



**MG CAR CLUB (AUCKLAND CENTRE)  
INCORPORATED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
31 MAY 2018**



**MG CAR CLUB (AUCKLAND CENTRE) INCORPORATED  
FINANCIAL STATEMENTS  
For the year ended 31 May 2018**

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## TREASURER'S REPORT

This report and accompanying accounts are for the MG Car Club Auckland Centre Inc. (the Club) for the 12 months to 31<sup>st</sup> May 2018.

The Club has enjoyed another busy and successful year. MG Motorsport Register Auckland Inc (MGMRA) continues to act as our affiliated body to MotorSport New Zealand and is accounted for and reported on separately and does not form part of this report. At the time of incorporation, the Club provided a seed funding advance of \$5,000 to MGMRA. This is recorded in the accounts as a related party loan.

The Club has recorded a third year of modest surplus at \$4,925 which is lower than the surplus of \$7,446 reported last year.

This year the Club also provided on an annual allocation of Competition Revenue to MGMRA of \$5,000 (2017 \$5,000) to meet the needs of the Register as it has no direct revenue of its own.

Subscriptions and joining fee income was slightly up this year by \$700 reflecting an increase in total membership numbers from 476 last year to 510 members at balance date this year. Subscriptions are our major source of revenue and membership numbers will continue to be important if we are to avoid increasing the subs per member.

Our MaG continues to be the Club's biggest expense at \$13,058 (2017 \$12,436). With a small increase in advertising revenue at \$1,090 (2017 \$920) means the net cost of the MaG this year \$11,968 and has risen by \$452 (4%) compared to the prior year.

Web & Internet costs of \$1,076 were higher by \$662 this year as the functionality was further developed.

Both our social events and competitive events ran at a satisfactory surpluses this year notwithstanding the allocation of \$5,000 of competition event revenue to MGMRA. The competitive events expenditure does not include the event costs levied by MotorSport NZ as these costs are borne by MGMRA. I acknowledge on your behalf all those dedicated members who pour their energy and expertise into organising the large range of events for us all to enjoy. To achieve these favourable results on tight budgets is a great result. Well done team!

The club's supply of race overalls and helmets to loan to members for speed events was refreshed during the year and this cost of \$1,490 accounts for the majority of Equipment, Repairs and Maintenance spending of \$1,570 (2017 \$204)

The year ahead looks promising and your Committee will continue careful stewardship of your Club's resources.

Safety Fast

*Colin Upchurch CA*

Treasurer



O'Meara & Co

Chartered Accountant

P O Box 56 565, Auckland 1446

Phone 09 631 7849

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## INDEPENDENT AUDITOR'S REPORT

To the Committee Members of

**MG CAR CLUB (AUCKLAND CENTRE) INCORPORATED**

### Report on the Special Purpose Financial Statements

I have audited the special purpose financial statements of MG Car Club (Auckland Centre) Inc. on pages 4 to 11, which comprise the statement of financial position as at 31 May 2018, revenue statement and statement of members funds for the year then ended, and a summary of significant accounting policies and notes to accounts.

#### ***Qualified Opinion***

In my opinion:

Except for the possible effects on the corresponding figures of the matters described in the Basis for Qualified Opinion paragraph, the special purpose financial statements, comprising the statement of financial position as at 31 May 2018, revenue statement and statement of members funds for the year then ended, and a summary of significant accounting policies and notes to accounts, on pages 4 to 11, are prepared, in all material respects in accordance with the basis for preparation and accounting policies on page 8 of the financial statements and the minimum requirements set out in section 23 of the Incorporated Societies Act 1908.

#### ***Basis for Qualified Opinion***

As with other organisations of a similar nature, control over cash income prior to its being recorded is limited, and there are no practical audit procedures to determine the effect of this limited control. I also did not attend the stock take and therefore have been unable to verify the existence and valuation of the stock on hand recorded as \$1,070.

