



MG CAR CLUB (AUCKLAND CENTRE)
INCORPORATED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31 MAY 2019



**MG CAR CLUB (AUCKLAND CENTRE) INCORPORATED
FINANCIAL STATEMENTS
For the year ended 31 May 2019**

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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 31st May 2019.

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 and this is recorded in the accounts as a related party loan.

The Club has recorded a fourth year of modest surplus at \$185 which is lower than the surplus of \$4,925 reported last year mainly due to the increase in total expenses of \$10,961. This year the Club also provided on an annual allocation of Competition Revenue to MGMRA of \$5,000 (2018 \$6,000) to meet the needs of the Register as it has no direct revenue of its own.

Our MaG continues to be the Club's biggest expense at \$14,397 (2018 \$13,058) has risen this year by 10 percent compared to the prior year. With postage increases already effective from June 2019 the cost of the MaG in the year ahead will increase further.

Subscriptions and joining fee income were slightly up this year by \$806 reflecting an increase in total membership numbers from 510 last year to 529 members at balance date this year. Subscriptions are our major source of revenue and with increasing costs forecast for the year ahead (in addition to the MaG costs mentioned above) the potential need to an increase our subs per member in the near future will need careful consideration.

Web & Internet costs of \$454 were lower by \$621 this year as the platform was stable and there was no further spending on development.

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 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
michelle@omeara.co.nz

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 2019, 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 2019, 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.

Emphasis of Matter – Basis of Accounting

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.

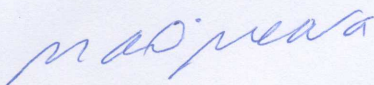
Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements

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 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 represent 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

17 July 2019

MG CAR CLUB (AUCKLAND CENTRE) INCORPORATED
TRADING STATEMENT – REGALIA
For The Year Ended 31 May 2019

	Note	2019	2018
		\$	\$
Total Regalia Sales		432	708
Less Cost of Sales			
Opening Stock		1,070	2,109
Plus Purchases & Freight		516	30
		<u>1,586</u>	<u>2,139</u>
Less Closing Stock	5	1,070	1,070
		<u>516</u>	<u>1,069</u>
Total Cost of Sales			
		<u>(84)</u>	<u>(361)</u>
Surplus/(Deficit) on Regalia			

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 2019

	Note	2019 \$	2018 \$
Surplus/(Deficit) on Regalia		(84)	(361)
INCOME			
Subscriptions		28,338	27,338
New Member Fees		330	524
Social Events	10	851	1,969
Competitive Events	11	24,180	19,316
Inter-marque Concours Income		2,000	480
Interest Income		2,099	1,934
Magazine Advertising Income		1,080	1,090
Other		(283)	
Total Income		58,511	52,290
LESS EXPENSES			
Social Events	10	623	884
Competitive Events	11	23,934	16,234
Magazine		14,397	13,058
Storage Unit		6,082	4,158
Audit Fees		1,800	1,997
Executive Honoraria	13	1,500	1,500
Magazine Editor Honorarium	13	300	300
Webmaster Honorarium	13	300	300
Insurance	15	1,494	1,614
Website and Internet costs		454	1,075
Membership Cards		1,028	1,023
Depreciation		497	655
Bank Fees		310	65
Other Expenses	12	5,607	4,502
Total Expenses		58,326	47,365
Excess/(Deficit) of Income over Expenditure		\$ 185	\$4,925

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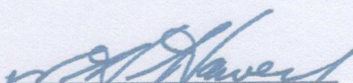
MG CAR CLUB (AUCKLAND CENTRE) INCORPORATED
STATEMENT OF MEMBERS FUNDS
For The Year Ended 31 May 2019

	2019	2018
	\$	\$
Balance Bought Forward	66,770	61,845
PLUS Excess/(Deficit) of Income over Expenditure	185	4,925
Closing Members Funds	<u>\$66,955</u>	<u>\$66,770</u>

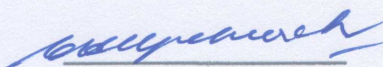
The Statement of Accounting Policies and the Notes to the Financial Statements form an integral part of these Financial Statements.

