



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

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
31 MAY 2016**



**MG CAR CLUB (AUCKLAND CENTRE) INCORPORATED
FINANCIAL STATEMENTS
For the year ended 31 May 2016**

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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 2016.

The Club has enjoyed another busy and successful year that has included the significant change of dis-affiliating from MotorSport NZ and the incorporating of the MG Motorsport Register Auckland Inc. (MGMRA) to act as our affiliated body. MGMRA is accounted for and reported on separately and does not form part of this report. The Club has provided a seed funding advance of \$5,000 to MGMRA. This is recorded in the accounts as a related party loan.

It is pleasing to report that the Club we has achieved a surplus of \$6,447 for the year. This compares favourably to the deficit of \$55 reported last year.

This year we have again taken a vigorous approach to valuation of slow moving Regalia stock items and written them down a further \$458. This has been the major contributor to the reported deficit on Regalia of \$605 for the year (2015 deficit \$181). The increase in the value of the closing stock by \$906 this year is attributed to \$880 of new windscreen rego. holders that arrived just before balance date.

This year subscriptions and joining fee income was higher by \$639 reflecting a small increase total members from 486 last year to 506 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 \$12,748 (2015 \$13,267). Advertising revenue at \$860 was slightly down so the net cost of the MaG this year has reduced by \$391 (3%) compared to the prior year.

MotorSport NZ capitation levy is \$nil this year as this expense is now paid for and reported by MGMRA.

Web & Internet costs of \$990 were down by \$4,544 this year due to last year's new web-site one-time set up costs not being repeated this year.

Social events ran at a small net deficit for the year and competitive events ran at a satisfactory surplus notwithstanding the allocation of \$2,000 of competitive event revenue to MGMRA. It is a credit to those dedicated members who pour their energy and expertise into organising the large range of events we all enjoy. To achieve these results on tight budgets is great result and I thank them for their diligence in achieving this very satisfactory outcome.

Meeting expenses this year includes one-time \$707 printing costs for last year's AGM relating to presenting the proposed dis-affiliation from Motorsport NZ and affiliation through a separate motorsport register concept and room hire for committee meetings \$450.

In accordance with the Club's Accounting Policy 2.3, assets with prior year book values of less than \$500 are written down to \$nil and this charge, if any, is reported in the accounts as part of depreciation expense. This year the charge was \$nil (2015 \$1,423) and resulted in the reported depreciation expense being favourable to last year.

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

Safety Fast

Colin Upchurch CA

Treasurer

AUDIT REPORT

To the members of M.G. Car Club (Auckland Centre) Inc.

We have audited the financial report on Pages 4 to 7. The financial report provides information about the past financial performance of the M.G. Car Club (Auckland Centre) Inc and its financial position as at the 31 May 2016. This information is stated in accordance with accounting policies set out on page 8.

Management Committee's Responsibilities

The Management Committee is responsible for the preparation of a financial report which fairly reflects the financial position of the M.G. Car Club (Auckland Centre) Inc as at 31 May 2016 and results of operations for the year ended 31 May 2016.

Auditor's Responsibilities

It is our responsibility to express an independent opinion on the financial report presented by the Management Committee and report our opinion to you.

Basis of Opinion

An audit includes examining on a test basis, evidence relevant to the amounts and disclosures in the finance statements. It also includes assessing:

- The significant estimates and judgements made by the Management Committee in the preparation of the financial report, and
- Whether the accounting policies are appropriate to the M.G. Car Club's circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with generally accepted auditing standards in New Zealand except that our work was limited as explained below. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial report is free from material misstatements, whether caused by fraud or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial report.

Other than in our capacity as auditors we have no relationship with or interest in the M.G. Car Club.

Qualified Opinion

In common with other organisations of a similar nature, control over the club's income prior to its being recorded is limited and there are no practical audit procedures to determine the effect of the unlimited control

We as auditors did not attend the stock take. We were unable to carry out auditing procedures necessary to obtain adequate assurance regarding the quantities and condition of the regalia inventory appearing in the balance sheet at \$3,565. Any adjustment to this figure would have a consequential effect on the surplus and retained earnings for the year.

Subject to the above reservations we have obtained all the information and explanations that we have required.

In our opinion:

- Proper accounting records have been kept by the M.G. Car Club (Auckland Centre) Inc as far as appears from our examination of these records. Except for the adjustment that might have been found necessary had we been able to obtain sufficient evidence concerning the club income, and valuation and existence of regalia inventory, the financial reports on pages 4 to 7, fairly reflect the results of operations for the year ended 31 May 2016.

In our opinion the financial report on pages 4 to 7 fairly reflects the financial position of the M.G. Car Club (Auckland Centre) Inc as at 31 May 2016.

Our audit report was completed on 29 August 2016 and our qualified opinion is expressed as at that date.


HART McPHAIL & CO
Chartered Accountants

MG CAR CLUB (AUCKLAND CENTRE) INCORPORATED
TRADING STATEMENT – REGALIA
For The Year Ended 31 May 2016

	Note	2016	2015
		\$	\$
Total Regalia Sales		654	1,279
Less Cost of Sales			
Opening Stock		2,659	1,617
Plus Purchases		2,165	2,502
		4,824	4,119
Less Closing Stock	5	3,565	2,659
Total Cost of Sales		1,259	1,460
Surplus/(Deficit) on Regalia		(605)	(181)