#### ***Other Matter***

The financial statements of the MG Car Club (Auckland Centre) Inc for the year ended 31 May 2017 were audited by another auditor who expressed a qualified opinion on those statements on 11 August 2017.

#### ***Emphasis of Matter***

I draw your attention to the fact that these financial statements are special purpose financial statements and have been prepared solely for the members of MG Car Club (Auckland Centre) Inc. As a result the financial statements may not be suitable for any other purpose. My report is intended solely for the members of the MG Car Club (Auckland Centre) Inc. and should not be distributed to or used by any other parties. My opinion is not modified in respect of this matter.

I conducted my audit of the revenue statement, the statement of members funds, the statement of financial position, statement of accounting policies and notes to the special purpose financial statements in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Special purpose financial statements* section of my report. I am independent of MG Car Club (Auckland Centre) Inc. in accordance with Professional and Ethical Standard 1 (Revised) *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Other than in my capacity as auditor, I have no relationship with, or interests in MG Car Club (Auckland Centre) Inc.

#### ***The Responsibility of the Management Committee for the Special Purpose Financial Statements***

The Management Committee are responsible on behalf of the entity for:

- a) The preparation and fair presentation of the special purpose financial statements which comprises the revenue statement, the statement of members funds, the statement of financial position, statement of accounting policies and notes to the special purpose financial statements, in

accordance with the basis for preparation and accounting policies on page 8 of the financial statements and the minimum requirements set out in section 23 of the Incorporated Societies Act 1908., and

- b) For such internal control as the Management Committee determine is necessary, to enable the preparation of the special purpose financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the special purpose financial statements, the Management Committee are responsible on behalf of MG Car Club (Auckland Centre) Inc. for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management Committee either intend to liquidate MG Car Club (Auckland Centre) Inc. or to cease operations, or have no alternative but to do so.

#### ***Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements***

My objectives are to obtain reasonable assurance about whether the special purpose financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the special purpose financial statements.

As part of an audit in accordance with ISAs (NZ), I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the special purpose financial statements whether due to fraud or error, design, and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting material misstatement resulting from fraud is higher than for one resulting from error, as fraud may be collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the Management Committee and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the special purpose financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the special purpose financial statements, including the disclosures, and whether the special purpose financial statements represents the underlying transactions and events in a manner that achieves fair presentation.
- Perform procedures to obtain evidence about and evaluate whether the reported outcomes and outputs, and quantification of the outputs to the extent practicable, are relevant, reliable, comparable and understandable.

I communicate with the Management Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



**M A O'Meara**  
Chartered Accountant  
O'Meara & Co

**9 August 2018**

**MG CAR CLUB (AUCKLAND CENTRE) INCORPORATED**  
**TRADING STATEMENT – REGALIA**  
**For The Year Ended 31 May 2018**

	Note	2018	2017
		\$	\$
<b>Total Regalia Sales</b>		708	413
<b>Less Cost of Sales</b>			
Opening Stock		2,109	3,565
Plus Purchases & Freight		30	37
		<u>2,139</u>	<u>3,602</u>
Less Closing Stock	5	1,070	2,109
		<u>1,069</u>	<u>1,493</u>
<b>Total Cost of Sales</b>			
		<u>(361)</u>	<u>(1,080)</u>
<b>Surplus/(Deficit) on Regalia</b>			

The Statement of Accounting Policies and the Notes to the Financial Statements form an integral part of these Financial Statements.

