

THE MG CAR CLUB LTD
ACN 000 560 538

SPECIAL PURPOSE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

THE MG CAR CLUB LTD
ACN 000 560 538

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THE MG CAR CLUB LTD
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DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2019

Your Directors present their report on the financial statements of the Company for the year ended 30 June 2019. The Directors in office during the financial year and at the date of this report are:

Name	Date Appointed	Name	Date Appointed	Date Resigned
Charlie Frew	13-Nov18	John Clarke	13-Nov18	
Alan Heritage	13-Nov18	Allen Gower	13-Nov18	
Elizabeth Sutherland	8-June-18	Stuart Ratcliff	13-Nov-12	13-Nov18
Andy Leondiou	13-Nov-12	Sally Ratcliff	12-Nov-13	13-Nov18
Greg Fereday	13-Nov18	Robert Smith	13-Nov-12	13-Nov18
Max Wasson	13-Nov18	Stephen Perry	12-Nov-13	13-Nov18
Granville Harris	13-Nov18	Steve Holt	10-Nov-15	13-Nov18

The principal activity of the company during the financial year was running a non-profit sporting car club. No significant change in the nature of that activity during the year.

The Surplus / (deficit) for the company for the financial year ended 30 June 2019 was (\$11,611.52) compared to the financial year ended 30 June 2018 of (\$593.86). The company is not subject to income tax. In accordance with the company's Constitution, the company is precluded from recommending or declaring any dividends to its members.

At the date of this report, the number of members of the club total 677 (2018: 698).

No significant change in the state of affairs of the company occurred during the financial year. No matter or circumstances have arisen since the end of the financial year which have, or could have, a significant effect on the company's operations, the results of those operations or its state of affairs subsequent to 30 June 2019.

During the financial year 1 Directors' Meetings were held. Attendance by directors were:

Director	Eligible to Attend	Attended	Director	Eligible to Attend	Attended
Charlie Frew	6	6	John Clarke	6	5
Alan Heritage	5	4	Allen Gower	6	6
Elizabeth Sutherland	11	10	Stuart Ratcliff	5	5
Andy Leondiou	11	10	Sally Ratcliff	5	5
Greg Fereday	6	3	Robert Smith	5	4
Max Wasson	6	5	Stephen Perry	5	4
Granville Harris	6	4	Steve Holt	5	2

The company has not, during or since the financial year, in respect of any person who is or has been an officer or auditor of the company or a related body corporate indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings, or paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer for the costs or expenses to defend legal proceedings.

During or since the financial year no director of the company has received or become entitled to receive a benefit other than a benefit including in the aggregate amounts of emoluments received or due and receivable by the directors shown in the accounts, or the fixed salary of a full time employee of the company or a related body corporate, by reason of a contract made by the company or a related body corporate with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

Signed in accordance with a resolution of the directors at Sydney this 9th day of October 2019



Charlie Frew, President



Elizabeth Sutherland, Treasurer

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BALANCE SHEET AS AT 30 JUNE 2019

	Note	2019	2018
Current Assets			
Cash	2	282,801.40	309,060.12
Receivables	3	2,608.85	9,056.00
Inventories	4	21,207.25	2,675.02
Total Current Assets		306,617.50	320,791.14
Non Current Assets			
Property Plant & Equipment	5	39,666.98	5,887.98
Total Non Current Assets		39,666.98	5,887.98
Total Assets		346,284.48	326,679.12
Current Liabilities			
Creditors & Borrowings	6	3,857.89	5,732.75
Others	7	50,261.84	17,524.10
Total Current Liabilities		54,119.73	23,256.85
Total Liabilities		54,119.73	23,256.85
Net Assets		292,164.75	303,422.27
Members' Funds			
Beginning of Year		303,422.27	304,016.13
Current Year Surplus / (Deficit)		(11,257.52)	(593.86)
Members' Funds End of Year	8	292,164.75	303,422.27

