

**THE MG CAR CLUB LTD**  
**ACN 000 560 538**

**SPECIAL PURPOSE FINANCIAL REPORT**

**FOR THE YEAR ENDED 30 JUNE 2023**

**THE MG CAR CLUB LTD**  
**ACN 000 560 538**

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**THE MG CAR CLUB LTD****ACN 000 560 538****DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2023**

Your Directors present their report on the financial statements of the Company for the year ended 30 June 2023. The Directors in office during the financial year and at the date of this report are:

<b>Name</b>	<b>Date Appointed</b>	<b>Name</b>	<b>Date Appointed</b>	<b>Date Resigned</b>
Charlie Frew	13-Nov18	Alan Heritage	13-Nov18	27-Jun-23
Granville Harris	13-Nov18	Greg Fereday	13-Nov18	5-Jun-23
Allen Gower	13-Nov18	Elizabeth Sutherland	8-June-18	19-July-22
John Clarke	13-Nov18	Hilary Wren	12-Nov-19	
Max Wasson	13-Nov18	Sheila Trotman	4-Oct-22	13-Aug-23

Since 30 June 2023, David Milling and Matthew Crawford have been appointed as Directors.

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 occurred during the year.

The Surplus / (Deficit) for the company for the financial year ended 30 June 2023 was \$4,911 (30 June 2022 \$26,535). 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.

As at 30 June 2023, the number of members of the club total 813 (2022: 804).

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 2023.

During the financial year 11 Directors' Meetings were held. Attendance by directors were:

<b>Director</b>	<b>Eligible to Attend</b>	<b>Attended</b>	<b>Director</b>	<b>Eligible to Attend</b>	<b>Attended</b>
Charlie Frew	11	10	Max Wasson	11	9
Alan Heritage	11	8	Granville Harris	11	10
Allen Gower	11	7	John Clarke	11	11
Greg Fereday	11	10	Sheila Trotman	8	7
Hilary Wren	11	10	Elizabeth Sutherland	1	0

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 they are a member, or with a company in which they have a substantial financial interest.

Signed in accordance with a resolution of the directors at Sydney this      day of

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Charlie Frew, President

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David Milling - Treasurer

**THE MG CAR CLUB LTD**  
**ACN 000 560 538**

**BALANCE SHEET AS AT 30 JUNE 2023**

	Note	2023	2022
<b>Current Assets</b>			
Cash	2	309,661	311,087
Receivables & Prepayments	3	27,079	12,067
Inventories	4	18,565	16,856
<b>Total Current Assets</b>		<b>355,306</b>	<b>340,010</b>
<b>Non Current Assets</b>			
Property Plant & Equipment	5	41,049	37,383
<b>Total Non Current Assets</b>		<b>41,049</b>	<b>37,383</b>
<b>Total Assets</b>		<b>396,355</b>	<b>377,393</b>
<b>Current Liabilities</b>			
Creditors & Borrowings	6	13,318	13,631
Others	7	50,835	36,471
<b>Total Current Liabilities</b>		<b>64,153</b>	<b>50,102</b>
<b>Total Liabilities</b>		<b>64,153</b>	<b>50,102</b>
<b>Net Assets</b>		<b>332,202</b>	<b>327,291</b>
<b>Members' Funds</b>			
Beginning of Year		327,291	300,756
Current Year Surplus / (Deficit)		4,911	26,535
<b>Members' Funds End of Year</b>	8	<b>332,202</b>	<b>327,291</b>

**THE MG CAR CLUB LTD**  
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**INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2023**

	2023	2022
<b>INCOME</b>		
Subscriptions Received	52,717	51,919
Joining Fees Received	2,136	2,134
Interest Received - Bank	3,274	337
Total Gross Trading Surplus/(Deficit)	<u>(8,105)</u>	<u>(3,122)</u>
	<b><u>50,022</u></b>	<b><u>51,268</u></b>
<b>EXPENSES</b>		
Accounting	7,157	-
Affiliation Fees	1,606	1,291
Audit Fees	3,963	4,864
Bookkeeping	7,190	409
Bank, IMG and Credit Card Fees	1,685	2,311
Depreciation	1,653	587
Doubtful Debts	5,875	-
General	1,920	1,060
Insurance	512	512
Website	4,973	5,490
Postage & Couriers	585	966
Printing & Stationery	61	232
Rent & Venue Hire	4,792	6,518
Club car expenses	987	494
Other expenses	<u>2,151</u>	<u>-</u>
	<b><u>45,111</u></b>	<b><u>24,733</u></b>
<b>Surplus / (Deficit)</b>	<b><u>4,911</u></b>	<b><u>26,535</u></b>

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**TRADING ACCOUNT FOR THE YEAR ENDED 30 JUNE 2023**

