

COMPANY REGISTRATION NUMBER 962227

**THE MG CAR CLUB LIMITED  
COMPANY LIMITED BY GUARANTEE  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 DECEMBER 2007**

**THE MG CAR CLUB LIMITED  
COMPANY LIMITED BY GUARANTEE**

**FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2007**

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**THE MG CAR CLUB LIMITED  
COMPANY LIMITED BY GUARANTEE  
OFFICERS AND PROFESSIONAL ADVISORS**

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<b>The board of directors</b>	B Woodhams H Gosling J Dutton H D Saunders C Hunt Cooke J Day E W Lawrence G R Wilder P R Smith M Price
<b>Company secretary</b>	M C Yeadon
<b>Registered office</b>	Kimber House 12 Cemetery Road Abingdon Oxon OX14 1AS
<b>Auditor</b>	CW Fellowes Limited Registered Auditors Templars House Lulworth Close Chandlers Ford Hampshire SO53 3TL

# **THE MG CAR CLUB LIMITED COMPANY LIMITED BY GUARANTEE**

## **THE DIRECTORS' REPORT** *(continued)*

### **YEAR ENDED 31 DECEMBER 2007**

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The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 December 2007.

#### **PRINCIPAL ACTIVITIES**

The principal activity of the Company (hereafter referred to as 'the Club') in the period under review continued to be that of catering for the interests of owners and enthusiasts for M.G. cars through the production of publications, the provision of services and organisation of social events and competitive activities.

#### **DIRECTORS**

The directors who served the company during the year were as follows:

B Woodhams  
M Eades  
P Best  
H Gosling  
V Smith  
J Dutton  
H D Saunders  
C Hunt Cooke  
J Day  
E W Lawrence  
G R Wilder  
P R Smith  
M Price

G R Wilder was appointed as a director on 20 October 2007.

P R Smith was appointed as a director on 20 October 2007.

M Price was appointed as a director on 20 October 2007.

M Eades retired as a director on 20 October 2007.

P Best retired as a director on 20 October 2007.

V Smith retired as a director on 16 March 2007.

#### **DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
  - make judgements and estimates that are reasonable and prudent;
  - prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.
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**THE MG CAR CLUB LIMITED  
COMPANY LIMITED BY GUARANTEE**

**THE DIRECTORS' REPORT** *(continued)*

**YEAR ENDED 31 DECEMBER 2007**

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The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

**AUDITOR**

A resolution to re-appoint CW Fellowes Limited as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

**SMALL COMPANY PROVISIONS**

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Registered office:  
Kimber House  
12 Cemetery Road  
Abingdon  
Oxon  
OX14 1AS

Signed by order of the directors

M C Yeadon  
Company Secretary

Approved by the directors on .....

**THE MG CAR CLUB LIMITED  
COMPANY LIMITED BY GUARANTEE**

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

**YEAR ENDED 31 DECEMBER 2007**

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We have audited the financial statements of The MG Car Club Limited for the year ended 31 December 2007, which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007) and on the basis of the accounting policies set out on page 9.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

**BASIS OF AUDIT OPINION**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

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 statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**THE MG CAR CLUB LIMITED  
COMPANY LIMITED BY GUARANTEE**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE MG CAR  
CLUB LIMITED** *(continued)*

**YEAR ENDED 31 DECEMBER 2007**

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**OPINION**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31 December 2007 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

CW FELLOWES LIMITED  
Registered Auditors  
Templars House  
Lulworth Close  
Chandlers Ford  
Hampshire  
SO53 3TL

.....

**THE MG CAR CLUB LIMITED  
COMPANY LIMITED BY GUARANTEE**

**PROFIT AND LOSS ACCOUNT**

**YEAR ENDED 31 DECEMBER 2007**

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		2007	2006
	Note	£	£
<b>TURNOVER</b>	<b>2</b>	<b>1,029,414</b>	1,074,534
Cost of sales		<u>645,952</u>	<u>773,560</u>
<b>GROSS PROFIT</b>		<b>383,462</b>	300,974
Administrative expenses		<b>371,768</b>	408,537
Other operating income	<b>3</b>	<u>(3,085)</u>	<u>(3,884)</u>
<b>OPERATING PROFIT/(LOSS)</b>	<b>4</b>	<b>14,779</b>	(103,679)
Interest receivable		<b>16,367</b>	16,857
		—————	—————
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>31,146</b>	(86,822)
Tax on profit/(loss) on ordinary activities	<b>5</b>	<b>3,843</b>	3,598
		—————	—————
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>		<b><u>27,303</u></b>	<b><u>(90,420)</u></b>

The notes on page 6 form part of these financial statements.