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INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
INCOME		
Subscriptions Received	41,607.77	41,681.34
Joining Fees Received	1,642.70	1,813.67
Interest Received - Bank	6,481.30	5,737.99
Total Gross Trading Surplus/(Deficit)	(39,052.04)	(28,034.04)
	10,679.73	21,198.96
 EXPENSES		
Affiliation Fees	444.53	1,494.09
Audit Fees	4,270.04	3,776.41
Bank, IMG and Credit Card Fees	3,156.78	2,991.22
Write off of Plant & Equipment	-	73.00
Depreciation	1,221.00	1,568.00
Filing Fees	-	90.73
General	384.33	429.63
Insurance	1,434.86	596.00
Website	6,113.55	5,997.50
Postage & Couriers	1,260.00	1,386.98
Printing & Stationery	1,161.80	262.00
Registration	170.00	151.82
Rent & Venue Hire	2,224.91	2,975.44
Telephone	95.45	-
	21,937.25	21,792.82
 Surplus / (Deficit)	 (11,257.52)	 (593.86)

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TRADING ACCOUNT FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
TRADING INCOME		
REGALIA		
Income	2,535.00	1,130.01
Cost of sales	<u>(2,390.59)</u>	<u>(843.50)</u>
Regalia Surplus / (deficit)	<u>144.41</u>	<u>286.51</u>
SPORTING		
Income from Activities	49,678.57	37,168.64
Less Expenses of activities	<u>(54,905.34)</u>	<u>(38,477.49)</u>
Sporting Surplus / (deficit)	<u>(5,226.77)</u>	<u>(1,308.85)</u>
MAGAZINE		
Income	6,169.09	9,680.00
Less Expenses		
Postage	(9,426.94)	(9,965.51)
Printing Costs	(26,416.87)	(26,595.23)
Other	<u>(5,586.25)</u>	<u>(1,492.45)</u>
Magazine Surplus / (deficit)	<u>(35,260.97)</u>	<u>(28,373.19)</u>
SOCIAL		
Income	5,734.07	6,768.70
Less Expenses	<u>(5,063.34)</u>	<u>(5,455.47)</u>
Social Surplus / (deficit)	<u>670.73</u>	<u>1,313.23</u>
CONCOURS		
Income	389.55	1,233.86
Less Expenses		
Ground and equipment hire	(1,579.49)	(1,982.72)
Food Purchases	(767.97)	(565.64)
Printing and trophies	<u>(921.16)</u>	<u>(1,237.78)</u>
Concours gross surplus/deficit	<u>(2,879.07)</u>	<u>(2,552.28)</u>
OTHER		
CMC Day & All British Days Income	627.27	1,091.82
Club Plates Income	4,059.81	3,018.13
Less Expenses		
CMC Day & All British Days		(840.58)
Club Plates	<u>(1,187.45)</u>	<u>(668.83)</u>
Other gross surplus/(deficit)	<u>3,499.63</u>	<u>2,600.54</u>
GROSS TRADING SURPLUS / (DEFICIT)		
Regalia Profit/(Loss)	144.41	286.51
Sporting Gross Profit/(Loss)	(5,226.77)	(1,308.85)
Social Gross Profit/(Loss)	670.73	1,313.23
Concours Gross Profit/(Loss)	(2,879.07)	(2,552.28)
Other Gross Profit/(Loss)	3,499.63	2,600.54
Magazine Gross Profit/(Loss)	<u>(35,260.97)</u>	<u>(28,373.19)</u>
Total Gross Trading Surplus/(Deficit)	<u>(39,052.04)</u>	<u>(28,034.04)</u>

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STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2018

	Note	2019	2018
Cash Flow from Operating Activities			
Receipts from Members and Customers		116,396.54	95,664.00
Payments to suppliers and members		<u>(149,136.56)</u>	<u>(106,968.00)</u>
Net Cash used in operating activities	9(b)	<u>(32,740.02)</u>	<u>(11,304.00)</u>
Cashflow from Investing Activities			
Interest Received		6,481.30	5,590.00
Payment for property plant and equipment		<u>(35,000.00)</u>	<u>-</u>
Net Cash used in investing activities		<u>(28,518.70)</u>	<u>5,590.00</u>
Cash flow from financing activities			
Advance from related entities		<u>35,000.00</u>	<u>-</u>
Net Cash provided by financing activities		<u>35,000.00</u>	<u>-</u>
Net Increase (Decrease) in cash held		(26,258.72)	(5,713.59)
Cash at beginning of period		309,060.12	314,773.71
Cash at end of period	9(a)	<u>282,801.40</u>	<u>309,060.12</u>

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NOTES TO THIS SPECIAL PURPOSE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2019

1. Statement of Accounting Policies

Basis of Accounting

This is not a general purpose financial report. It is a special purpose financial report prepared for use by members and management of the Club and to satisfy the Corporation Law requirement to produce financial statements. The Directors have determined that the Club is not a reporting entity as defined in Statement of Accounting Concepts 1: Definition of the Reporting Entity, and therefore there is no requirement to apply Accounting Standards and other mandatory professional reporting requirements (Urgent Issues Group Consensus Views) in the preparation of this special purpose financial report.

