



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

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
31 MAY 2022**



MG CAR CLUB (AUCKLAND CENTRE) INCORPORATED
FINANCIAL STATEMENTS
For the year ended 31 May 2022

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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 31st May 2022.

The Club has had a year fractured by Covid-19 causing cancellations of many events. 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.

Financial result this year is a deficit of \$2,467 (2021 \$7,957 surplus). This is the first time in 7 years a deficit has been recorded and reflects the pandemic reduced activity of the club with no margins made on events and refunds given for event entries collected. A major difference this year was we missed out on revenue from the Ellerslie Inter-marque Concours (2021 \$7,610) which was cancelled. It is worth noting that the competitive events expenditure in these accounts does not include the event costs and membership levies charged by MotorSport NZ as these costs are borne by MGMRA.

Expenses this year have been well controlled with small increases in insurance, website costs and honoraria. A decision was made to begin the process of digitising old copies of our beloved MaG which will ultimately provide a searchable archive of Club history. To date expenditure on this project is \$1,393 (2021 \$nil) and it is expected to the project will be completed next year.

As per our normal practice, the Club also provided an annual allocation of Competition Revenue to MGMRA of \$1,600 (2021 \$10,130) to meet the needs of the Register as it has little direct revenue of its own.

Subscriptions and joining fees remained healthy at \$30,541 (2021 \$30,125) reflecting good total membership numbers of 563 (2021: 574).

The above results are satisfactory considering that the Covid-19 restriction cancellations. It is clear however that the Club needs to consider the adequacy of our current subscriptions to cover our fixed costs.

I acknowledge, on your behalf, all those dedicated members who pour their energy and expertise into organising the large range of events and bear the disappointment when they have to be cancelled. 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 haumaru me te tere !
(Safety Fast!)

Colin Upchurch CA

Treasurer



O'Meara & Co
Chartered Accountant
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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 2022, 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 2022, 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 \$1,117.

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 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.



M A O'Meara
Chartered Accountant
O'Meara & Co
3rd August 2022

MG CAR CLUB (AUCKLAND CENTRE) INCORPORATED
TRADING STATEMENT – REGALIA
For The Year Ended 31 May 2022

	Note	2022	2021
		\$	\$
Total Regalia Sales		564	90
Less Cost of Sales			
Opening Stock		1,211	1,388
Plus Purchases & Freight		197	52
		1,408	1,440
Less Closing Stock	5	1,117	1,211
		291	229
Total Cost of Sales			
		273	(139)
Surplus/(Deficit) on Regalia		273	(139)

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 2022

	Note	2022 \$	2021 \$
Surplus/(Deficit) on Regalia		273	(139)
INCOME			
Subscriptions		29,986	29,570
New Member Fees		555	555
Social Events	10	800	850
Competitive Events Revenue	11	15,254	12,401
Competitive Events Refunds		(14,800)	
Inter-marque Concours Income		-	7,610
Interest Income		887	1,132
Magazine Advertising Income		860	955
Other		795	316
Total Income		34,610	53,250
LESS EXPENSES			
Social Events	10	64	205
Competitive Events	11	3,216	11,908
Magazine		16,679	16,863
Storage Unit		4,590	4,399
Audit Fees		1,800	1,880
Executive Honoraria	13	1,650	1,500
Magazine Editor Honorarium	13	300	300
Webmaster Honorarium	13	300	300
Insurance	15	1,699	1,590
Website and Internet costs		700	502
Membership Cards		1,270	1,152
Depreciation		1,372	1,641
Bank Fees		156	185
Other Expenses	12	3,281	2,868
Total Expenses		37,077	45,293
Excess/(Deficit) of Income over Expenditure		\$(2,467)	\$7,957

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 2022

	2022	2021
	\$	\$
Balance Bought Forward	80,920	72,963
PLUS Excess/(Deficit) of Income over Expenditure	(2,467)	7,957
 Closing Members Funds	<u>\$78,453</u>	<u>\$80,920</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 2022

	Note	2022 \$	2021 \$
MEMBERS FUNDS		74,609	77,076
SPRINT FUND		3,844	3,844
		\$78,453	\$80,920
Represented by:			
CURRENT ASSETS			
Cash at Bank	1	14,999	9,661
Short Term Deposits	3	68,000	68,000
Accounts Receivable	6	-	3,360
Interest Accrued		549	421
Prepayments	7	1,987	2,571
Stock on hand	5	1,117	1,211
		86,652	85,224
LESS CURRENT LIABILITIES			
Accounts Payable	9	9,950	11,197
Income in Advance		6,295	2,525
MG Pre 56 Register Fund	2	-	-
		16,245	13,722
WORKING CAPITAL		70,407	71,502
NON CURRENT ASSETS			
Related Party Loan	8	3,000	3,000
Property, Plant & Equipment	4	5,046	6,418
		8,046	9,418
NET ASSETS		\$78,453	\$80,920



 Andrew Walbran
 President

03/08/22

 Date



 Colin Upchurch
 Treasurer

03/08/22

 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 2022

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 2022

	2022 \$	2021 \$
1. CASH AT BANK		
ANZ Bank Cheque Account	12,473	7,795
ASB Bank MG Pre '56 Register Account	2,526	1,866
	14,999	9,661
 2. MG PRE '56 REGISTER FUND		
The MG Pre '56 Register Fund is administered and accounted for separately.		
 3. TERM DEPOSITS		
ANZ Bank	68,000	68,000
 4. PROPERTY, PLANT & EQUIPMENT		
Cost	38,342	38,342
Less Accumulated Depreciation	(33,296)	(31,924)
	5,046	6,418
 5. STOCK ON HAND		
Regalia	1,117	1,211
	1,117	1,211
 6. ACCOUNTS RECEIVABLE		
Inter-marque Concours Income accrued	-	3,360
	-	3,360
 7. PREPAYMENTS		
Insurance premiums	952	878
MaG publishing costs	-	1,442
Deposits Spring Classic room hire, Meremere track hire	1,035	250
	1,987	2,570
 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 2022

	2022	2021
	\$	\$
9. ACCOUNTS PAYABLE		
Audit Fee Accrual	1,800	1,840
MaG printing	1,159	
MG Motorsport Register	6,600	7,000
Membership Cards	-	22
Honoraria	-	2,100
Other	391	235
	9,950	11,197

10. SOCIAL EVENTS

The Social Events net surplus/(deficit) for the year was \$736, (2021 \$645)

11. COMPETITIVE EVENTS

Competitive Events (excluding Ellerslie Inter-marque concours) net deficit was \$(2,762) (2021 surplus \$493) including sponsorship received \$nil (2021 \$2,000) and is net of the revenue that has been allocated to MG Motorsport Register Auckland Inc. \$(400) (2021 \$7,000)

12. OTHER EXPENSES

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

Meeting Expenses	383	778
Equipment, Repairs & Maintenance	201	817
Trophy Engraving, Prizes & Awards		177
Stationery, Postage & General	577	647
Digitising historic Club MaGs	1,393	
Subs & Affiliations	727	448
	3,281	2,868

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. This year the position of Vice President was vacant for approximately half the year and was paid pro rata. This year's expense was therefore \$2,250 for 8 positions. (2021, 7 positions, \$2,100)

14. COMMITMENTS & CONTINGENCIES

The Club has no commitments or contingencies at balance date. (2021 \$nil)

15. INSURANCE

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