ensure their continued safety.



All adults who are responsible for the well-being of young people in motor sport are subject to a standard police CRB check to ensure their suitability for working with children.

GAMBLING

The MSA is supportive of the government's initiative to introduce legislation regarding gambling in sport. This requires governing bodies to alert the authorities to any suspicious activity and the authorities in return will bring to the governing bodies' attention any irregular betting patterns for further investigation.

DRUGS

The MSA has signed up to UK Sport's anti-doping legislation and international motor sport comes under the jurisdiction of the World Anti Doping Agency (WADA). Every applicant for an MSA licence acknowledges that they agree to be bound by the WADA legislation; it is the responsibility of competitors to familiarise themselves with the implications of these regulations, which could preclude the use of many over-the-counter medicines.

BORDER CONTROL

The MSA acts as an agent for the UK Border Agency, vetting applications from non-EU citizens for work permits with motor sport teams and employers in Britain.



MEDIATION

With the increasingly difficult issue of noise pollution faced by many venues around the country, the MSA has been involved in a number of mediation projects with local councils to find a compromise solution that preserves the sport while recognising the concerns of local residents and authorities.

HISTORIC TECHNICAL PASSPORTS

With the growth in popularity of historic motor sport, the requirement to authenticate each vehicle has never been greater. The MSA provided HTPs for 683 vehicles last year, each of which involves a thorough and detailed inspection. A total of 4,800 HTPs have been issued to date.

LARA

The Motor Sports Association is a founding and major funding partner of the Land Access and Recreation Association, a national forum for the principal groups in countryside motor sport and recreation. For over two decades LARA has assisted its members in a wide range of land access issues, acted as a unified voice to national and local government, and generally flown the flag for responsible motor sport and recreation in these increasingly restrictive times.



In the last five years, the Motor Sports Association has expanded its remit beyond its traditional administrative and regulatory activity, introducing to the company's mission statement the additional objective of promoting the development of the sport.

It is a role that sits comfortably with the governing body; it should occupy a central position at the heart of the sport, not only regulating British motor sport but also investing in its future and ensuring that it continues to grow and prosper.

In recent years the MSA has invested substantial levels of funding into a number of projects within the sport and this grew to just over £1m in 2007. That the MSA is in a position to be able to make this level of investment is testament to the sound financial management exercised in recent years and reflects a growing confidence that the MSA is now in a better position to weather whatever storm may potentially appear on the horizon in the future.

As described elsewhere, however, the MSA's revenue is largely drawn from within the sport, so the governing body is always mindful of where and how it spends that money to achieve the maximum possible results.

In this respect, the MSA took the opportunity to examine closely all the activity being undertaken within the various development projects to confirm that objectives were being met and value for money was being achieved.

The output of this exercise was the MSA's first Whole Sport Development Plan.

The Whole Sport Plan brings together all of the existing activity, as well as some new initiatives, to ensure that the sport as a whole is being developed in the right way.

The MSA's Whole Sport Plan follows the established Sport England framework of "Grow / Excel / Sustain".

GROW SETS OUT TO GET MORE PEOPLE INVOLVED IN THE SPORT, AT WHATEVER LEVEL.

EXCEL IS CONCERNED WITH IDENTIFYING THE MOST PROMISING YOUNG TALENT AND GIVING IT THE BEST POSSIBLE CHANCE OF TOP LEVEL SUCCESS. THE MSA HAS ALSO ADDED TO THIS OBJECTIVE THE IMPORTANCE OF EDUCATION FOR THE 2,000 OR SO UK MOTOR SPORT COMPETITORS THAT ARE AGED 16 AND UNDER.

SUSTAIN FOCUSES ON THE SPORT ITSELF AND THE FUNDING, TRAINING AND EXPENDITURE REQUIRED TO LOOK AFTER THE INFRASTRUCTURE OF THE SPORT, WHETHER THROUGH CLUBS, OFFICIALS OR MARSHALS.

The significance of the Whole Sport Plan is really two-fold.

Internally, within the sport, it has brought all MSA activity together under one clearly understood framework. This ensures that everything is being implemented correctly and achieving better results. The element of accountability makes clear areas of responsibility and makes sure that everyone is working effectively together.

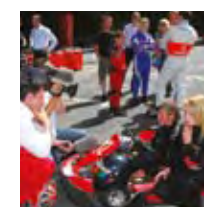
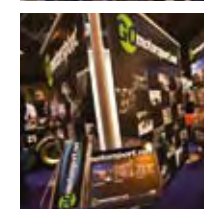
Externally, the Whole Sport Plan brings motor sport into line with many other major sports.

The MSA has recognised that motor sport is no different to many other sports and that if progress and recognition is to be sought within Westminster and elsewhere, a change in approach is needed.

The Whole Sport Plan is the first indication that motor sport is moving up to become a serious player within the UK sporting scene.

The following three pages provide more detail on each of the three elements of the MSA's Whole Sport Plan.

ONE OF THE BIGGEST CHALLENGES FACING ANY SPORT IS THE RECRUITMENT OF NEW PARTICIPANTS. THE MSA IS COMMITTED TO BREAKING DOWN BARRIERS TO ENTRY AND ATTRACTING NEW PARTICIPANTS TO THE SPORT



Motor sport has two fundamental obstacles that make the recruitment of new audiences even more challenging.

There is a widespread myth that a lot of money is required to take part in motor sport; yet the truth is that among the 22 different disciplines, there are many that can be enjoyed very cheaply and cost-effectively.

The second problem facing motor sport is that people tend to be introduced to it by a parent or family member who is already involved. But if you have been enthused by watching Lewis and Jenson, or gained an interest in cars from Top Gear, many people have no idea where to turn to try to find out a bit more about one of the most exciting sports available.

GO MOTORSPORT

In June 2008, the MSA launched Go Motorsport. It was an impressive event at the McLaren Technology Centre, attended by Lewis Hamilton, Ron Dennis OBE, Damon Hill OBE, Jason Plato, Robert Reid, Steve Rider and the UK motor sport press. It was the announcement of the first attempt to promote UK motor sport as a whole.

Go Motorsport has picked up the challenge of making the public more aware of the sport, what it can offer and how to go about getting involved, whether as a spectator, competitor or volunteer.

The response has been overwhelming, with many of the leading names in the sport agreeing to become Ambassadors and lending their support to the campaign – not just with words but with real efforts and actions.

The website – GoMotorsport.net – attracts nearly 5,000 unique visits every month, of which 85% are first time visitors. Within the website sits all the information anyone could ever want to know about the types of motor sport available, where you can do them and how much it might cost. It also dispels a number of myths and demonstrates just how accessible the sport is.

