

Annual Report 2023

Napier Sailing Club Inc
For the year ended 31 May 2023

Prepared by Price Campbell & Co Ltd

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Bar Trading Account

Napier Sailing Club Inc For the year ended 31 May 2023

	2023	2022
Bar Income & Expenses		
Income		
Bar Sales	68,543	58,498
Functions/Venue Hire Income	165,993	99,429
Hall Hire	29,978	18,826
Total Income	264,514	176,753
Less Cost of Sales		
Opening Stock	5,761	6,338
Bar Purchases	54,633	45,649
Closing stock	(8,114)	(5,761)
Total Less Cost of Sales	52,280	46,226
Gross Profit	212,234	130,527
Gross Profit Percentage	80	74
Expenses		
Bartender Wages	20,019	19,562
Casual Labour	14,062	11,216
Function Expense	85,061	37,982
LPG / Co2 Gases	2,115	1,959
Glassware	1,118	349
Licence	279	2,010
Repairs & Maintenance Bar	1,351	972
Total Expenses	124,005	74,048
Net Profit from Bar	88,229	56,479
Net Profit Percentage	33	32

These Financial Statements should be read subject to the Auditor's report and the Notes annexed hereto.

Yacht Racing Account

Napier Sailing Club Inc
For the year ended 31 May 2023

2023 2022

Yacht Racing Income & Expenses

Income

Entry Fees	4,144	5,217
Opti/Starling Nats	3,043	109,432
Regattas National	24,114	5,364
Rescue Boat Hire	43	261
Training & Coaching Grants	-	31,000
Training & Coaching Fees	18,383	18,303
Yachting Grants	39,470	7,500
Yachting Sponsorship	102,921	1,800
Total Income	192,119	178,877

Expenses

Donation - Juniors Competing Abroad	1,000	-
Fuel	7,238	7,568
Opti/ Starling Nats 2022	348	47,916
R & M - Equity Ramco Patrol Boat	92	809
R & M - Bridgeman Southern Pacific	-	230
R & M Eastern Central (New & Old N2)	785	87
R & M Galaxy	1,596	-
R & M Unison (N3)	202	305
R & M Southern Pacific (N4)	740	208
R & M Southern Pacific (N5)	527	69
R & M Southern Pacific (N6)	2,734	165
R & M Southern Pacific (New & Old N7)	2,217	28
R & M Southern Pacific (N8)	-	48
R & M - Buoys	1,017	136
R & M - Yachts	-	75
R & M - Plant	-	121
Recruitment Expenses - Coach	2,203	-
Regatta Expenses	10,066	-
Sundry Racing Expenses	1,149	1,067
Wages - Club Coach	130,280	58,747
Total Expenses	162,197	117,577

Net Yacht Racing Income	29,922	61,300
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Travel Lift Account

Napier Sailing Club Inc For the year ended 31 May 2023

	2023	2022
Travel Lift Income & Expenses		
Income		
Travel Lift Contracting	55,522	53,809
Washdown	7,808	8,973
Hardstand Rental	55,795	76,912
Total Income	119,125	139,693
Expenses		
Travel Lift Contractor	46,131	44,709
Maint & Repairs	4,737	16,242
Annual Insp	625	662
Fuel & Oil	963	-
Power	6,480	5,943
Rubbish Disposal	1,506	2,378
Total Expenses	60,442	69,934
Net Travel Lift Income	58,683	69,759

These Financial Statements should be read subject to the Auditor's report and the Notes annexed hereto.



HB Sail Trading Account

Napier Sailing Club Inc

For the year ended 31 May 2023

	NOTES	2023	2022
Income			
BBQs		665	490
Income		19,218	32,106
Total Income		19,883	32,596
Other Income			
Interest Received		12	11
Total Other Income		12	11
Expenses			
Boat Hire - HB Nautical Education Trust		4,910	11,371
Coaching		1,250	42
Donation - HB Nautical Education Trust		10,000	-
Motor Vehicle Expenses		1,055	185
Regatta Costs		3,606	1,401
Repairs and Maintenance		-	536
Bank Charges		55	28
Subscriptions Expense		863	1,200
Total Expenses		21,738	14,764
Net HB Sail Income/(Loss)		(1,844)	17,844

These Financial Statements should be read subject to the Auditor's report and the Notes annexed hereto.

