



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

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
31 MAY 2023**



**MG CAR CLUB (AUCKLAND CENTRE) INCORPORATED**  
**FINANCIAL STATEMENTS**  
**For the year ended 31 May 2023**

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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 year to 31<sup>st</sup> May 2023

The Club has had a year less fractured by Covid-19 than last year but did suffer some event cancellations with consequent refund of entry fees. 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 related party loan was repaid to the Club during the year.

Financial result this year is a surplus of \$2,295 (2022 deficit \$2,467). Subscriptions and new member joining fees remained healthy at \$31,511 (2022 \$30,541) reflecting good total membership numbers of 588 (2022: 563). This year there was an increase in the number of events which resulted in a smaller deficit (social and competitive) of \$2,051 (2022 deficit \$2,762) The Club did not spend anything this year on digitising our historic club MaGs (2022 \$1,393). The project is not yet complete and it is expected restart and continue later next year. Rising bank deposit rates during the year helped the Club receive \$1,523 more in interest than the prior year.

It is worth noting that the competitive events expenditure in these accounts does not include the direct costs and membership levies charged by MotorSport NZ as these are borne by MGMRA. As per our normal practice, the Club also provided an annual allocation of Competition Revenue to MGMRA of \$3,500 (2022 \$1,600) to meet the needs of the Register as it has little direct revenue of its own.

I acknowledge, on your behalf, all those members who pour their energy and expertise into organising the large range of events on offer each year. Well done team! Ka nui te mihi.

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

Haere haumarū me te tere !  
(Safety Fast!)

*Colin Upchurch CA*  
Treasurer



O'Meara & Co  
Chartered Accountant  
PO Box 56565, Auckland 1446  
Ph 09 021 314 989  
[michelle@omeara.co.nz](mailto:michelle@omeara.co.nz)

## INDEPENDENT AUDITOR'S REPORT

To the Committee Members of  
MG CAR CLUB (AUCKLAND CENTRAL) INCORPORATED

### Report on the Special Purpose Financial Statements

I have audited the special purpose financial statements of MG Car Club (Auckland Central) Inc. on pages 4 to 10, which comprise the statement of financial position as at 31 May 2023, revenue statement and statement of members funds for the year then ended, and a summary of significant accounting policies and notes to the financial statements.

#### *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 2023, revenue statement and statement of members funds for the year then ended, and a summary of significant accounting policies and notes to the financial statements, on pages 4 to 10, 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 stocktake and therefore have been unable to verify the existence and valuation of the stock on hand recorded as \$1,969.

#### *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 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance 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 opinion.

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

#### **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 and statement of members funds for the year then ended, and a summary of significant accounting policies and notes to



- the 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 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), the auditor exercises professional judgement and maintains professional scepticism throughout the audit. The auditor also:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence that is sufficient and appropriate to provide a basis for the auditor's opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains 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.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concludes on the appropriateness of the use of the going concern basis of accounting by those charged with governance and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If the auditor concludes that a material uncertainty exists, the auditor is required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. The auditor's conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluates the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

The auditor communicates with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that the auditor identifies during the audit.

A handwritten signature in black ink, appearing to read 'm a o'meara'.

M A O'Meara  
Chartered Accountant  
O'Meara & Co  
22<sup>nd</sup> July 2023

**MG CAR CLUB (AUCKLAND CENTRE) INCORPORATED**  
**TRADING STATEMENT – REGALIA**  
**For The Year Ended 31 May 2023**

	Note	2023 \$	2022 \$
<b>Total Regalia Sales</b>		1,358	564
<b>Less Cost of Sales</b>			
Opening Stock		1,117	1,211
Plus Purchases & Freight		2,748	197
		3,865	1,408
Less Closing Stock	5	1,969	1,117
<b>Total Cost of Sales</b>		1,896	291
<b>Surplus/(Deficit) on Regalia</b>		(538)	273

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 2023**

	Note	2023 \$	2022 \$
<b>Surplus/(Deficit) on Regalia</b>		(538)	273
<b>INCOME</b>			
Subscriptions		31,031	29,986
New Member Fees		480	555
Social Events	10	1,479	800
Competitive Events Revenue	11	32,488	15,254
Competitive Events Refunds		(7,105)	(14,800)
Inter-marque Concours Income		-	-
Interest Income		2,410	887
Magazine Advertising Income		880	860
Other		764	795
<b>Total Income</b>		61,889	34,610
<b>LESS EXPENSES</b>			
Social Events	10	1,265	64
Competitive Events	11	27,434	3,216
Magazine		14,385	16,679
Storage Unit		4,774	4,590
Audit Fees		1,840	1,800
Executive Honoraria	13	1,800	1,650
Magazine Editor Honorarium	13	300	300
Webmaster Honorarium	13	300	300
Insurance	15	1,916	1,699
Website and Internet costs		1,028	700
Membership Cards		1,397	1,270
Depreciation		1,072	1,372
Bank Fees		175	156
Other Expenses	12	1,908	3,281
<b>Total Expenses</b>		59,594	37,077
<b>Excess/(Deficit) of Income over Expenditure</b>		\$2,295	\$(2,467)