This year, the campaign has made significant progress with the appointment of eight Regional Development Officers to cover the UK. Each RDO has been fully trained and briefed to take the motor sport message directly to schools and colleges and other places where young people might be interested to hear about what they could be doing in motor sport. The RDOs have been working with the local clubs and associations, as well as venues and events to further promote the activity in their area.

The MSA has produced a range of material to support Go Motorsport, including flyers, stickers, pencils and leaflets. A dedicated DVD has been produced for the schools' audience, illustrating the range of options open to competitors under 17 years of age.

Thanks to the generous support of AT&T Williams F1 Team and their sponsor RBS, each RDO has been equipped with a selection of components from a modern day F1 car to take into schools to demonstrate the cutting edge technology at the top of the sport.

RBS were also kind enough to provide a number of F1 Paddock Passes which enabled 30 marshals to receive an exclusive VIP tour of the team's garage and motorhome before the British Grand Prix at Silverstone.

Go Motorsport has attended many shows and events to spread the message, including Autosport International, the British Grand Prix, Goodwood Festival of Speed and Wales Rally GB, as well as the finals of the Greenpower and F1 in Schools competitions.

LET'S GO KARTING

Also launched in 2008, the MSA's Let's Go Karting programme offers young people the chance to have their first experience of karting for just £5 at one of 20 venues around the UK.

As well as providing a structured, safe and regulated introduction to the sport, Let's Go Karting clearly demonstrates the inclusive nature of motor sport by allowing children to give it a try before having to invest in any of the equipment. All the necessary clothing is provided and full instruction given before anyone takes to the track. For those that enjoy it, they can come back again.

The uptake of the scheme has been extremely encouraging; almost 7,000 experiences will have been delivered across the country by the end of 2009.

It has also proved a popular local interest story for the media and this has attracted the support of the Sports Minister and local MPs at some of the participating venues.

Both Go Motorsport and Let's Go Karting have enjoyed excellent media coverage in both national and local newspapers as well as on TV and radio, reaching a cumulative audience in excess of 20 million people with the message that motor sport is fun, inclusive and needn't cost a fortune.

THE MSA RECOGNISED THE IMPORTANCE OF UK COMPETITORS ACHIEVING SUCCESS ON THE INTERNATIONAL STAGE. THE MSA ACADEMY HAS CREATED A FORWARD-THINKING STRUCTURE THAT WILL SHAPE THE DEVELOPMENT OF THE SPORT'S MOST TALENTED INDIVIDUALS

The UK has traditionally been blessed with an array of motor sport talent. The exploits of Burns and McRae, Mansell and Hill inspired a whole generation to become motor sport fans.

In an increasingly competitive world, however, as the journey to the top of the sport gets ever more difficult, the MSA resolved to support the UK's up and coming stars and give them the best possible chance of making it at the highest level.

Under the guidance of MSA Performance Director and 2001 WRC champion co-driver Robert Reid, the MSA has created the MSA Academy – a new structure for the MSA's investment in the training and development of young drivers.

The MSA Academy creates a development pathway that will take competitors from the entry level at just eight years of age, through to Elite and post-Elite levels, with a view to the most promising emerging onto the world stage.

Yet, as well as creating champions, the MSA Academy will also educate their peers and provide safety nets at every level for those that ultimately don't make the grade as professional competitors.

With some 2,000 licence holders under 16 years of age in the UK, the MSA takes its responsibilities to these children and their education extremely seriously. The Academy will ensure that young competitors are supported and encouraged in their mainstream studies.

At 14, the UK system provides the opportunity for students to take a Young Apprenticeship in Sport – a generic sports-based qualification that counts as the equivalent of up to four GCSEs – that gives a broad understanding of the world of sport and leisure.

From 16, the Advanced Apprenticeship in Sporting Excellence (AASE) now sits underneath the current Elite programmes. Aimed at potentially elite athletes, AASE is predominantly a human performance course that will develop the students as competitors, but at the same time will recognise the range of skills they are learning by awarding them transferrable qualifications.

AASE is fully funded by the UK government and is already active across a number of sports including football, rugby, tennis, golf, athletics and swimming with notable success.

As competitors move towards the top of the Academy, they pass into the existing Elite schemes which are designed to prepare them for and lead them into careers as professional drivers. The Elite course content is focused on equipping the athletes with the all-round skills needed at the highest levels of the sport and has this year been enhanced by the addition of FIA funding for young driver safety awareness.

From Elite, the best candidates will now graduate into the post-Elite phase. While perhaps not yet ready to win world championships at this stage, these drivers and co-drivers will be moving onto or towards the international scene.

For those electing not to pursue a professional career as a driver or co-driver, a Foundation Degree provides an opportunity to secure qualifications in Further Education and could lead to management, coaching or other support role in the future.

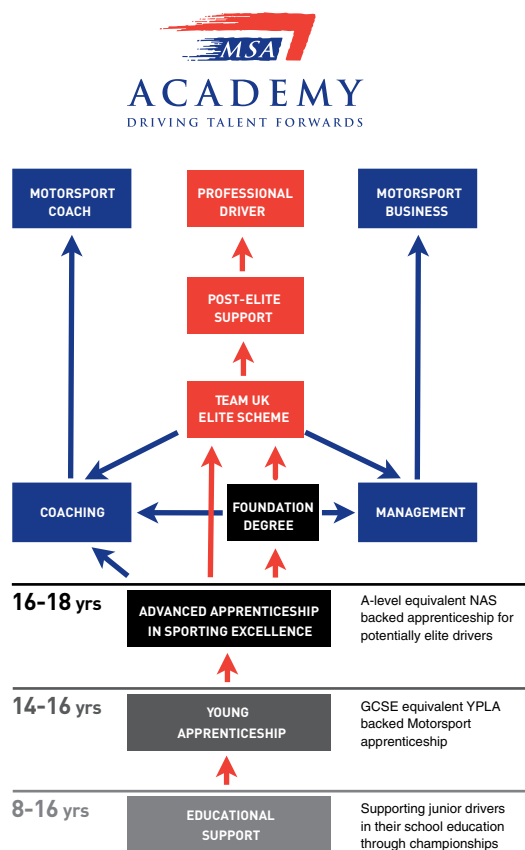
At Elite level, the MSA has looked carefully at the examples of other sports and has recognised the need to identify the best British talent as a team of individuals under a collective banner. Consequently, members of the

MSA Academy at Elite and post-Elite levels will become known as TEAM UK and will carry this designation to identify them as the best emerging talent in British motor sport.

The final element of the MSA Academy will be the creation of a recognised coaching structure within UK motor sport, but this is not anticipated to come online before 2010.

In forming the Academy, the Motor Sports Association has created a forward-thinking structure that will shape the future development of the sport's most talented individuals.