MG CAR CLUB (AUCKLAND CENTRE) INCORPORATED
STATEMENT OF FINANCIAL POSITION
As At 31 May 2019

	Note	2019 \$	2018 \$
MEMBERS FUNDS		62,517	62,332
SPRINT FUND		4,438	4,438
		\$66,955	\$66,770
Represented by:			
CURRENT ASSETS			
Cash at Bank	1	7,096	6,881
Short Term Deposits	3	61,000	61,000
Accounts Receivable	6	2,180	757
Interest Accrued		1,057	863
Prepayments	7	325	238
Stock on hand	5	1,070	1,070
		72,728	70,809
LESS CURRENT LIABILITIES			
Accounts Payable	9	7,446	7,996
Income in Advance		1,327	1,540
MG Pre 56 Register Fund	2	-	-
		8,773	9,536
WORKING CAPITAL		63,955	61,273
NON CURRENT ASSETS			
Related Party Loan	8	3,000	5,000
Property, Plant & Equipment	4	-	497
		3,000	5,497
NET ASSETS		\$66,955	\$66,770


 Norm Harvey
 President

17/07/19
 Date


 Colin Upchurch
 Treasurer

17/07/19
 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 2019

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 2019

	2019 \$	2018 \$
1. CASH AT BANK		
ANZ Bank Cheque Account	5,394	5,070
ASB Bank MG Pre '56 Register Account	1,702	1,811
	7,096	6,881
 2. MG PRE '56 REGISTER FUND		
The MG Pre '56 Register Fund is administered and accounted for separately.		
 3. TERM DEPOSITS		
ANZ Bank	61,000	61,000
 4. PROPERTY, PLANT & EQUIPMENT		
Cost	29,471	29,471
Less Accumulated Depreciation	(29,471)	(28,974)
	-	497
 5. STOCK ON HAND		
Regalia	1,070	1,070
Less Provision for Obsolete Stock	-	-
	1,070	1,070
 6. ACCOUNTS RECEIVABLE		
Advertising Receivable	-	580
Inter-marque Concours Income accrued	2,000	-
MSNZ AGM equaliser credit accrued	180	177
	2,180	757
 7. PREPAYMENTS		
Insurance premiums	325	238
	325	238
 8. RELATED PARTY LOAN		
MG Motorsport Register Auckland Inc.	3,000	5,000

MG CAR CLUB (AUCKLAND CENTRE) INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 May 2019

	2019	2018
	\$	\$
9. ACCOUNTS PAYABLE		
Audit Fee Accrual	1,800	1,840
Insurance	89	84
MG Motorsport Register	5,000	6,000
Meeting Expenses	414	
Other	143	72
	7,446	7,996

10. SOCIAL EVENTS

The Social Events net surplus for the year was \$228 (2018 \$1,085)

11. COMPETITIVE EVENTS

The Competitive Events net surplus was \$246 (2018 \$3,083) and is net of the revenue that has been allocated to MG Motorsport Register Auckland Inc. \$5,000 (2018 \$6,000)

12. OTHER EXPENSES

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

Donations	1,300	350
Meeting Expenses	1,490	1,135
Equipment, Repairs & Maintenance	1,647	1,570
Trophy Engraving, Prizes & Awards	96	374
Stationery, Postage & General	664	731
Subscriptions and Affiliations	410	342
Other General Expenses	-	-
	5,607	4,502

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. (2018 \$2,100)

14. COMMITMENTS & CONTINGENCIES

The Club has no commitments or contingencies at balance date. (2018 \$nil)

MG CAR CLUB (AUCKLAND CENTRE) INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 May 2019

15. INSURANCE

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