



MG CAR CLUB (AUCKLAND CENTRE)  
INCORPORATED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED  
31 MAY 2017



**MG CAR CLUB (AUCKLAND CENTRE) INCORPORATED  
FINANCIAL STATEMENTS  
For the year ended 31 May 2017**

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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 2017.

The Club has enjoyed another busy and successful year. It was our first complete year since dis-affiliating from MotorSport NZ and the incorporation 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. 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.

It is pleasing to report that the Club has achieved a second year of surplus at \$7,446 which was slightly ahead of the surplus of \$6,447 reported last year.

This year the Club also provided on an annual allocation of Competition Revenue to MGMRA of \$5,000 (2016 \$2,000) to meet the needs of The Register as it has no direct revenue of it's own.

This year we have again taken a vigorous approach to valuation of slow moving Regalia stock items and written them down a further \$298. Also, windscreen 380 rego sticker holders to the value of \$669 were given away free with membership. These two items are the major contributors to the reported deficit on Regalia of \$1,080 for the year (2016 deficit \$605).

This year subscriptions and joining fee income was lower by \$1,182 reflecting a decrease in total membership numbers from 506 last year to 476 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 \$12,436 (2016 \$12,748). With a small increase in advertising revenue at \$920 (2016 \$860) means the net cost of the MaG this year \$11,516 has reduced by a further \$372 (3%) compared to the prior year.

Web & Internet costs of \$414 were down by \$576 this year due as most set up costs have now finished.

Social events and competitive events ran at a satisfactory surplus notwithstanding the allocation of \$5,000 of competitive 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. My thanks 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 a great result.

Meeting expenses \$818 (2016 \$1,708) reflect mainly the non-recurrence of last year's \$707 printing costs relating to presenting the proposed dis-affiliation from Motorsport NZ and affiliation through a separate motorsport register concept.

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 2017. 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 2017 and results of operations for the year ended 31 May 2017.

### **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 limited 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 \$2,109. 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 2017.

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 2017.

Our audit report was completed on 1 August 2017 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 2017**

	Note	2017	2016
		\$	\$
<b>Total Regalia Sales</b>		413	654
<b>Less Cost of Sales</b>			
Opening Stock		3,565	2,659
Plus Purchases		37	2,165
		<u>3,602</u>	<u>4,824</u>
Less Closing Stock	5	2,109	3,565
<b>Total Cost of Sales</b>		<u>1,493</u>	<u>1,259</u>
<b>Surplus/(Deficit) on Regalia</b>		<u>(1,080)</u>	<u>(605)</u>

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

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**MG CAR CLUB (AUCKLAND CENTRE) INCORPORATED**  
**REVENUE STATEMENT**  
**For The Year Ended 31 May 2017**

	Note	2017 \$	2016 \$
<b>Surplus/(Deficit) on Regalia</b>		(1,080)	(605)
<b>INCOME</b>			
Subscriptions	r	27,011	28,103
New Member Fees		150	240
Social Event Surplus/(Deficit)		824	(41)
Competitive Event Surplus/(Deficit)	10	1,358	1,217
Inter-marque Concours Income		2,600	2,000
Interest Income		1,317	1,511
Other Income		-	1,281
Magazine Advertising Income		920	860
<b>Total Income</b>		33,100	34,566
<b>LESS EXPENSES</b>			
Magazine		12,436	12,748
Storage Unit		4,028	3,704
MotorSport NZ Capitation Levy		-	-
Audit Fees		1,264	1,200
Executive Honoraria	12	1,500	1,500
Magazine Editor Honoraria	12	300	300
Webmaster Honoraria	12	300	300
Insurance	14	1,620	1,391
Website and Internet costs		414	990
Membership Cards		872	1,093
Depreciation		360	497
Bank Fees		65	65
Other Expenses	11	2,494	4,331
<b>Total Expenses</b>		25,654	28,119
<b>Excess/(Deficit) of Income over Expenditure</b>		\$7,446	\$6,447