It provides a real opportunity to set the standards in terms of competitor development and will help to ensure that the UK continues to be well represented at the highest level of world motor sport in the future.



THE MOTOR SPORTS ASSOCIATION INVESTS SIGNIFICANT SUMS EACH YEAR IN THE SUPPORT OF THE IMPORTANT INFRASTRUCTURE OF UK MOTOR SPORT

TRAINING

The Motor Sports Association has long recognised the vital role that training of volunteers and officials plays in the safety management of motor sport and in the last ten years significant developments have taken place in this field.

Licensed Officials are required to attend regular training seminars run specifically for them by an experienced team of senior MSA Licensed Officials. Training programmes for an increasing range of officials have become evidentially based and capable of being accredited to national education standards.

A series of nationwide seminars is regularly delivered to representatives of MSA-recognised motor clubs, covering event organisation, club administration and regulatory elements.

In a typical year, the MSA runs around 160 seminars and training days for volunteer officials, either directly or through its network of Training Instructors, attracting in excess of 5,000 participants (all at no cost to the individual).

The recent introduction of a Cadet Marshal's grade, with appropriate safeguards in so far as supervision and range of duties performed is concerned, is proving popular with this age group, with 167 having registered in the first few months of the scheme. The cadets are currently undertaking a mix of formal and on-the-job training to develop their interest, and build skills and experience, in this important area of the sport.

Because of their high level of training and skill, the MSA's registered marshals, numbering over 12,000 in total, are always in high demand not just in the UK but across the world, and a 'passport' system allows MSA-registered marshals the authority to marshal at events outside of their territory, subject to certain conditions.



FUNDING

British Motor Sports Training Trust

The BMSTT – the MSA's own registered charity – made grants totalling £70,754 during 2008 to support training projects, including marshals' training days, Advanced Trauma Life Support and medical training days for doctors and paramedics.

MSA Club Development Fund

During 2008, the MSA Club Development Fund received 60 applications from MSA Clubs to assist with the purchase of safety related equipment (for example radios and fire extinguishers) and venue improvement projects totalling £81,159. This has enabled projects with a total value of £281,238 to be undertaken to benefit the sport. Over the last 14 years since the Fund started, the MSA has provided grant aid of £636,983 to assist projects worth a total of £2,990,390 to the sport.

MSA Rescue Development Fund

Run as part of the Club Development Fund, the Rescue Development Fund enables enhanced funding for the replacement and renewal of MSA specifications, and even to assist the purchase of new or replacement rescue units. In 2008, the MSA made awards of £51,830, making its contribution total £99,582 since the scheme was started in 2007 – which has enabled rescue and recovery unit related projects with a total value of £278,198 to be funded during that time.

Motorsport Safety Fund

The MSA works closely with the Motorsport Safety Fund, a UK registered charity, in the development of a range of booklets, DVDs and other training resources, including First Aid, Rescue, Recovery and Safety guidelines, a number of which have been adopted by the FIA Institute for Motor Sport Safety and translated into other languages across the world.

Grants for defibrillators

For 2009, MSA Regulations made it mandatory for MSA Licensed Rescue Units to have a 3-lead AED – a defibrillator with a monitoring facility. A number of rescue unit operators had previously bought defibrillators (even though they were not an MSA requirement at the time) which may not have met the new MSA minimum specification. The Rescue Development Fund therefore made a commitment to grant aid the purchase of new defibrillators for MSA Licensed Rescue Units in the sum of £750 each. With around 60 operational rescue units, this is a significant amount of grant aid on offer of around £45,000.

Applying for grant aid

Both the Club Development Fund and Rescue Development Fund are partnership schemes and – dependent on the nature of the application – grant aid can be provided in appropriate cases for either a percentage award or a fixed grant award. Application forms can be downloaded from the MSA website and the MSA staff are available to provide advice on the effectiveness of any application.

PUBLIC AFFAIRS HAS BECOME AN INCREASINGLY NECESSARY AND INTEGRATED PART OF EXTERNAL RELATIONS ACTIVITY

In 2008 the Motor Sports Association undertook a review of its political and regulatory activities which led to the appointment of Bell Pottinger Public Affairs as retained public affairs advisors. The re-assessment and substantial expansion of the MSA's public affairs activity comes at a crucial time for motor sport and recognises the need to place extra resource into engaging with political audiences in the run up to the UK general election.

The decision to review and expand the MSA's political activities reflects the belief that the MSA must not simply occupy an administrative and regulatory role, but must also be a driving force in UK motor sport as a whole. The brief to Bell Pottinger is to ensure motor sport is increasingly highlighted as both an important part of British culture and a key contributor to the wider economy.

There are also a number of specific policy concerns to be addressed and political audiences need to be encouraged to make these changes. In the last year issues raised with government have included the future of the British Grand Prix; a proposed amendment to the Road Traffic Act allowing public highways to be used for motor sport events; the establishment of a new Charitable Foundation to grow the sport; and submissions to the House of Commons Select Committee on the high-performance engineering and motor sport sectors.

The MSA's political programme brings together activity to date and puts in place a strategy to ensure that during the course of the next parliamentary term, the MSA has the most effective possible relationships with political stakeholders; especially amongst the three major political parties across Westminster and the devolved governments in Cardiff, Holyrood and Stormont.

One of the team's key successes this year has been to build a strong political coalition both in Parliament and the Welsh Assembly to speak out against the decision by the Welsh Assembly Government to withdraw from its contractual arrangements to sponsor Rally GB. The decision by the Welsh Assembly drew condemnation from across the political spectrum.

Other activities have included the formation of an informal steering group of MPs in Parliament with a keen interest in motor sport and a programme of local engagement which has brought selected MPs to Let's Go Karting events at participating venues.

For the first time, the MSA will also undertake a party conference programme with fringe meetings being held at both the Labour Party Conference in Brighton and the Conservative Party Conference in Manchester.

There is little doubt that the increased demands on the MSA from government, consumers, NGOs and the media have transformed the corporate communications function. Public Affairs has become an increasingly necessary and integrated part of external relations activity and the MSA is now well placed to meet those demands.

The MSA has also formed the Motorsport Alliance, in association with the ACU and the MIA. The Alliance will represent the interests of the entire motor sport community to government on issues where a single voice is required.

The MSA regularly invites key members of Parliament to its showpiece events to discuss major issues affecting the sport and liaises with many bodies including the CCPR, Sport England, DfT, BIS and DCMS.



THE STRENGTH OF THE UK'S DOMESTIC MOTOR SPORT SCENE HAS LONG BEEN HELD IN GREAT ESTEEM AROUND THE WORLD AND FROM THIS STRONG BASE THE UK HAS TRADITIONALLY ENJOYED WIDESPREAD SUCCESS ON THE INTERNATIONAL STAGE.