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 2016

	Note	2016 \$	2015 \$
Surplus/(Deficit) on Regalia		(605)	(181)
INCOME			
Subscriptions		28,103	27,509
New Member Fees		240	195
Social Event Surplus/(Deficit)		(41)	1,341
Competitive Event Surplus/(Deficit)	10	1,217	1,712
Inter-marque Concours Income		2,000	2,525
Interest Income		1,511	1,802
Other Income		1,281	-
Magazine Advertising Income		860	988
Total Income		34,566	35,891
LESS EXPENSES			
Magazine		12,748	13,267
Storage Unit		3,704	3,598
MotorSport NZ Capitation Levy		-	2,320
Audit Fees		1,200	1,041
Executive Honoraria	12	1,500	1,500
Magazine Editor Honoraria	12	300	300
Webmaster Honoraria	12	300	845
Insurance	14	1,391	1,563
Website and Internet costs		990	5,534
Membership Cards		1,093	1,159
Depreciation		497	1,496
Bank Fees		65	65
Other Expenses	11	4,331	3,258
Total Expenses		28,119	35,946
Excess/(Deficit) of Income over Expenditure		\$6,447	\$(55)


MG CAR CLUB (AUCKLAND CENTRE) INCORPORATED
STATEMENT OF MEMBERS FUNDS
For The Year Ended 31 May 2016


	2016	2015
	\$	\$
Balance Bought Forward	47,952	48,007
PLUS Excess/(Deficit) of Income over Expenditure	6,447	(55)
Closing Members Funds	<u>\$54,399</u>	<u>\$47,952</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 2016

	Note	2016 \$	2015 \$
MEMBERS FUNDS		49,961	44,089
SPRINT FUND		4,438	3,863
		\$54,399	\$47,952
Represented by:			
CURRENT ASSETS			
Cash at Bank	1	5,537	8,844
Short Term Deposits	3	40,137	39,226
Accounts Receivable	6	2,580	2,725
Interest Accrued		325	413
Prepayments	7	1,400	671
Stock on hand	5	3,566	2,659
		53,545	54,538
LESS CURRENT LIABILITIES			
Accounts Payable	9	5,412	6,615
Income in Advance		245	385
MG Pre 56 Register Fund	2	-	150
		5,657	7,150
WORKING CAPITAL		47,888	47,388
NON CURRENT ASSETS			
Related Party Loan	8	5,000	-
Property, Plant & Equipment	4	1,511	564
		6,511	564
NET ASSETS		\$54,399	\$47,952


Sue Martin
 Sue Martin
 President
29/7/2016
Date


Colin Upchurch
 Colin Upchurch
 Treasurer
29-07-16
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 2016

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.

2. Specific Accounting Policies

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

2.1 Subscription Income

Subscription income is accounted for as it is received. The club does not account for unexpired subscriptions as the subscription year coincides with the financial year. Subscriptions are charged on a reducing basis throughout the financial year resulting in all subscriptions expiring at the financial year end.

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. Differential Reporting

The Club qualifies for exemptions under the Framework for Differential Reporting issued by the New Zealand Institute of Chartered Accountants. This is on the basis that the club does not have public accountability, and its members have appointed all of the committee members. Accordingly, it has taken advantage of all differential reporting exemptions allowed under the Framework for Differential Reporting.

2.8 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 2016

	2016	2015
	\$	\$
1. CASH AT BANK		
ANZ Bank Cheque Account	5,209	7,854
ASB Bank MG Pre '56 Register Account	328	990
	5,537	8,844
 2. MG PRE '56 REGISTER FUND		
The MG Pre '56 Register Fund is administered and accounted for separately.		
 3. TERM DEPOSITS		
ANZ Bank	40,137	39,226
 4. PROPERTY, PLANT & EQUIPMENT		
Cost	29,471	34,391
Less Accumulated Depreciation	(27,960)	(33,827)
	1,511	564
 5. STOCK ON HAND		
Regalia	3,566	2,659
Less Provision for Obsolete Stock	-	-
	3,566	2,659
 6. ACCOUNTS RECEIVABLE		
Advertising Receivable	580	450
Inter-marque Concours Income	2,000	2,275
	2,580	2,725
 7. PREPAYMENTS		
Insurance premiums	900	671
Function deposit	500	
	1,400	671

MG CAR CLUB (AUCKLAND CENTRE) INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 May 2016

	2016	2015
	\$	\$
8. RELATED PARTY LOAN		
MG Motorsport Register Auckland Inc.	5,000	-
9. ACCOUNTS PAYABLE		
Audit Fee Accrual	1,150	1,100
Magazine	-	218
Honoraria	2,100	4,745
MG Motorsport Register	2,000	-
Other	162	553
	5,412	6,616
10. COMPETITIVE EVENTS SURPLUS / (DEFICIT)		
Net of the share of competitive events revenue allocated to MG Motorsport Register Auckland Inc.	2,000	-
11. OTHER EXPENSES		
The "Other Expenses" category in the Revenue Statement is comprised of the following expenses:		
Meeting Expenses	1,708	337
P O Box Fee	190	239
Equipment, Repairs & Maintenance	618	1,389
Trophy Engraving, Prizes & Awards	784	429
Stationery, Stamps & Copying	622	482
Subscriptions and Affiliations	409	382
	4,331	3,258

12. 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.

13. COMMITMENTS & CONTINGENCIES

The Club has no commitments or contingencies at balance date. (2015 \$576)

MG CAR CLUB (AUCKLAND CENTRE) INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 May 2016

14. INSURANCE

The club has insurance policies covering public liability for club events, legal defence cover, and Motorsport NZ public liability for motorsport events.

15. INTERNATIONAL FINANCIAL REPORTING STANDARDS

Effective September 2007 the Financial Reporting Standards Board elected that adoption of New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) may be deferred for certain small and medium sized entities. The MG Car Club meets the criteria and as such is not required to adopt NZIFRS.