**THE MG CAR CLUB LIMITED  
COMPANY LIMITED BY GUARANTEE**

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**

**YEAR ENDED 31 DECEMBER 2007**

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	<b>2007</b>	2006
	<b>£</b>	£
Profit/(Loss) for the financial year attributable to the members	<b>27,303</b>	(90,420)
Unrealised loss on revaluation of tangible fixed assets:		
Trophies	<u>(2,711)</u>	<u>–</u>
Total gains and losses recognised since the last annual report	<u><b>24,592</b></u>	<u>(90,420)</u>

**The notes on page 7 form part of these financial statements.**

**THE MG CAR CLUB LIMITED  
COMPANY LIMITED BY GUARANTEE**

**BALANCE SHEET**

**AS AT 31 DECEMBER 2007**

	Note	2007 £	£	2006 £	£
<b>FIXED ASSETS</b>					
Tangible assets	6		179,967		184,332
<b>CURRENT ASSETS</b>					
Stocks		69,175		56,530	
Debtors	7	47,884		97,670	
Cash at bank and in hand		488,155		537,321	
		605,214		691,521	
<b>CREDITORS: Amounts falling due within one year</b>	8	203,760		319,024	
<b>NET CURRENT ASSETS</b>			401,454		372,497
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			581,421		556,829
<b>RESERVES</b>	11				
Revaluation reserve	12		42,473		45,184
Other reserves	12		451		451
Profit and loss account	12		538,497		511,194
<b>MEMBERS' FUNDS</b>			581,421		556,829

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective January 2007).

These financial statements were approved by the directors and authorised for issue on ....., and are signed on their behalf by:

.....  
J Dutton

The notes on page 8 form part of these financial statements.

# **THE MG CAR CLUB LIMITED COMPANY LIMITED BY GUARANTEE**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2007**

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### **1. ACCOUNTING POLICIES**

#### **Basis of accounting**

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007).

#### **Turnover**

Turnover represents the amount derived from the provision of goods and services during the year (exclusive of value added tax).

#### **Fixed assets**

All fixed assets are initially recorded at cost.

#### **Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures & Fittings	-	33% straight line
Motor Vehicles	-	25% straight line
Tenants Improvements	-	10% straight line (depreciated once in use)

No depreciation has been provided for on either freehold land and buildings or trophies. This is in accordance with the provisions of FRS 15 which state that depreciation need not be charged if the remaining useful economic life of an asset is greater than 50 years or where the depreciation charge is immaterial owing to a long useful economic life or high residual value.

#### **Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

#### **Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

#### **Pension costs**

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

**THE MG CAR CLUB LIMITED  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2007**

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**2. TURNOVER**

The percentage of turnover attributable to overseas markets was 2% (2006: 4%).

**3. OTHER OPERATING INCOME**

	<b>2007</b>	2006
	£	£
Rent receivable	<u><b>3,085</b></u>	<u>3,884</u>

**4. OPERATING PROFIT/(LOSS)**

Operating profit/(loss) is stated after charging:

	<b>2007</b>	2006
	£	£
Directors' emoluments	—	—
Staff pension contributions	<b>6,305</b>	6,656
Depreciation of owned fixed assets	<b>12,462</b>	15,427
Auditor's fees	<u><b>6,000</b></u>	<u>6,550</u>

**5. TAXATION ON ORDINARY ACTIVITIES**

**Analysis of charge in the year**

	<b>2007</b>	2006
	£	£
Current tax:		
UK Corporation tax based on the results for the year	<u><b>3,843</b></u>	<u>3,598</u>
Total current tax	<u><b>3,843</b></u>	<u>3,598</u>