	2023	2022
<b>TRADING INCOME</b>		
<b>REGALIA</b>		
Income	5,503	4,842
Cost of sales	(4,487)	(2,826)
<b>Regalia Surplus / (deficit)</b>	<b>1,016</b>	<b>2,016</b>
<b>SPORTING</b>		
Income from Activities	191	573
Less Expenses of activities	-	-
<b>Sporting Surplus / (deficit)</b>	<b>191</b>	<b>573</b>
<b>MAGAZINE</b>		
Income	11,301	1,504
Less Expenses		
Postage	(2,332)	(1,866)
Printing Costs	(4,500)	(5,113)
Other	(1,265)	(750)
<b>Magazine Surplus / (deficit)</b>	<b>3,204</b>	<b>(6,224)</b>
<b>SOCIAL</b>		
Income	9,121	3,395
Less Expenses	(18,995)	(8,481)
<b>Social Surplus / (deficit)</b>	<b>(9,874)</b>	<b>(5,086)</b>
<b>CONCOURS</b>		
Income	-	-
Less Expenses		
Ground and equipment hire	(3,301)	(792)
Food Purchases	(29)	-
Printing and trophies	(848)	-
<b>Concours gross surplus / (deficit)</b>	<b>(4,178)</b>	<b>(792)</b>
<b>TOUR DE</b>		
Income from Activities	13,275	14,293
Less Expenses of activities	(16,041)	(12,071)
<b>Tour De Surplus / (deficit)</b>	<b>(2,765)</b>	<b>2,221</b>
<b>OTHER</b>		
Club Plates Income	5,748	4,943
Less Expenses		
CMC Day & All British Days	(400)	
Club Plates	(1,046)	(773)
<b>Other gross surplus/(deficit)</b>	<b>4,303</b>	<b>4,171</b>
<b>GROSS TRADING SURPLUS / (DEFICIT)</b>		
Regalia Profit/(Loss)	1,016	2,016
Sporting Gross Profit/(Loss)	191	573
Social Gross Profit/(Loss)	(9,874)	(5,086)
Concours Gross Profit/(Loss)	(4,178)	(792)
Tour De Gross Profit/(Loss)	(2,765)	2,221
Other Gross Profit/(Loss)	4,303	4,171
Magazine Gross Profit/(Loss)	3,204	(6,224)
<b>Total Gross Trading Surplus/(Deficit)</b>	<b>(8,105)</b>	<b>(3,122)</b>

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**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2023**

	Note	2023	2022
<b>Cash Flow from Operating Activities</b>			
Receipts from Members and Customers		85,468	101,292
Payments to suppliers and members		<u>(97,043)</u>	<u>(66,401)</u>
<b>Net Cash used in operating activities</b>	9(b)	<u><b>(11,575)</b></u>	<u><b>34,890</b></u>
<b>Cashflow from Investing Activities</b>			
Interest Received		2,468	398
Payment for property plant and equipment		<u>(5,319)</u>	<u>-</u>
<b>Net Cash provided by investing activities</b>		<u><b>(2,851)</b></u>	<u><b>398</b></u>
<b>Cash flow from financing activities</b>		<u><b>13,000</b></u>	<u><b>-</b></u>
Net Increase (Decrease) in cash held		(1,426)	35,288
<b>Cash at beginning of period</b>		311,087	275,799
<b>Cash at end of period</b>	9(a)	<u><b>309,661</b></u>	<u><b>311,087</b></u>

**THE MG CAR CLUB LTD**  
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**NOTES TO THIS SPECIAL PURPOSE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2023**

**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.

The Club has purchased an MG Car in the 2019 financial year to generate interest in the club and its activities. The Club has considered the useful life of the car and has decided that the car should be treated as a collectable and depreciation does not apply. The car has been recorded at cost. As the club is tax exempt, no consideration will be made for amortisation and revaluation until realised.

**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



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**NOTES TO THIS SPECIAL PURPOSE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2023**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>2. Cash at Bank and on Hand</b>		
Cash Floats	150	150
Fixed Deposits	258,836	256,368
Cash at Bank & On Hand	50,675	54,569
<b>Cash on hand</b>	<b>309,661</b>	<b>311,087</b>

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>3. Receivables &amp; Prepayments</b>		
Trade Debtors	5,875	6,616
Provision for Doubtful Debts	(5,875)	-
Deposit Paid	3,432	3,300
Prepaid Expenses	8,405	-
Sundry Debtors	-	2,151
Interest	805	-
Accrued Income	4,860	-
Natmeet Reimbursable	9,577	-
<b>Total Receivables</b>	<b>27,079</b>	<b>12,067</b>

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>4. Inventories</b>		
Regalia	18,159	16,450
Gifts for Speakers & Visitors	406	406
<b>Stock on Hand</b>	<b>18,565</b>	<b>16,856</b>

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>5. Property Plant and Equipment</b>		
Plant and Equipment (at cost)	59,585	54,266
Less Accumulated Depreciation	(18,536)	(16,883)
	<b>41,049</b>	<b>37,383</b>