Lewis Hamilton's arrival in Formula 1 had already galvanised a whole new generation of motor sport fans, but when he became the youngest ever Formula 1 World Champion after that frantic final lap at Interlagos last November, the country and the media were swept off their feet by the excitement and drama of motor sport.

Lewis became the ninth UK driver to claim the title and Jenson Button's extraordinary start to the 2009 season have given the Somerset man every chance of becoming the tenth. For a British driver with a largely independent British team to win six of the seven races was more great news for the media and has further cemented the position of motor sport within the psyche of the British public.

But it is by no means just Jenson and Lewis flying the flag for Britain around the world.

Having taken his second win at last year's Le Mans 24hrs, Allan McNish claimed victory at Sebring this year, while his Le Mans crown was taken in 2009 by MSA Race Elite Director David Brabham in the all-conquering Peugeot.

Dario Franchitti continues to win races stateside in IRL, while Paul Di Resta and Gary Paffett are regulars on the winner's rostrum in DTM. Despite taking the title three years in a row, Andy Priaulx is still as sharp as ever in World Touring Cars and Rob Huff has also made it to the top step of the podium in that competitive series.

On the rally front, Kris Meeke's stunning performances in the Intercontinental Rally Challenge have put the Peugeot driver on target to claim the 2009 championship, while Matthew Wilson – still only 22 years old – continues to work his way up the WRC rankings.

The UK has always been extremely well represented in international karting and the current generation is no exception, with a number of Winter Cup, European Championship and World Cup successes to their credit, led by Gavin Bennett – CIK European Superkart Champion – and Jordan Chamberlain – CIK European KF2 Champion.

UK teams also continue to set the pace around the world. No fewer than six of the current Formula 1 teams are based in the UK, including reigning champions

McLaren and 2009 title favourites Brawn GP. In rallying, M-Sport's Ford World Rally outfit which took the Manufacturers' title in 2007, is well placed under the guidance of Malcolm Wilson OBE to go one better in 2009. Meanwhile David Richards CBE has led Aston Martin Racing to the 2009 Le Mans Series Championship.

The MSA would like to thank many of Britain's top motor sports stars and dignitaries that have been so supportive of the MSA's projects to develop the sport.

And with the latest generation of talent benefiting from the excellent training afforded by the MSA's Elite schemes, the UK should be assured of continued success on the world stage.

The UK's showpiece events have once again demonstrated the quality of the organisational teams and volunteers in this country. The British Grand Prix took place a month earlier than normal this year, yet Silverstone has never looked better and, while there was not a home winner for the record crowds to cheer, the event provided everything that is expected of a world class occasion.

The 2008 Wales Rally GB was also a great success and there is no doubt that the UK round of the WRC will once again run to the highest organisational standards in 2009.

Meanwhile, the MSA and the rest of British motor sport are eagerly anticipating the inaugural running of the RACMSA Rally of Scotland – the final round of the Intercontinental Rally Challenge – and hoping that Kris Meeke will secure the championship in front of a huge home crowd in November.

Britain has always had a world-leading off-track reputation within the motor sport community and continues to be well represented at the highest levels of the sport. Graham Stoker, Chairman of the MSA Council, represents the UK on the FIA World Motor Sport Council and no fewer than thirteen UK representatives feature on the various sporting commissions of the FIA.

Reflecting the high regard in which the MSA and British motor sport is held around the world, the MSA is always pleased to host delegations from other ASNs and impart some of the long-standing knowledge and experience to international colleagues to help raise standards worldwide.



THE MSA BELIEVES THAT MOTOR SPORT CAN, AND HAS THE RESPONSIBILITY TO, DO EVERYTHING POSSIBLE TO MINIMISE THE IMPACT OF THE SPORT ON THE WIDER ENVIRONMENT.

The Motor Sports Association has demonstrated over many years its commitment and willingness to minimise the impact that motor sport can have on the environment. Twelve months ago, the MSA appointed the hugely experienced John Symes to the role of Technical Director with specific responsibility to formulate a pro-active strategy to address the environmental issue.

Since introducing regulations to stipulate maximum noise levels more than 30 years ago, the range of vehicles subject to such noise limits has been steadily increasing. With the regulations now due for further review, the MSA is leading a project to provide more robust data about the noise levels of specific categories of vehicles.

Most categories already have a maximum static test level applied to them, but in an attempt to discover what is actually happening out on the track, the MSA has installed equipment at various locations around a number of venues to capture the 'drive-by' noise levels of competing cars.

The data is being collected on an on-going basis to enable comparison of the noise impact made by different categories. This will assist the MSA in determining whether additional classes should have a limit imposed, what those limits should be or whether existing limits are adequate at the current levels.

The MSA has also taken pro-active steps in maintaining a strong environmentally-responsible position for UK motor sport.

From this year, production vehicle classes participating in most MSA-authorized motor sport, if manufactured post 1999 are required to be equipped with catalytic converters. This brings competitive motor sport into line with general road-going vehicles which for many years have been fitted with mandatory catalytic converters.

The British Touring Car Championship has for many years required all cars to be fitted with catalytic converters and in 2009 became the first series in the world to set mandatory emissions levels for all its vehicles. In order to do so, the BTCC had to develop a specific test procedure to enable meaningful comparison of the drive cycle of a race car with that of a production vehicle and other ASNs and championships are now considering following their lead.

The MSA's regulations allow, within a controlled situation, the use of alternative fuels to gasoline, subject to the necessary controls in the interests of both safety and maintaining parity of vehicle performance. The regulations for Sprint and Hillclimb events have long given the possibility of electric powered vehicles to compete and this is a possibility that is being extended to other disciplines of MSA-authorized activity.

The MSA continues to give consideration to both tyre usage and tyre design in competition. Overly aggressive tread patterns quickly tear up loose surfaces and can have a direct impact not only on the environment but also on the costs of repairing the damage caused.

Restrictions have already been imposed on the tyres used in some Cross Country events and the significant impact that this has had has stimulated further research into the tyres permitted for use on forest stages.

As a result, the MSA has been involved in a test event run by the British Rally Championship and Pirelli to evaluate the damage caused to gravel roads by a more rounded shoulder, less aggressive tread pattern and slightly harder compound tyre.

While motor sport's contribution to the worldwide environmental debate is negligible, the MSA believes that motor sport can, and has the responsibility to, do everything possible to minimise the adverse impact of this sport on the wider environment. In meeting its environmental responsibilities, the MSA will continue to impose regulations that ensure the impact of the sport is reduced and the opportunity is provided for environmentally friendly technologies to be developed.