**THE MG CAR CLUB LIMITED  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2007**

**6. TANGIBLE FIXED ASSETS**

	Freehold Property £	Fixtures & Fittings £	Motor Vehicles £	Trophies £	Tenants Imp'ments £	Total £
<b>COST OR VALUATION</b>						
At 1 Jan 2007	35,000	87,131	21,211	58,933	97,581	299,856
Additions	–	6,526	–	233	4,551	11,310
Disposals	–	–	–	(502)	–	(502)
<b>At 31 Dec 2007</b>	<b>35,000</b>	<b>93,657</b>	<b>21,211</b>	<b>58,664</b>	<b>102,132</b>	<b>310,664</b>
<b>DEPRECIATION</b>						
At 1 Jan 2007	–	63,913	21,211	–	30,400	115,524
Charge for the year	–	3,318	–	–	9,144	12,462
Revaluation adjustment	–	–	–	2,711	–	2,711
<b>At 31 Dec 2007</b>	<b>–</b>	<b>67,231</b>	<b>21,211</b>	<b>2,711</b>	<b>39,544</b>	<b>130,697</b>
<b>NET BOOK VALUE</b>						
<b>At 31 Dec 2007</b>	<b>35,000</b>	<b>26,426</b>	<b>–</b>	<b>55,953</b>	<b>62,588</b>	<b>179,967</b>
At 31 Dec 2006	35,000	23,218	–	58,933	67,181	184,332

**Revaluation of fixed assets**

The trophies were revalued prior to 2001 to create a revaluation reserve. The company has opted to take advantage of the transitional provisions of the FRSSE and so has not updated this valuation fully.

**7. DEBTORS**

	2007 £	2006 £
Trade debtors	8,414	57,331
VAT recoverable	7,637	2,909
Other debtors	31,833	37,430
	<b>47,884</b>	<b>97,670</b>

**THE MG CAR CLUB LIMITED  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2007**

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**8. CREDITORS: Amounts falling due within one year**

	<b>2007</b>	2006
	<b>£</b>	£
Trade creditors	<b>11,328</b>	62,717
Corporation tax	<b>1,174</b>	1,393
Other taxation and social security	<b>6,583</b>	4,073
Other creditors	<b>184,675</b>	250,841
	<b><u>203,760</u></b>	<u>319,024</u>

**9. COMMITMENTS UNDER OPERATING LEASES**

At 31 December 2007 the company had aggregate annual commitments under non-cancellable operating leases as set out below.

	<b>2007</b>	2006
	<b>£</b>	£
Operating leases which expire: After more than 5 years	<b><u>1,800</u></b>	<u>1,800</u>

**10. RELATED PARTY TRANSACTIONS**

The ultimate controlling parties are the Executive Committee detailed on page 2.

The company has undertaken transactions with Peter Best Insurance Services Limited for a number of years. Mr P Best is a director of the company.

During the year the company paid £19,208 (2006: £17,599) for insurance services to Peter Best Insurance Services Limited. The company also received revenues of £3,079 (2006: £752) from Peter Best Insurance Services Limited. At the year end the company was owed £nil (2006: £3,937) from Peter Best Insurance Services Limited.

During 2007 and 2006 Peter Best Insurance Services Limited gave donations to The MG Car Club Limited of up to £10,000 in each year. These amounts are included as turnover in the financial statements.

**11. COMPANY LIMITED BY GUARANTEE**

The members of the company have agreed to contribute £1 each to the assets of the company in the event of it being wound up.

**THE MG CAR CLUB LIMITED  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2007**

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**12. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES**

	<b>Revaluation reserve £</b>	<b>Other reserves equity £</b>	<b>Profit and loss account £</b>	<b>Total share- holders' funds £</b>
Balance brought forward	<b>45,184</b>	<b>451</b>	<b>511,194</b>	<b>556,829</b>
Profit for the year	–	–	<b>27,303</b>	<b>27,303</b>
Other gains and losses - Revaluation of fixed assets	<b>(2,711)</b>	–	–	<b>(2,711)</b>
Balance carried forward	<b><u>42,473</u></b>	<b><u>451</u></b>	<b><u>538,497</u></b>	<b><u>581,421</u></b>

**THE MG CAR CLUB LIMITED  
COMPANY LIMITED BY GUARANTEE**

**MANAGEMENT INFORMATION**

**YEAR ENDED 31 DECEMBER 2007**

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**The following pages do not form part of the statutory financial statements  
which are the subject of the independent auditor's report on pages 4 to 5**