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>6. Creditors and Accruals</b>		
Accounts Payable	598	
Accrued Expenses	9,280	3,750
GST Payable	3,440	9,881
	<b>13,318</b>	<b>13,631</b>

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>7. Other creditors and borrowings</b>		
Subscriptions in Advance	36,902	35,912
Other payables	933	559
Natmeet Float	13,000	
	<b>50,835</b>	<b>36,471</b>

**THE MG CAR CLUB LTD**  
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**NOTES TO THIS SPECIAL PURPOSE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2022**

**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 813 (2022: 804)

**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 Balance Sheet.

**9b. Net cash from operating activities**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>Surplus / (Deficit)</b>	<b>4,911</b>	<b>26,535</b>
<u>Add/(Less) Non-Cash Items</u>		
Depreciation & Write Off Equipment	1,653	587
Doubtful debts	5,875	-
Sundry debtor written off	2,151	-
	<u>9,679</u>	<u>587</u>
<u>Add/(Less) Items Classified as Investing</u>		
Interest Received	(2,469)	(337)
<u>Add/(Less) Movements in Balance Sheet</u>		
Decrease (increase) in Prepaid Expenses	(8,537)	(1,708)
Decrease (increase) in Trade Debtors	741	3,960
Decrease (increase) in Sundry Debtors	(15,242)	(2,151)
Decrease (increase) in inventories	(1,710)	(1,275)
Increase (decrease) in other creditors	61	4,177
Increase (decrease) in subscriptions in advance	991	5,102
Net Cash used in operating activities	<u>(11,575)</u>	<u>34,890</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 purpose 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 2023;
- 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 2023;
- 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:

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Charlie Frew, President

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David Milling, Treasurer

**The M.G. Car Club Ltd**  
**Auditor's Independence Declaration to the Directors of The M.G. Car Club Ltd**  
**For the Financial Year Ended 30 June 2023**

In accordance with the requirements of the *Corporations Act 2001*, as lead auditor for the audit of The M.G. Car Club Ltd for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

**Audit Logic**

**Benjamin Irvine**  
Director  
XX October 2023  
Sydney, New South Wales



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**The M.G. Car Club Ltd**  
**Independent Auditor's Report to the Members of The M.G. Car Club Ltd**  
**For the Financial Year Ended 30 June 2023**

**Qualified Opinion**

We have audited the accompanying financial report, being a special purpose financial report of The M.G. Car Club Ltd (the company), which comprises the balance sheet as at 30 June 2023, the income statement, the trading statement and the statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies and the directors' declaration.

In our opinion, except for the possible effects of the matters described in the *Basis for Qualified Opinion* section of our report, the accompanying financial report of the company is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the company's financial position as at 30 June 2023 and of its financial performance for the year ended; and
- (ii) complying with applicable Australian Accounting Standards to the extent described in Note 1 and the *Corporations Regulations 2001*.

**Basis for Qualified Opinion**

We were appointed as auditor of the company on 17 August 2023 and were unable to obtain sufficient and appropriate audit evidence in relation to opening balances for the financial year ended 30 June 2023. Since opening balances enter into the determination of the financial performance, we were unable to determine whether adjustments might have been necessary in respect of the income or expenses for the year reported in the statement of profit or loss and other comprehensive income or cash flows reported in the statement of cash flows. As such, our opinion is qualified with respect to opening balances for the financial year ended 30 June 2023 and the statement of profit or loss and other comprehensive income and statement of cash flows for the financial year ended 30 June 2023.

In addition, we did not attend an inventory stocktake during the financial year and thus, cannot provide a reasonable level of assurance over the valuation and allocation, existence and completeness of the inventory balance as at the end of the financial year and the accuracy and completeness of cost of sales for the year ended 30 June 2023. Hence, our opinion is qualified with respect to the inventory balance as at 30 June 2023 and cost of sales for the year ended 30 June 2023.

As is common for organisations of this type, it is not practicable to extend examination of cash-related income streams beyond accounting for funds received as recorded in the accounting records. Accordingly, our audit in relation to such income was limited to the amounts received. We cannot determine the effect of such adjustments, if any, which may have been necessary had the foregoing limitations not existed. Hence, our opinion is qualified with respect to the completeness of income in relation to cash sales and collections.



### **Basis of Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

### **Emphasis of Matter - Basis of Accounting**

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the company's financial reporting responsibilities under the company's constitution. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified further in respect of this matter.

### **Information Other than the Financial Report and Auditor's Report Thereon**

The directors are responsible for the other information. The other information is the directors' report accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of the Directors for the Financial Report**

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with the Australian Accounting Standards – Simplified Disclosures and the *Corporations Act 2001*, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the company'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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards 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 financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, 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 our 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.
- 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of entities or business activities within the entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the entity audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## **Audit Logic**

**Benjamin Irvine**

Director

XX October 2023

Sydney, New South Wales