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 2017**

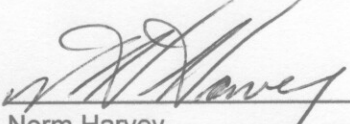
	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Balance Bought Forward	54,399	47,952
PLUS Excess/(Deficit) of Income over Expenditure	7,446	6,447
Closing Members Funds	<u>\$61,845</u>	<u>\$54,399</u>

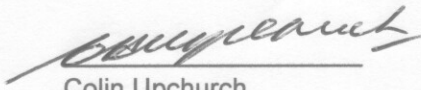
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**MG CAR CLUB (AUCKLAND CENTRE) INCORPORATED**  
**STATEMENT OF FINANCIAL POSITION**  
**As At 31 May 2017**

	Note	2017 \$	2016 \$
<b>MEMBERS FUNDS</b>		57,407	49,961
<b>SPRINT FUND</b>		4,438	4,438
		\$61,845	\$54,399
Represented by:			
<b>CURRENT ASSETS</b>			
Cash at Bank	1	15,957	5,537
Short Term Deposits	3	40,931	40,137
Accounts Receivable	6	2,628	2,580
Interest Accrued		347	325
Prepayments	7	729	1,400
Stock on hand	5	2,109	3,566
		62,701	53,545
<b>LESS CURRENT LIABILITIES</b>			
Accounts Payable	9	6,482	5,412
Income in Advance		525	245
MG Pre 56 Register Fund	2	-	-
		7,007	5,657
<b>WORKING CAPITAL</b>		55,694	47,888
<b>NON CURRENT ASSETS</b>			
Related Party Loan	8	5,000	5,000
Property, Plant & Equipment	4	1,151	1,511
		6,151	6,511
<b>NET ASSETS</b>		\$61,845	\$54,399

  
 Norm Harvey  
 President  
11-08-2017  
Date

  
 Colin Upchurch  
 Treasurer  
11-08-2017  
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 2017**

**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 2017**

	2017	2016
	\$	\$
<b>1. CASH AT BANK</b>		
ANZ Bank Cheque Account	15,370	5,209
ASB Bank MG Pre '56 Register Account	587	328
	15,957	5,537
 <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	40,931	40,137
 <b>4. PROPERTY, PLANT &amp; EQUIPMENT</b>		
Cost	29,471	29,471
Less Accumulated Depreciation	(28,320)	(27,960)
	1,151	1,511
 <b>5. STOCK ON HAND</b>		
Regalia	2,109	3,566
Less Provision for Obsolete Stock	-	-
	2,109	3,566
 <b>6. ACCOUNTS RECEIVABLE</b>		
Advertising Receivable	580	580
Inter-marque Concours Income accrued	1,900	2,000
MSNZ AGM equaliser credit	148	
	2,628	2,580
 <b>7. PREPAYMENTS</b>		
Insurance premiums	229	900
Function deposit Pre-56 Register	500	500
	729	1,400
 <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 2017

	2017	2016
	\$	\$
<b>9. ACCOUNTS PAYABLE</b>		
Audit Fee Accrual	1,200	1,150
Insurance	134	-
Honoraria	-	2,100
MG Motorsport Register	5,000	2,000
Other	148	162
	6,482	5,412

**10. COMPETITIVE EVENTS SURPLUS / (DEFICIT)**

The Competitive Events Surplus / Deficit \$1,358 (2016 \$1,217) is reported net of the revenue that has been allocated to MG Motorsport Register Auckland Inc. of \$5000 (2016 \$2000)

**11. OTHER EXPENSES**

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

Meeting Expenses	818	1,708
P O Box Fee	190	190
Equipment, Repairs & Maintenance	204	618
Trophy Engraving, Prizes & Awards	280	784
Stationery, Stamps & Copying	531	622
Subscriptions and Affiliations	349	409
Other General Expenses	122	-
	2,494	4,331

**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. (2016 \$2,100)

**13. COMMITMENTS & CONTINGENCIES**

The Club has no commitments or contingencies at balance date. (2016 \$nil)

**MG CAR CLUB (AUCKLAND CENTRE) INCORPORATED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended 31 May 2017**

**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.