International Motor Sports Limited, the commercial subsidiary of the Motor Sports Association, has experienced a busy and successful twelve months. The company produced a healthy profit contribution of over £150,000 to the MSA Group for 2008 from its event management activities; this was achieved despite the onset of the world economic downturn.

Specific highlights included an extremely successful 2008 Wales Rally GB on which Frenchman Sebastien Loeb claimed his first ever win on the UK event to complete a record-breaking year that secured his fifth successive WRC title. Spectator numbers for this iconic rally – now the oldest continually-run event within the World Rally Championship – increased for the fifth successive year.

More than 25,000 spectators enjoyed the hugely entertaining indoor special stage and entertainment within the Cardiff Millennium Stadium and the rally re-introduced some of Wales' most challenging and famous forest stages around Sweet Lamb and Hafren.

Designed to thrill the more hardy spectators, these stages provided an especially tough challenge for the organising team after overnight

frosts left six inches of ice on many roads. Needless to say, the experienced team of officials and volunteers behind the event rose to the challenge and delivered another huge success and fitting finale to the 2008 World Rally Championship.

The classic car events managed by IMS also proved to be successful affairs with the 2008 MSA Norwich Union Classic attracting over 900 entrants. As entries close for the forthcoming 2009 MSA Aviva Classic, this year's event promises to be equally successful.

IMS is delighted to have brought a new major championship event to the UK in 2009. The inaugural RACMSA Rally of Scotland will take place in November 2009 and will form the final round of the Eurosport-backed Intercontinental Rally Challenge. With financial support from the Scottish Government, and backing from the Perth and Kinross and Stirling councils until 2011, this new major rally event promises to return Scotland to the world motor sport stage where it undoubtedly belongs.

The 2009 FIA Formula 1 Santander British Grand Prix (for which IMS acts as the sporting organiser) was a particular highlight with record crowds of 300,000 attending

Silverstone in anticipation of a home win for either Jenson Button or Lewis Hamilton. Whilst Red Bull driver Sebastian Vettel eventually took the honours the race was enjoyed by all, with the circuit preparation, officials and marshals (who are drawn from all corners of the UK's motor club network) receiving praise from many quarters.

IMS works successfully with a number of high profile sponsors, but was surprised in February 2009 when its title sponsor for the Rally of Great Britain, the Welsh Assembly Government, announced that it was unilaterally terminating its commercial agreement with IMS. At the time of writing, IMS remains hopeful of finding a solution to the current impasse, but should this not prove possible, the company will pursue a vigorous legal challenge against WAG and, based on extensive legal advice, IMS would anticipate a positive outcome to this matter. Nonetheless, the decision of the MSA Board to underwrite the costs of the 2009 rally, has secured the event's position on the WRC calendar and means that planning for the future of the Rally of Great Britain is well underway.

The Board of IMS hopes to continue to be able to provide a healthy financial contribution to the work of the MSA in the future.



THE MSA COUNCIL

The MSA Council is the custodian of the sporting power for the United Kingdom and is recognised as the "Sporting Commission" under the FIA statutes. The Council's responsibilities include the governance of UK motor sport, the improvement of safety, the regulation of motor sport by enforcing FIA regulations and drawing up National Rules of Competition, judicial matters and dispute resolution, the development of motor sport, liaison with the FIA and the approval of British Championships.

The Council is made up of the Chairmen of the MSA's specialist committees that represent the interests of the various disciplines of the sport as well as delegates from the six specialist Advisory Panels – safety, technical, medical, timekeeping, judicial and volunteer officials.

As well as the MSA Chairman and MSA Chief Executive, the Chairman of the Regional Committee sits on the Council, as do representatives from the Home Countries and a small number of appointed members.

The Council is led by the Chairman, currently Graham Stoker, who is also a member of the FIA World Motor Sport Council. Many members of the MSC are themselves FIA Stewards or sit on FIA Commissions.

A number of specialist working groups and forums have been established by the Council to consider topics of particular importance:

- **Women in Motorsport is not only designed to ensure that the female perspective is retained front of mind when forming policy, but also represents the interest of the great number of females involved with the sport, whether in active competition, administration or marshalling.**
- **The role of the Next Generation forum is to consider how to attract more young people to the sport.**
- **As a result of the work of the Environmental working group, each specialist committee has been asked to consider regulations that will assist the sport in minimising its impact on the world around it.**

MOTOR SPORTS COUNCIL DINNER, MARCH 2009

Royalty, Hollywood, politics and Formula 1 came together in a star-studded line-up of attendees at the Motor Sports Council annual dinner at the Royal Automobile Club, Pall Mall in March.

At the invitation of Council Chairman Graham Stoker, former Ferrari F1 Team Principal Jean Todt was guest of honour and the guests were delighted that Mr Todt was accompanied by Michelle Yeoh. Not only a hugely successful Hollywood actress and without doubt the first 'Bond Girl' to attend the Motor Sports Council dinner, Ms Yeoh outlined the work that she has undertaken as Global Ambassador to the FIA 'Make Roads Safe' campaign.

Overseen by their President, HRH Prince Michael of Kent GCVO, the Council members were also pleased to welcome Alan Donnelly, the FIA President's representative at Formula 1 races, the Rt Hon

Gerry Sutcliffe MP, Minister for Sport and Tourism, and the Rt Hon Richard Caborn MP, former Minister for Sport and now the Prime Minister's Ambassador for the 2018 World Cup bid.

THE PRINCE MICHAEL AWARD OF MERIT

The Council is responsible for bestowing this prestigious personal award made in recognition of outstanding meritorious service to British motor sport. In 2009, the award was made to Stuart Turner, in recognition of nearly 60 years of distinguished service to motor sport as competitor, competitions manager, award-winning public speaker, author and volunteer. He received the award from HRH Prince Michael himself, during the annual Motor Sports Council dinner at the Royal Automobile Club.