**MG CAR CLUB (AUCKLAND CENTRE) INCORPORATED**  
**REVENUE STATEMENT**  
**For The Year Ended 31 May 2018**

	Note	2018 \$	2017 \$
<b>Surplus/(Deficit) on Regalia</b>		(361)	(1,080)
 <b>INCOME</b>			
Subscriptions		27,338	27,011
New Member Fees		524	150
Social Events	10	1,969	1,129
Competitive Events	11	19,316	10,783
Inter-marque Concours Income		480	2,600
Interest Income		1,934	1,317
Magazine Advertising Income		1,090	920
 <b>Total Income</b>		52,290	42,830
 <b>LESS EXPENSES</b>			
Social Events	10	884	304
Competitive Events	11	16,234	9,426
Magazine		13,058	12,436
Storage Unit		4,158	4,028
Audit Fees		1,997	1,264
Executive Honoraria	13	1,500	1,500
Magazine Editor Honoraria	13	300	300
Webmaster Honoraria	13	300	300
Insurance	15	1,614	1,620
Website and Internet costs		1,075	414
Membership Cards		1,023	872
Depreciation		655	360
Bank Fees		65	65
Other Expenses	12	4,502	2,495
 <b>Total Expenses</b>		47,365	35,384
 <b>Excess/(Deficit) of Income over Expenditure</b>		\$4,925	\$7,446

The Statement of Accounting Policies and the Notes to the Financial Statements form an integral part of these Financial Statements.

**MG CAR CLUB (AUCKLAND CENTRE) INCORPORATED**  
**STATEMENT OF MEMBERS FUNDS**  
**For The Year Ended 31 May 2018**


	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Balance Bought Forward	61,845	54,399
PLUS Excess/(Deficit) of Income over Expenditure	4,925	7,446
Closing Members Funds	<u>\$66,770</u>	<u>\$61,845</u>

The Statement of Accounting Policies and the Notes to the Financial Statements form an integral part of these Financial Statements.



**MG CAR CLUB (AUCKLAND CENTRE) INCORPORATED**  
**STATEMENT OF FINANCIAL POSITION**  
**As At 31 May 2018**

	Note	2018 \$	2017 \$
<b>MEMBERS FUNDS</b>		62,332	57,407
<b>SPRINT FUND</b>		4,438	4,438
		\$66,770	\$61,845
Represented by:			
<b>CURRENT ASSETS</b>			
Cash at Bank	1	6,881	15,957
Short Term Deposits	3	61,000	40,931
Accounts Receivable	6	757	2,628
Interest Accrued		863	347
Prepayments	7	238	729
Stock on hand	5	1,070	2,109
		70,809	62,701
<b>LESS CURRENT LIABILITIES</b>			
Accounts Payable	9	7,996	6,482
Income in Advance		1,540	525
MG Pre 56 Register Fund	2	-	-
		9,536	7,007
<b>WORKING CAPITAL</b>		61,273	55,694
<b>NON CURRENT ASSETS</b>			
Related Party Loan	8	5,000	5,000
Property, Plant & Equipment	4	497	1,151
		5,497	6,151
<b>NET ASSETS</b>		\$66,770	\$61,845

  
 \_\_\_\_\_  
 Norm Harvey  
 President

09/08/2018  
 \_\_\_\_\_  
 Date

  
 \_\_\_\_\_  
 Colin Upchurch  
 Treasurer

09/08/17  
 \_\_\_\_\_  
 Date

The Statement of Accounting Policies and the Notes to the Financial Statements form an integral part of these Financial Statements.

**MG CAR CLUB (AUCKLAND CENTRE) INCORPORATED**  
**STATEMENT OF ACCOUNTING POLICIES**  
**For the Year Ended 31 May 2018**

**1. Basis for Preparation**

The MG Car Club (Auckland Centre) is an incorporated society reporting under the Incorporated Societies Act 1908. The financial statements have been prepared on the historical cost basis. The reporting currency is New Zealand dollars.

These financial statements are special purpose financial statements prepared for the purpose of reporting to club members and should not be relied upon for other purposes. The financial statements have been prepared on the basis of the accounting policies specified below.

**2. Specific Accounting Policies**

The specific accounting policies used in the preparation of the financial statements are as follows:

**2.1 Subscription Income**

In general, subscription income is accounted for as it is received. The club does not account for unexpired subscriptions as the subscription year ends on 30 June each year within one month of the financial year and the unexpired portion is considered immaterial. Subscriptions are charged on a reducing basis throughout the financial year resulting in all subscriptions expiring on 30 June each year. Any full year subscription for the subsequent year received before the current financial year end are treated as a pre-payment and not taken up as revenue until the year to which they relate.