Statement of Financial Performance

Napier Sailing Club Inc For the year ended 31 May 2023

	NOTES	2023	2022
Trading Income			
Net Income from Bar		88,229	56,479
Net Income from Yacht Racing		29,922	61,300
Net Income from Travel Lift		58,683	69,759
Net Income/(Loss) from HB Sail		(1,844)	17,844
Total Trading Income		174,990	205,381
Other Income			
Advertising Signage		3,600	3,600
Barrier Cards / Tokens		7,980	7,814
Berthage Visitors		16,913	22,244
Boat Parks		50,305	49,869
Boat Removal Income		24,892	-
Sales Merchandise		163	944
Laundry		2,223	1,932
Covid-19 Wage Subsidy Income		510	5,036
Dividends Received		720	-
Donations		2,160	6,715
Interest Received		4,788	171
Live Aboard Fees		27,801	30,134
Marina Lic Fees		56,976	33,808
Mooring Fees		28,063	26,286
NSC Marina Berth Mtce Fees		4,083	3,654
Profit/(loss) on Sale of Asset		7,542	-
Programmes / Handbooks		775	1,425
Rents- Shed/Cottage		43,526	39,454
Resurgence Support Payment		-	3,391
Spark Lease		4,935	4,935
Sponsorship		-	5,174
Subscriptions		192,829	198,162
Sundry Income		30	-
Total Other Income		480,816	444,749

These Financial Statements should be read subject to the Auditor's report and the Notes annexed hereto.

NOTES 2023 2022

Expenses**Operating Expenses**

Affiliation	28,799	23,588
Boat Removal Expense	14,932	-
Cleaning	22,305	20,835
Dredging	2,000	6,000
Power & Gas	38,552	36,907
R & M Barrier Arms	1,749	1,877
R & M Piles & pontoons	332	373
R & M - Plant General	1,647	2,786
R & M Ramps	2,013	5,151
R & M - Buildings	12,121	24,198
R & M - Grounds	24,572	21,949
R & M - Tractor	6,338	-
R & M - Marina Berths Maint Nth Beach	644	261
Barrier Cards/Tokens	1,768	1,870
Total Operating Expenses	157,773	145,795

Administration and Other

ACC	1,528	868
Administration Fees	86	-
Advertising/Marketing	1,558	1,029
Accounting Fee	5,052	-
Audit Fee	19,989	13,559
Bank Fees	1,691	2,162
Computer Repairs & Software	10,071	10,553
Covid19 Govt wage subsidy Expense	-	5,036
Eftpos Charges	3,704	1,662
General Expenses	7,829	1,693
Insurance	36,269	30,897
Kiwi Saver Expenses	10,252	8,543
Legal Fees - Willis Legal	2,431	-
Loss On Sale of Asset	-	607
Postage	178	134
Printing & Stationery	2,934	3,177
Professional Development	215	742
Professional Fees	1,630	-
Rates	10,374	7,198
Rent-NCC	10,271	10,271
Rubbish Disposal NSC Site	7,680	5,422
Staff Uniforms New	14	427
Telephone Rental & Tolls	4,446	2,941

These Financial Statements should be read subject to the Auditor's report and the Notes annexed hereto.



	NOTES	2023	2022
Training Expenses		320	-
Valuations & Survey Boat Sheds		-	2,150
Wages & Honoraria		129,214	121,534
Total Administration and Other		267,736	230,602
Finance Expenses			
Interest Expense		6,463	7,673
Total Finance Expenses		6,463	7,673
Depreciation			
Depreciation Expense		80,631	83,924
Total Depreciation		80,631	83,924
Total Expenses		512,603	467,994
Net Operating Surplus		143,203	182,136
Donations & Grants			
Breastwork Donations and Grants Received		-	250
Net Profit For The Year		143,203	182,386

These Financial Statements should be read subject to the Auditor's report and the Notes annexed hereto.