The special purpose financial report has been prepared in accordance with the requirements of the applicable Accounting Standards and other mandatory professional reporting requirements. No other Accounting Standards or other mandatory professional reporting requirements have been intentionally applied.

The special purpose financial report is also prepared on an accruals and going concern basis. They are based on historical costs and do not take into account changing money values or, except where stated, current valuations of non-current assets.

Income Tax

The principles of tax effect accounting are not appropriate and have not been adopted by the Club. Current taxation laws provide that all income earned by sporting clubs for the encouragement and promulgation of sport are exempt from taxation.

Depreciation of Fixed Assets

Items of plant, equipment, fixtures and fittings are brought to account at cost and depreciated over their estimated useful lives.

Inventories

Inventories consist of items of regalia for sales to members of the Club as well as gifts held for future occasions. These are shown at the lower of cost or net realisable value

Recognition of subscription revenue

Subscription revenue is recognised in the year to which the subscription relates

2. Cash at Bank and on Hand

	2019	2018
	\$	\$
Cash Floats	150.00	150.00
Fixed Deposits	261,178.17	290,550.04
Cash at Bank & On Hand	21,473.23	18,360.08
Cash on hand	282,801.40	309,060.12

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NOTES TO THIS SPECIAL PURPOSE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2019

3. Receivables

	2019	2018
	\$	\$
Trade Debtors	100.00	4,841.00
Deposit Paid	1,619.14	3,325.29
Interest	889.71	889.71
Total Receivables	<u>2,608.85</u>	<u>9,056.00</u>

4. Inventories

	2019	2018
	\$	\$
Regalia	20,801.25	2,269.02
Gifts for Speakers & Visitors	406.00	406.00
Stock on Hand	<u>21,207.25</u>	<u>2,675.02</u>

5. Property Plant and Equipment

	2019	2018
	\$	\$
Plant and Equipment (at cost)	54,265.79	19,265.79
Less Accumulated Depreciation	<u>(14,952.81)</u>	<u>(13,377.81)</u>
	<u>39,312.98</u>	<u>5,887.98</u>

6. Creditors and Accruals

	2019	2018
	\$	\$
Accrued Expenses	3,500.00	3,500.00
GST Payable	344.47	2,332.75
	<u>3,844.47</u>	<u>5,832.75</u>

7. Other Creditors and Borrowings

	2019	2018
	\$	\$
Subscriptions in Advance	15,261.84	15,569.10
Income in Advance	-	1,955.00
Other payables	35,000.00	-
	<u>50,261.84</u>	<u>17,524.10</u>

8. Members' Funds

The MG Car Club Limited is a company incorporated under the Corporations Act 2001. It is a company limited by guarantee. In the event of the company being wound up, the liability of each member (both during the time he/she is a member and within one year afterwards), is limited to \$1.00. Any surplus on winding up is specifically excluded from being distributed to the members. Such surpluses, should they occur, must be distributed to some other institution or institutions having objects similar to those of this Club. As at the date of this report, the number of members totalled 677(2018: 698)

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NOTES TO THIS SPECIAL PURPOSE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2019

9. Statement of Cash Flows

9(a) For the purpose of the statement of cash flows, cash includes cash on hand as shown in the Statement of Financial Position