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 2023**

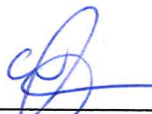
	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Balance Bought Forward	78,453	80,920
PLUS Excess/(Deficit) of Income over Expenditure	2,295	(2,467)
Closing Members Funds	<u>\$80,748</u>	<u>\$78,453</u>

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 2023**

	Note	2023 \$	2022 \$
<b>MEMBERS FUNDS</b>		78,242	74,609
<b>SPRINT FUND</b>		2,506	3,844
		\$80,748	\$78,453
Represented by:			
<b>CURRENT ASSETS</b>			
Cash at Bank	1	9,199	14,999
Short Term Deposits	3	68,000	68,000
Accounts Receivable	6	580	-
Interest Accrued		1,462	549
Prepayments	7	2,935	1,987
Stock on hand	5	1,969	1,117
		84,145	86,652
<b>LESS CURRENT LIABILITIES</b>			
Accounts Payable	9	6,077	9,950
Income in Advance		3,294	6,295
MG Pre 56 Register Fund	2	-	-
		9,371	16,245
<b>WORKING CAPITAL</b>		74,774	70,407
<b>NON CURRENT ASSETS</b>			
Related Party Loan	8	2,000	3,000
Property, Plant & Equipment	4	3,974	5,046
		5,974	8,046
<b>NET ASSETS</b>		\$80,748	\$78,453

  
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 Andrew Walbran  
 President

22 Jul 23  
 \_\_\_\_\_  
 Date

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

22 July 23  
 \_\_\_\_\_  
 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 2023**

**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 2023

	2023 \$	2022 \$
<b>1. CASH AT BANK</b>		
ANZ Bank Current Account	7,816	12,473
ASB Bank MG Pre '56 Register Account	1,383	2,526
	9,199	14,999
 <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	68,000	68,000
 <b>4. PROPERTY, PLANT &amp; EQUIPMENT</b>		
Cost	38,342	38,342
Less Accumulated Depreciation	( 34,368)	( 33,296)
	3,974	5,046
 <b>5. STOCK ON HAND</b>		
Regalia	1,969	1,117
	1,969	1,117
 <b>6. ACCOUNTS RECEIVABLE</b>		
Inter-marque Concours Income accrued	-	-
	-	-
 <b>7. PREPAYMENTS</b>		
Insurance premiums	973	952
MaG Printing June	808	-
Deposits Spring Classic room hire, Meremere track hire	950	1,035
PO Box rental	204	-
	2,935	1,987
 <b>8. RELATED PARTY LOAN</b>		
MG Motorsport Register Auckland Inc.	-	3,000
MG Car Club Inc re MG100 national rally	2,000	-
	2,000	3,000

**MG CAR CLUB (AUCKLAND CENTRE) INCORPORATED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended 31 May 2023**

	<b>2023</b>	<b>2022</b>
	\$	\$
<b>9. ACCOUNTS PAYABLE</b>		
Audit Fee Accrual	1,800	1,800
MaG Mail May	508	1,159
MG Motorsport Register	3,500	6,600
Other	269	391
	6,077	9,950

**10. SOCIAL EVENTS**

The Social Events net surplus/(deficit) for the year was \$214, (2022 \$736)

**11. COMPETITIVE EVENTS**

Competitive Events (excluding Ellerslie Inter-marque concours) net deficit was \$2,051 (2022 deficit \$2,762) including sponsorship received \$3,000 (2022 \$nil) and is net of the revenue that has been allocated to MG Motorsport Register Auckland Inc. \$3,500 (2022 \$1,600)

**12. OTHER EXPENSES**

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

Meeting Expenses	94	383
Equipment, Repairs & Maintenance	32	201
Trophy Engraving, Prizes & Awards	74	
Stationery, Postage & General	840	577
Digitising historic Club MaGs	-	1,393
Subs & Affiliations	867	727
	1,908	3,281

**13. HONORARIA**

The policy is to offer \$300 to each of the 8 positions: President, Vice President, Secretary, Membership Secretary, Treasurer, Club Captain, Editor and Webmaster. Last year the position of Vice President was vacant for approximately half the year and was paid pro rata. This year's expense was therefore \$2,400 for 8 positions. (2022, 8 positions, \$2,250)

**14. COMMITMENTS & CONTINGENCIES**

The Club has no commitments or contingencies at balance date. (2022 \$nil)

**15. INSURANCE**

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