



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

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
31 MAY 2020**



**MG CAR CLUB (AUCKLAND CENTRE) INCORPORATED
FINANCIAL STATEMENTS
For the year ended 31 May 2020**

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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 2020.

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 the fifth consecutive year of surplus. This year the surplus is \$6,008 (2019 \$185) and has benefited from an improvement of \$1,996 in the overall cost of running Competitive events. This year the deficit before sponsorship was \$(2,248) (2019 deficit \$2,254) and when sponsorship received of \$2,500 (2019 \$2,500) is included along with revenue from the Ellerslie Inter-marque Concours \$3,990 (2019 \$2000) yields an overall surplus on Competition for the year of \$4,242 (2019 \$2,246).

Also contributing to the favourable result this year were savings in other expenditure, particularly Storage \$(1,578) and Equipment R&M \$(1,500).

The above result is very satisfactory considering that the Covid-19 restrictions cancelled most of our activities from 21 March 2020 onwards - about 17% of our year!

As per our normal practice, the Club also provided an annual allocation of Competition Revenue to MGMRA of \$5,100 (2019 \$5,000) to meet the needs of the Register as it has no direct revenue of its own.

It was a year of progress when we invested \$7,730 of our accumulated funds in new assets, purchasing a new trailer for competition equipment and a "pop-up" style marquee for events.

Our MaG continues to be the Club's biggest expense at \$14,289 and was unchanged from last year's cost of \$14,397 but with postage increases already effective from July 2020 the cost of the MaG in the year ahead will increase.

Subscriptions and joining fees remained healthy at \$28,000 (2019 \$28,668) reflecting good total membership numbers of 522 (2019: 529). Subscriptions are our major source of revenue and membership numbers will continue to require monitoring in the Covid-19 era year ahead to ensure subs income will remain adequate for future needs.

Web & Internet costs at \$653 were higher by \$198 this year as the work to improve functionality was commissioned and is now providing value in managing our membership database.

Competitive events ran at a satisfactory surplus this year notwithstanding the allocation of \$5,100 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.

Te haumaru tere
(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 10, which comprise the statement of financial position as at 31 May 2020, 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 2020, 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 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 stock take and therefore have been unable to verify the existence and valuation of the stock on hand recorded as \$1,388.

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

4 August 2020

MG CAR CLUB (AUCKLAND CENTRE) INCORPORATED
TRADING STATEMENT – REGALIA
For The Year Ended 31 May 2020

	Note	2020	2019
		\$	\$
Total Regalia Sales		494	432
Less Cost of Sales			
Opening Stock		1,070	1,070
Plus Purchases & Freight		596	516
		1,666	1,586
Less Closing Stock	5	1,388	1,070
Total Cost of Sales		278	516
Surplus/(Deficit) on Regalia		216	(84)

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 2020

	Note	2020 \$	2019 \$
Surplus/(Deficit) on Regalia		216	(84)
INCOME			
Subscriptions		27,685	28,338
New Member Fees		315	330
Social Events	10	507	851
Competitive Events	11	17,147	24,180
Inter-marque Concours Income		3,990	2,000
Interest Income		1,852	2,099
Magazine Advertising Income		1,040	1,080
Other			(283)
Total Income		52,752	58,511
LESS EXPENSES			
Social Events	10	508	623
Competitive Events	11	16,895	23,934
Magazine		14,289	14,397
Storage Unit		4,504	6,082
Audit Fees		1,840	1,800
Executive Honoraria	13	1,800	1,500
Magazine Editor Honorarium	13	300	300
Webmaster Honorarium	13	300	300
Insurance	15	1,654	1,494
Website and Internet costs		653	454
Membership Cards		1,066	1,028
Depreciation		812	497
Bank Fees		223	310
Other Expenses	12	1,900	5,607
Total Expenses		46,744	58,326
Excess/(Deficit) of Income over Expenditure		\$6,008	\$185

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 2020

	2020	2019
	\$	\$
Balance Bought Forward	66,955	66,770
PLUS Excess/(Deficit) of Income over Expenditure	6,008	185
 Closing Members Funds	 <u>\$72,963</u>	 <u>\$66,955</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 2020

	Note	2020 \$	2019 \$
MEMBERS FUNDS		68,525	62,517
SPRINT FUND		4,438	4,438
		\$72,963	\$66,955
Represented by:			
CURRENT ASSETS			
Cash at Bank	1	17,642	7,096
Short Term Deposits	3	48,000	61,000
Accounts Receivable	6	3,750	2,180
Interest Accrued		818	1,057
Prepayments	7	1,132	325
Stock on hand	5	1,388	1,070
		72,730	72,728
LESS CURRENT LIABILITIES			
Accounts Payable	9	8,555	7,446
Income in Advance		1,130	1,327
MG Pre 56 Register Fund	2	-	-
		9,685	8,773
WORKING CAPITAL		63,045	63,955
NON CURRENT ASSETS			
Related Party Loan	8	3,000	3,000
Property, Plant & Equipment	4	6,918	-
		9,918	3,000
NET ASSETS		\$72,963	\$66,955



 Andrew Walbran
 President

04 Aug 20

 Date



 Colin Upchurch
 Treasurer

04/08/20

 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 2020

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 2020

	2020 \$	2019 \$
1. CASH AT BANK		
ANZ Bank Cheque Account	16,131	5,394
ASB Bank MG Pre '56 Register Account	1,511	1,702
	17,642	7,096
2. MG PRE '56 REGISTER FUND		
The MG Pre '56 Register Fund is administered and accounted for separately.		
3. TERM DEPOSITS		
ANZ Bank	48,000	61,000
4. PROPERTY, PLANT & EQUIPMENT		
Cost	37,201	29,471
Less Accumulated Depreciation	(30,283)	(29,471)
	6,918	-
5. STOCK ON HAND		
Regalia	1,388	1,070
	1,388	1,070
6. ACCOUNTS RECEIVABLE		
Advertising Receivable	-	-
Inter-marque Concours Income accrued	3,750	2,000
MSNZ AGM equaliser credit accrued	-	180
	3,750	2,180
7. PREPAYMENTS		
Insurance premiums	882	325
Deposit Spring Classic room hire Wairakei Resort	250	-
	1,132	325
8. RELATED PARTY LOAN		
MG Motorsport Register Auckland Inc.	3,000	3,000

MG CAR CLUB (AUCKLAND CENTRE) INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 May 2020

	2020	2019
	\$	\$
9. ACCOUNTS PAYABLE		
Audit Fee Accrual	1,800	1,800
MaG printing	1,340	
Insurance premiums	89	89
MG Motorsport Register	5,100	5,000
Membership Cards	71	414
Other	155	143
	8,555	7,446

10. SOCIAL EVENTS

The Social Events net surplus/(deficit) for the year was \$(2), (2019 \$228)

11. COMPETITIVE EVENTS

Competitive Events (excluding Ellerslie Inter-marque concours) net surplus was \$2,002 (2019 \$246) including Sponsorship received \$2,500 (2019 \$2,500) and is net of the revenue that has been allocated to MG Motorsport Register Auckland Inc. \$5,100 (2019 \$5,000)

12. OTHER EXPENSES

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

Donations	-	1,300
Meeting Expenses	792	1,490
Equipment, Repairs & Maintenance	125	1,647
Trophy Engraving, Prizes & Awards	70	96
Stationery, Postage & General	697	664
Subs & Affiliations	216	410
	1,900	5,607

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. A total of \$2,400. (2019, 7 positions, \$2,100)

14. COMMITMENTS & CONTINGENCIES

The Club has no commitments or contingencies at balance date. (2019 \$nil)

15. INSURANCE

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