9b. Reconciliation of net cash provided by operating activities

	2019	2018
	\$	\$
Surplus / (Deficit)	(11,257.52)	(593.86)
<u>Add/(Less) External Transactions with outside parties (non-Cash Items)</u>		
Depreciation & Write Off Equipment	1,221.00	1,641.00
<u>Add/(Less) Decrease in Accruals</u>		
Decrease (increase) in prepaid Expenses	1,706.15	(1,246.55)
Decrease (increase) in Trade Debtors	4,741.00	(4,291.00)
Decrease (increase) in inventories	(18,532.23)	843.50
Increase (decrease) in other creditors	(1,874.86)	1,516.93
Increase (decrease) in income in advance	(1,955.00)	(2,625.00)
Increase (decrease) in subscriptions in advance	(307.26)	(810.90)
Interest Received	(6,481.30)	(5,738.12)
Net Cash used in operating activities	<u>(32,740.02)</u>	<u>(11,304.00)</u>

**THE MG CAR CLUB LTD
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STATEMENT BY DIRECTORS

As detailed in Note 1 to the Accounts, the Company is not a reporting entity as, in the opinion of the Directors, there are unlikely to exist users of its financial accounts who are dependent upon general purpose financial reports for information needed to make economic decisions and who would be unable to command the preparation of reports which would specifically satisfy all of their information needs. These accounts are therefore "special purposes financial reports" which have been prepared to meet the requirements of the Corporations Law and the Articles of Association of the Club,

In the opinion of the Directors:

- a) The accompanying Income Statement is drawn up so as to give a true and fair view of the results of the company for the financial year ended 30 June 2019;
- b) The accompanying Balance Sheet is drawn up so as to give a true and fair view of the state of affairs of the company as at 30 June 2019;
- c) As at the date of this statement there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

This statement is in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors by:



Charlie Frew, President



Elizabeth Sutherland, Treasurer



McBurney Assurance
Services Pty Ltd

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Level 10, 68 Pitt Street, Sydney NSW 2000

Director
Mark S Tucker B.Bus, CTA, FCA

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE
DIRECTORS OF MG CAR CLUB LIMITED**

I declare that, to the best of my knowledge and belief, during the financial year ended 30 June 2019 there have been:

- i) no contraventions of the auditor's independence requirements as set out in the *Corporation Act 2001* in relation to the audit; and
- ii) no contraventions of any applicable code of professional conduct in relation to the audit.

MCBURNLEY ASSURANCE SERVICES PTY LTD

MARK TUCKER
Director

Dated: 9th October, 2019

MG CAR CLUB LIMITED INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MG CAR CLUB LIMITED

Report on the financial report

We have audited the accompanying financial report, being a special purpose financial report, of the MG Car Club Limited ("the Club") which comprises the Balance Sheet as at 30 June 2019, the Trading Account, Statement of Cash Flows and Notes to the Special Purpose Financial Report for the year ended 30 June 2019.

Executive Committee's responsibility for the financial report

The MG Car Club Limited Executive Committee is responsible for the preparation and fair presentation of the financial report and has determined that the accounting policies used have been consistently applied and are consistent with the financial reporting requirements of the MG Car Club Limited's constitution and are appropriate to meet the needs of the members. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud, or error. No opinion is expressed as to whether the accounting policies used are appropriate to meet the needs of members.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial report 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 company's internal control. An audit also includes evaluating the appropriateness of accounting policies used which are described in Note 1 to the financial statements and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

Basis for Qualified Opinion

In common with the circumstances existing in many similar non-profit organisations, the Club conducted various revenue raising activities during the year. It was not practicable to establish effective accounting controls over cash receipts from revenue raising activities prior to banking. Our audit relating to such income was therefore limited to ensuring that the amounts banked are properly recorded in the accounts.

Accordingly, we do not express an opinion on whether all income has been receipted and we can not determine the effects of any such adjustments, if any, as might have been necessary had this limitation not existed.

Qualified Opinion

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion paragraphs, the financial report of the MG Car Club Limited is in accordance with:

- a. the *Corporations Act 2001*, including:
- (i) giving a true and fair view of the company's financial position as at 30 June 2018 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards to the extent described in Note 1 and the Corporations Regulations 2001

Basis of Accounting and Restriction on Distribution

Without modifying our opinion, we draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial report has been prepared for distribution to members for the purpose of fulfilling the Executive Committee's financial reporting requirements under the MG Car Club Limited's constitution. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.



MARK TUCKER
Director
McBurney Assurance Services Pty Ltd
Level 10
68 Pitt Street
SYDNEY NSW 2000

Date 9th October, 2019