MOTOR SPORTS ASSOCIATION COUNCIL MEMBERS at 1st January 2009

Mike Broad	Appointed member	Andrew Kellitt	Rallies	Dr Phil Rayner	Medical
Henry Campbell	Appointed member, Northern Ireland	Robin Knight	Race	Tony Scott-Andrews	Judicial
Dennis Carter	Appointed member	Paul Loveridge	Appointed member, Wales	Mike Sones	Autotest
Eric Cowcill	Timekeeping	Bruce Lyle	Appointed member, Scotland	Graham Stoker	Chairman
Simon Durling	Speed Events	Nicky Moffitt	Regional	Rod Taylor	Kart Sporting
Alan Gow	MSA Chairman	Rod Parkin	Historic	Chris Tomley	Cross Country
Roger Hill	Safety	David Pierre	Volunteer Officials	Stuart Turner	Appointed member
Colin Hilton	MSA Chief Executive	Nick Pollitt	Trials	John Wood	Technical

LICENCE AND EVENT STATISTICS

LICENCE FIGURES BY DISCIPLINE 2004-2008

	2004	2005	2006	2007	2008
Race					
International	1,481	1,541	1,546	1,552	1,587
National A	3,191	3,317	3,405	3,527	3,679
National B	4,304	4,386	4,389	4,388	4,571
International Historic	434	427	438	422	447
Truck	27	25	30	31	29
Total Race	9,437	9,696	9,808	9,920	10,313
Kart					
International	174	190	212	217	246
National A	3,151	3,089	2,936	2,749	2,474
National B	2,094	2,002	2,024	1,724	2,106
Total Kart	5,419	5,281	5,172	4,690	4,826
Rally					
International	663	579	522	506	475
National A	2,499	2,436	2,418	2,333	2,331
National B	5,333	5,230	5,044	4,719	4,647
Navigator	1,543	1,609	1,696	1,541	1,519
International Historic	33	27	26	20	21
Total rally	10,071	9,881	9,706	9,119	8,993
Speed					
International	36	34	37	37	36
National A	1,836	1,855	1,801	1,743	1,679
Total speed	1,872	1,889	1,838	1,780	1,715
Off-Road	76	95	111	105	121
Non-Race Nat B	5,785	5,764	5,814	5,704	5,995
Clubman	1,365	1,308	1,162	1,105	1,058
Entrant	193	198	212	180	236
Total Licences	34,218	34,113	33,823	32,603	33,257
Total Holders	32,889	33,410	32,312	31,118	31,421

NUMBER OF EVENTS BY DISCIPLINE

	2000	2001	2002	2003	2004	2005	2006	2007	2008
Autotest	501	351	524	525	500	527	529	561	608
Auto/Rallycross	58	39	54	61	56	48	58	54	44
Cross Country	990	492	1016	1090	1175	1211	1267	1263	1220
Race	316	332	333	330	326	321	308	302	310
Rallies	1033	543	1016	1044	1021	991	984	982	922
Speed	323	282	350	351	340	347	338	329	337
Trials	198	91	189	200	206	211	219	204	243
Kart	475	454	473	505	489	466	497	460	456
Exempt	849	557	915	862	898	916	793	778	728
TOTAL EVENTS	4743	3141	4870	4968	5011	5038	4993	4933	4868
TOTAL ENTRIES	153358	128220	157276	162051	159383	158815	153533	153808	155729

LICENCE FIGURES 1997-2008

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Licences	31,468	31,915	31,840	32,173	31,770	34,079	34,112	34,211	34,113	33,823	32,603	33,257
Licence Holders	30,500	31,133	30,854	31,134	30,819	32,888	32,814	32,889	33,410	32,312	31,118	31,421



INCOME AND OPERATING RESULTS BY PRINCIPAL ACTIVITY

For the year ending 31 December 2008

	The Royal Automobile Club Motor Sports Association Ltd	International Motor Sports Ltd	British Grand Prix Limited	2008 Total	2007 Total
	£	£	£	£	£
Group Income					
Governance of motor sports	4,297,167	-	-	4,297,167	4,062,370
Event promotion and commercial activities	-	3,479,974	251,816	3,731,790	3,611,158
	<u>4,297,167</u>	<u>3,479,974</u>	<u>251,816</u>	<u>8,028,957</u>	<u>7,673,528</u>
Expenditure					
Staff costs	1,502,262	343,541	-	1,845,803	1,762,318
Other administration expenses	2,835,805	2,970,192	254,226	6,060,223	5,072,979
Gift-aid charitable donation	300,000	-	-	300,000	832,752
	<u>4,638,067</u>	<u>3,313,733</u>	<u>254,226</u>	<u>8,206,026</u>	<u>7,668,049</u>
Operating (deficit)/surplus	(340,900)	166,241	(2,410)	(177,069)	5,479
Other finance charge	42,000	-	-	42,000	(10,000)
Interest receivable and similar income	439,414	61,292	135	500,841	512,686
Surplus/(deficit) for the year before taxation	140,514	227,533	(2,275)	365,772	508,165
Tax charge on the surplus /(deficit) for the year	(70,095)	(37,704)	(6,530)	(114,329)	(147,122)
Surplus/(deficit) for the year after taxation	<u>70,419</u>	<u>189,829</u>	<u>(8,805)</u>	<u>251,443</u>	<u>361,043</u>

NET ASSETS EMPLOYED BY PRINCIPAL ACTIVITY

Fixed assets					
Tangible assets	2,459,829	88,506	-	2,548,335	2,672,358
Current assets	9,349,517	1,925,465	101,749	11,376,731	10,101,212
Current liabilities	(3,300,594)	(1,673,831)	(13,969)	(4,988,394)	(3,983,941)
Net current assets	<u>6,048,923</u>	<u>251,634</u>	<u>87,780</u>	<u>6,388,337</u>	<u>6,117,271</u>
Net assets employed	<u>8,508,752</u>	<u>340,140</u>	<u>87,780</u>	<u>8,936,672</u>	<u>8,789,629</u>

The above amounts exclude all inter-group trading and inter-group balances.

This summary financial information does not contain sufficient information to allow as full an understanding of the results and state of affairs of the company/group as would be provided by the full annual financial statements. The full financial statements are available from the company at Motor Sports House, Riverside Park, Colnbrook, Berks, SL3 0HG and have been filed at Companies House.

GROUP BALANCE SHEET

As at 31 December 2008

	2008	2007
	£	£
Fixed Assets		
Tangible assets	2,548,335	2,672,358
Current Assets		
Debtors	833,179	618,810
Investments	7,830,573	7,092,107
Cash at bank and in hand	2,052,162	1,860,547
	<u>10,715,914</u>	<u>9,571,464</u>
Creditors:		
Amounts falling due within one year	(4,988,394)	(3,985,391)
Net Current Assets	<u>5,727,520</u>	<u>5,586,073</u>
Total Assets Less Current Liabilities	8,275,855	8,258,431
Debtors due in more than one year	19,617	19,498
	<u>8,295,472</u>	<u>8,277,929</u>
Net Pension Asset	641,200	511,700
Net Assets Including Pension Liability	<u>8,936,672</u>	<u>8,789,629</u>
Capital and Reserves		
Income and expenditure account	8,345,783	8,171,340
Property revaluation reserve	590,889	618,289
	<u>8,936,672</u>	<u>8,789,629</u>