**2.2. Investment Income**

Investment income is accounted for on an accrual basis.

**2.3. Property, Plant & Equipment**

Property, Plant & Equipment is valued at cost less accumulated depreciation. Depreciation is calculated on the diminishing value basis. The rates used range from 18% to 60%. Assets with a cost of less than \$500 are written off at the time of purchase. All assets with a book value of less than \$500 are written off in the following year.

**2.4. Stock on Hand**

Stock on hand, comprising regalia is valued at the lower of cost and net realisable value.

**2.5. Debtors**

Debtors are stated at net realisable value. Bad debts are written off as incurred and no provision is made for doubtful debts.

**2.6. GST**

The Club is not registered for GST and the financial statements are therefore prepared on a GST inclusive basis.

**2.7 Changes in Accounting Policy**

There have been no changes in accounting policy during the period.

**MG CAR CLUB (AUCKLAND CENTRE) INCORPORATED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended 31 May 2018**

	2018 \$	2017 \$
<b>1. CASH AT BANK</b>		
ANZ Bank Cheque Account	5,070	15,370
ASB Bank MG Pre '56 Register Account	1,811	587
	6,881	15,957
 <b>2. MG PRE '56 REGISTER FUND</b>		
The MG Pre '56 Register Fund is administered and accounted for separately.		
 <b>3. TERM DEPOSITS</b>		
ANZ Bank	61,000	40,931
 <b>4. PROPERTY, PLANT &amp; EQUIPMENT</b>		
Cost	29,471	29,471
Less Accumulated Depreciation	(28,974)	(28,320)
	497	1,151
 <b>5. STOCK ON HAND</b>		
Regalia	1,070	2,109
Less Provision for Obsolete Stock	-	-
	1,070	2,109
 <b>6. ACCOUNTS RECEIVABLE</b>		
Advertising Receivable	580	580
Inter-marque Concours Income accrued	-	1,900
MSNZ AGM equaliser credit accrued	177	148
	757	2,628
 <b>7. PREPAYMENTS</b>		
Insurance premiums	238	229
Function deposit Pre-56 Register	-	500
	238	729
 <b>8. RELATED PARTY LOAN</b>		
MG Motorsport Register Auckland Inc.	5,000	5,000

**MG CAR CLUB (AUCKLAND CENTRE) INCORPORATED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended 31 May 2018**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>9. ACCOUNTS PAYABLE</b>		
Audit Fee Accrual	1,840	1,200
Insurance	84	134
MG Motorsport Register	6,000	5,000
Other	72	148
	7,996	6,482

**10. SOCIAL EVENTS**

The Social Events net surplus for the year was \$1,085 (2017 \$824)

**11. COMPETITIVE EVENTS**

The Competitive Events net surplus was \$3,083 (2017 \$1,358) and is net of the revenue that has been allocated to MG Motorsport Register Auckland Inc. \$5,000 (2017 \$5,000)

**12. OTHER EXPENSES**

The "Other Expenses" category in the Revenue Statement is comprised of the following expenses:

Donations	350	-
Meeting Expenses	1,135	818
Equipment, Repairs & Maintenance	1,570	204
Trophy Engraving, Prizes & Awards	374	280
Stationery, Postage & General	731	721
Subscriptions and Affiliations	342	349
Other General Expenses	-	122
	4,502	2,494

**13. HONORARIA**

The policy is to offer \$300 to each of the seven positions: President, Vice President, Secretary, Treasurer, Club Captain, Editor and Webmaster. A total of \$2,100. (2017 \$2,100)

**14. COMMITMENTS & CONTINGENCIES**

The Club has no commitments or contingencies at balance date. (2017 \$nil)

**MG CAR CLUB (AUCKLAND CENTRE) INCORPORATED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended 31 May 2018**

**15. INSURANCE**

The club has insurance policies covering general liability including health and safety cover for club events and legal defence cover.