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**THE MG CAR CLUB LIMITED  
COMPANY LIMITED BY GUARANTEE**

**DETAILED PROFIT AND LOSS ACCOUNT**

**YEAR ENDED 31 DECEMBER 2007**

	2007		2006	
	£	£	£	£
<b>TURNOVER</b>				
Subscriptions		381,925		372,026
Events		501,178		534,146
Regalia sales		57,551		59,451
Safety Fast advertising income		–		25,463
Commissions and donations		11,584		8,818
Books and publications		35,936		33,944
Raffle and dinner dance income		19,408		19,055
Other income		2,576		3,925
Motorsport administration income		12,988		12,558
Trade membership scheme		6,268		5,148
		<u>1,029,414</u>		<u>1,074,534</u>
<b>COST OF SALES</b>				
Opening stock and work-in-progress	56,530		67,833	
Safety Fast direct costs	98,686		174,085	
Regalia	47,165		42,875	
Events	437,760		473,454	
Motorsport administration	15,291		13,541	
Books and publications	27,744		25,841	
Raffle and dinner expenditure	25,074		20,822	
Donations and subscriptions	2,458		3,408	
Other purchases	2,295		6,207	
Trade membership scheme	2,124		2,024	
	<u>715,127</u>		<u>830,090</u>	
Closing stock and work-in-progress	(69,175)		(56,530)	
		<u>645,952</u>		<u>773,560</u>
<b>GROSS PROFIT</b>		<u>383,462</u>		<u>300,974</u>
<b>OVERHEADS</b>				
Administrative expenses		371,768		408,537
		<u>11,694</u>		<u>(107,563)</u>
<b>OTHER OPERATING INCOME</b>				
Rent receivable		3,085		3,884
<b>OPERATING PROFIT/(LOSS)</b>		<u>14,779</u>		<u>(103,679)</u>
Bank interest receivable		16,367		16,857
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES</b>		<u>31,146</u>		<u>(86,822)</u>

**THE MG CAR CLUB LIMITED  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE DETAILED PROFIT AND LOSS ACCOUNT**

**YEAR ENDED 31 DECEMBER 2007**

	2007		2006	
	£	£	£	£
<b>ADMINISTRATIVE EXPENSES</b>				
<b>Personnel costs</b>				
Wages and salaries	137,191		171,678	
Staff national insurance contributions	11,227		16,330	
Staff pension contributions	6,305		6,656	
		<b>154,723</b>		194,664
<b>Establishment expenses</b>				
Rent, rates and water	13,492		12,620	
Light and heat	2,515		6,030	
Insurance	16,874		16,389	
Building systems support	5,486		9,369	
		<b>38,367</b>		44,408
<b>General expenses</b>				
Motor expenses	6,283		8,027	
Travel and subsistence	3,273		1,967	
Telephone	3,763		3,663	
Website costs	15,024		–	
Hire of equipment	–		996	
Printing and stationery	11,883		15,872	
Postage	17,218		18,105	
Beverages and buffets	716		1,054	
Subscriptions	4,077		4,281	
Room hire and meeting charges	1,738		1,898	
Gardening and cleaning	3,312		3,053	
Overseas expenses	3,761		4,495	
Board and council expenses	10,012		7,877	
Exhibition expenses	4,628		4,573	
VAT partial exemption	28,121		25,166	
Credit card charges	4,211		4,403	
Advertising	19,753		11,937	
Entertaining	237		1,992	
General expenses	7,296		9,397	
Legal and professional fees	1,110		8,505	
Architect and project manager fees	–		6,408	
Accountancy fees	250		200	
Auditors remuneration	6,000		6,550	
Depreciation	12,462		15,427	
		<b>165,128</b>		165,846
<b>Financial costs</b>				
Bad and doubtful debts	9,806		420	
Bank charges	3,744		3,199	
		<b>13,550</b>		3,619
		<b>371,768</b>		<b>408,537</b>

**THE MG CAR CLUB LIMITED  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE DETAILED PROFIT AND LOSS ACCOUNT**

**YEAR ENDED 31 DECEMBER 2007**

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	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
<b>INTEREST RECEIVABLE</b>		
Bank interest receivable	<b><u>16,367</u></b>	<b><u>16,857</u></b>