FIVE YEAR GROUP RESULTS

	Restated 2004	2005	2006	2007	2008
Group Income	6,553,889	6,532,237	6,879,529	7,673,528	8,028,957
Operating (deficit)/surplus before gift-aid donation	316,135	637,188	751,697	838,231	148,786
Gift-aid charitable donation	(300,000)	(325,000)	(300,000)	(832,752)	(300,000)
Operating (deficit)/surplus for the year	16,135	312,188	451,697	5,479	(151,214)
Share of profits/(losses) of joint ventures	20,263	(1,779)	2,633	-	-
(Deficit)/write back of impairment in current asset investment	118,677	17,668	-	-	(25,855)
Other finance charge	(69,000)	(57,000)	(52,000)	(10,000)	42,000
Interest receivable	318,399	353,791	390,160	512,686	500,841
Surplus for the year before taxation	404,474	624,868	792,490	508,165	365,772
Tax charge on the surplus for the year	(69,599)	(167,792)	(222,491)	(147,122)	(114,329)
Surplus for the year after taxation	334,875	457,076	569,999	361,043	251,443
Recognised in the STRGL	242,100	(194,300)	64,677	528,400	(104,400)
Prior year adjustments	(1,319,343)	-	-	-	-
Movement in the year	(742,368)	262,776	634,676	889,443	147,043
Net Group assets brought forward	7,745,102	7,002,734	7,265,510	7,900,186	8,789,629
Net Group assets carried forward	7,002,734	7,265,510	7,900,186	8,789,629	8,936,672

The Directors present their annual report and the audited group financial statements for the year ended 31 December 2008.

DIRECTORS

The Directors who served throughout the year (except as noted below) were:

A J Gow - Chairman
C N Hilton - Chief Executive
S A Brownson (appointed 1.1.2008)
D I Carter
B P Cussons
D K Gangahar
S R Jones - Secretary
R G Knight (resigned 31.12.2008)
J H Maxwell
N E H Moffitt
G K R Stoker
N A Whale
J R Wood (resigned 31.12.2008)

ACTIVITIES

The principal activities of the Parent Company are to administer and finance the governance of motor sport in the United Kingdom for motor vehicles with more than three wheels and, through its subsidiaries International Motor Sports Limited ("IMS") and British Grand Prix Limited ("BGPL"), to organise and promote motor sport events, provide motor sports consultancy and undertake commercial activities related to motor sport.

INCOME, OPERATING RESULTS AND REVIEW

Although not required to do so under the Companies Act 1985, the Directors have nevertheless elected to prepare group accounts for reasons of transparency and completeness.

2008 has been a busy and exciting year for the MSA. We have taken on a number of new projects to develop the sport at all levels. The investment made in our IT infrastructure is already paying dividends as we experienced a record level of licences and permits issued online. There is a clear desire among our customers to

make use of the benefits technology brings in terms of greater certainty and security.

The Group's consolidated surplus before tax was £365,772 (2007:£508,165) after donating £300,000 to British Motor Sports Training Trust ("BMSTT") (2007:£832,752). The company also arranged for the donation of £Nil to BMSTT (2007: £58,681) and £50,780 to Motorsport Safety Fund ("MSF") (2007: £30,000), being the balance of the Motor Sports Council's Special Fines Fund.

IMS has continued to perform satisfactorily. With the introduction of The International Rally of Scotland, we expect the trading to improve further in 2009.

We are committed to the highest standards of corporate governance and we recognise that good governance helps to deliver our strategy and safeguard the long term interest of our stakeholders. We have a well established system of internal controls including compliance, financial, operational and risk management to safeguard our assets and reputation. The Group recognises the risks it faces in connection with its business operations and monitors various key performance indicators as part of its monthly accounting and management reporting processes. The Board meets formally four times a year to consider developments in relation to the company's strategy and long-term objectives and to review trading results and operational & business issues.

FUTURE PROSPECTS

The Group's strategic objective is to be an excellent governing body and the acknowledged leader in developing and growing motor sport in the United Kingdom. Our three strategic priorities are:- securing our financial and operational stability, enhancing our visibility and reputation at national & international levels and promoting the United Kingdom's heritage in motor sports.

We are applying more of our efforts and resources for ongoing business transformation, continuing to find ways of simplifying and improving services into a more streamlined, accessible and customer-focused organisation.

The Board is optimistic about the opportunities for the Group and looks forward to the future with confidence.

On the behalf of the Board, I would like to thank our staff and volunteers for the continuing dedication to their work and for showing great drive and determination to succeed.

FINANCIAL INSTRUMENTS

The Group has positive cash balances and no loans or overdrafts. Surplus cash is invested in unit trusts and deposits with investment managers as well as treasury and deposit accounts through the Group's banks to achieve the best available market returns pursuant to risk.

SUPPLIER PAYMENT POLICY

It is the Group's policy to agree and clearly communicate the terms of payments as part of the commercial agreement negotiated with suppliers and then to pay according to the terms based upon the timely receipt of an accurate invoice. Generally invoices are paid within 45 days (2007 - 45 days) from the date of the invoice being issued.

CHARITABLE DONATIONS

During the year the Group made a gift-aid charitable donation of £300,000 to the British Motor Sports Training Trust (2007:£832,752). The Company also arranged for the donation of £50,780 to Motorsport Safety Fund (2007:£30,000 MSF, £58,681 BMSTT), being the balance of the Motor Sports Council's Special Fines Fund.

LIMITED BY GUARANTEE

The Company is limited by guarantee, does not distribute its surplus income to its members and does not have share capital. The liability of each member is limited to £1.

The members as at 31 December 2008 were as follows:

Ayers K E
Broad M
Brownson S A
Campbell H
Cardell D S
Carter D I
Cowcill E
Cussons B P
Gow A J
Hill R T
Hilton C N
Kellitt A
Knight R G
Loveridge P J
Lyle I B M
Maxwell J H
Moffitt N E H
Parkin R
Pierre D
Pollitt N
Rayner P
Scott Andrews A
Southcombe R M
Sones M
Stoker G K R
Taylor R
Tomley C
Turner G S
Wood J R

BOARD RETIREMENT

Robin Knight and John Wood retired on 31 December. I would like to take this opportunity to thank them both for their commitment and support to the Board and to wish them continued success in the future.

DIVIDEND POLICY

The Company is a non-profit distributing organisation. All surpluses are applied to the objects of the Company in accordance with the Company's memorandum of association.

The Motor Sports Association is a not-for-profit organisation. Any profit generated is reinvested in the sport and used to fund many of the development, training and safety initiatives described in this publication.

In 2008, the MSA Group was able to make charitable donations totalling in excess of £350,000 which can be used to fund current and future projects for the development of the sport.

MSA CHARITABLE DONATIONS IN 2008

MSA Group donation to British Motor Sports Training Trust	£300,000
MSA donation to Motorsport Safety Fund	£50,780
MSA Club and Rescue Development Fund grants	£81,159

BRITISH MOTOR SPORTS TRAINING TRUST

The grants made by BMSTT towards training projects or equipment during the calendar year 2008 amounted to £70,754. Grants made were as follows:

	£
ANWCC	15,262
BMMC	11,194
Jan Caspell	7,005
BARC	3,525
Northern Ireland Motor Club	2,913
Normandy Rescue	2,836
AMRO	2,232
BRSCC (SE)	2,075
Motorsport Marshaling Partnership	2,074
ANEMMC	1,780
Midland Automobile Club	1,593
Goodwood Marshals Club	1,519
Castle Coombe Racing Club	1,500
BRSCC (EA)	1,375
ANCC	1,333
Manx Motorsport Marshals Association	1,248
Bugatti OC	1,151
Various grants under £1,000	10,140
TOTAL	£70,754

CLUB DEVELOPMENT FUND AWARDS 2008

Dunfermline CC Ltd	£ 2,604
Bala & DMC	£ 2,500
Boness Hillclimb	£ 2,500
Jersey MC & LCC	£ 2,500
Torbay MC	£ 2,500
EMCOS Ltd	£ 2,300
BARC Yorkshire	£ 2,000
Hagley & DMC	£ 2,000
Guernsey MC	£ 1,875
Herts County Auto & Aero Club	£ 1,500
Tavern MC	£ 1,250
All Wheel Drive	£ 1,000
North of Scotland Kart Club	£ 750
Northern Ireland MC	£ 600
Weston Super MC	£ 600
Oxford MC	£ 580
Whilton Mill KC	£ 550
Bournemouth & DMC	£ 350
Sport CC Of Norfolk	£ 350
Beds Herts & Cambs Landrover	£ 300
BRSCC NW	£ 300
Sheffield & Hallamshire	£ 200
NW MC	£ 100
Alwoodley MC	£ 60
Ilkley DMC	£ 60

TOTAL £ 29,329

RESCUE DEVELOPMENT FUND AWARDS 2008

AMRO	£ 7,775
500 MRCI Ltd	£ 5,000
Calder	£ 4,000
Pennine Rescue & Recovery	£ 3,250
Dolphin MC	£ 3,000
Forest Of Dean	£ 3,000
Larne MC	£ 3,000
EMMU	£ 2,750
BRSCC NW	£ 2,460
RAF Rescue	£ 2,200
BARC NW	£ 2,100
Mid Antrim MC	£ 1,800
Manx Motorsport Marshal Assoc	£ 1,750
Mercia Rescue	£ 1,750
Hillclimb & Sprint	£ 1,700
Stoke Rescue	£ 1,500
Pegasus Response	£ 1,000
Goodwood Marshals Club	£ 950
750 MC	£ 925
Scottish Off Rd	£ 750
Brighton & Hove	£ 500
BRSCC EA Rescue Unit	£ 350
Jersey MC	£ 320

TOTAL £ 51,830

MSA NIGHT OF CHAMPIONS 2008

British Cadet Kart Championship:

ROY JOHNSON

British Junior Kart Championship:

CARL STIRLING

British Short Circuit Kart Championship:

MARK LITCHFIELD

British Long Circuit Kart Championship:

JASON DREDGE

British Car Trial Championship:

DAVE OLIVER

British Sprint Championship:

STEWART ROBB JNR

British Drag Racing Championship:

PHILIP ENGLEFIELD

British Autocross Championship:

MICHAEL HENDERSON

British Hill Climb Championship:

SCOTT MORAN

British Historic Rally Championship:

STEVEN SMITH / JOHN NICHOLS

British Sporting Trial Championship:

JOHN FACK

British Autotest Championship:

ALASTAIR MOFFATT

British Cross Country Championship:

RICHARD KERSHAW / GRAHAM BROADBENT

British Junior Rally Championship:

BRIAN O'MAHONY / JOHN HIGGINS

British Rally Championship:

GUY WILKS / PHIL PUGH

British Rally Championship Teams Winner:

MITSUBISHI

British Rallycross Championship:

LAWRENCE GIBSON

British GT Championship:

JON BARNES / JAMES GORNALL

British Formula 3 Championship:

JAIME ALGUERSUARI

British Touring Car Championship

Manufacturer:

VAUXHALL

British Touring Car Championship:

FABRIZIO GIOVANARDI

BWRDC Lord Wakefield Trophy:

Posthumously awarded to:

PAT MOSS-CARLSSON

JLT Sport MSA Club of the Year:

RATHFRILAND MOTOR CLUB

JLT Sport MSA Marshal of the Year:

STEVE WESTON

Renault MSA Young Journalist of the Year:

EDWARD FOSTER

Renault MSA Young Photographer of the Year:

DREW GIBSON

Hawthorn Trophy:

LEWIS HAMILTON MBE



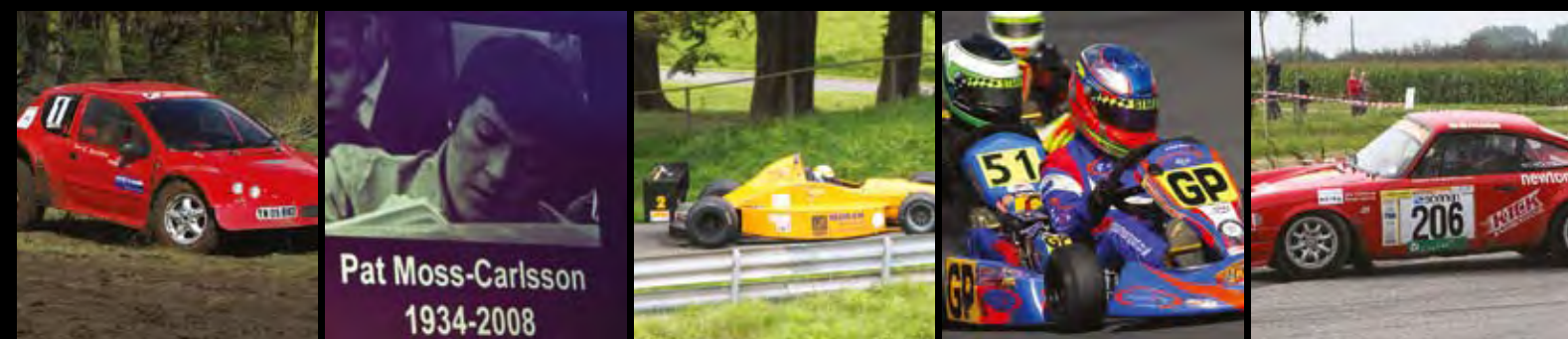


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