Statement of Changes in Equity

Napier Sailing Club Inc
For the year ended 31 May 2023

	2023	2022
Equity		
Opening balance	2,077,831	1,867,090
Prior period adjustment (to recognise HB Sail)	-	28,355
Amended opening balance	2,077,831	1,895,445
Increases		
Profit for the Period	143,203	182,386
Total Increases	143,203	182,386
Total Equity	2,221,035	2,077,831



Statement of Financial Position

Napier Sailing Club Inc As at 31 May 2023

	NOTES	31 MAY 2023	31 MAY 2022
Assets			
Current Assets			
Cash on Hand		1,550	1,550
Westpac Cheque A/C		352,312	346,931
Westpac Business Online Saver		15,227	11,834
Westpac Savings Account on Call		3,323	536
ANZ Saving Account - HB Sail		13	10,006
ANZ Cheque Account - HB Sail		13,489	16,153
Accounts Receivable		37,456	22,017
Entry Fee Float		170	170
Bar Trading Stock		8,114	5,760
Prepayments		15,905	17,843
GST Receivable		18,078	6,512
Total Current Assets		465,636	439,314
Non-Current Assets			
Property, Plant and Equipment	7	1,900,892	1,807,993
Total Non-Current Assets		1,900,892	1,807,993
Total Assets		2,366,528	2,247,307
Liabilities			
Current Liabilities			
Accounts Payable & Accruals		83,389	57,641
Income in Advance		9,295	11,270
Rent Received in Advance - Marina Owners		13,995	17,075
Cottage Bond		500	500
Total Current Liabilities		107,178	86,486

These financial statements should be read subject to the Auditor's report and the notes annexed hereto.

	NOTES	31 MAY 2023	31 MAY 2022
Non-Current Liabilities			
Loans			
Westpac Northern Beach Term Loan - 91		15,682	35,797
Westpac Northern Beach Term Loan - 92		22,633	47,193
Total Loans		38,315	82,990
Total Non-Current Liabilities		38,315	82,990
Total Liabilities		145,493	169,476
Net Assets		2,221,035	2,077,831
Equity			
Members' Funds		2,221,035	2,077,831
Total Equity		2,221,035	2,077,831

Signed by Napier Sailing Club Manager: _____

Date: _____

Andrew Kearney
Andrew Kearney 31/1/24

Signed by Napier Sailing Club Treasurer: _____

Date: _____

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These financial statements should be read subject to the Auditor's report and the notes annexed hereto.

Notes to the Financial Statements

Napier Sailing Club Inc For the year ended 31 May 2023

1. Statement of Accounting Policies

The financial statements presented are those of Napier Sailing Club(Inc) ("the Club"), a society incorporated under the Incorporated Societies Act 1908 ("the Act"). The Committee has chosen to prepare special purpose financial statements for reporting to members under the Constitution and Rules of the Club and to satisfy their reporting obligations under the Act. As a result, they may not contain all the disclosures necessary for fair presentation in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP") and should not be relied on for any other purpose.

Basis of Preparation

The financial statements are prepared on the basis of historical cost, with the exception of certain items for which specific accounting policies have been identified.

Changes in Accounting Policies

There have been no changes in accounting policies. Policies have been applied on a consistent basis with those of the previous reporting period.

Comparatives

Comparative information has been reclassified, where necessary, to achieve consistency in disclosure with the current year. Transactions relating to HB Sail have been included in these financial statements, with the opening bank account balances at 1 June 2021 recognised as a prior period adjustment in the Statement of Changes in Equity.

Inventories

Inventories are recorded at the lower of cost or net realisable value.

Accounts Receivable

Accounts Receivable are stated at net realisable value after allowance for debts not considered recoverable.

Property, Plant and Equipment and Depreciation

Property, Plant and Equipment are recorded at cost less accumulated depreciation, except for the Bluewater Mooring which is recorded at a 2013 valuation less accumulated depreciation. Depreciation is based broadly on Inland Revenue guidelines except in specific cases where the depreciation is based on the estimated useful life of the asset.

Inland Revenue changed its depreciation guidelines with regards to Buildings that have an estimated useful life in excess of 50 years. To coincide with this, the Club ceased depreciating the Buildings in the 2012 year. This was reconfirmed during the 2020 year, for subsequent periods.



Revenue

Grant income is recognised as revenue when it is received unless there are conditions attached to the grant, in which case the grant is initially recorded as a liability and subsequently recognised as revenue once the conditions have been met.

Subscription income is recognised as revenue in the year to which it relates.

Donation income is recognised as revenue on receipt.

All other revenue is recognised at the time the goods or services are provided. Where funds are received in advance, they are recognised as a liability until such time as the goods or services have been provided.

Bequest income is recognised when received unless it is tagged for specific purposes in which case it is recognised as a liability until it is spent.

Income Tax

The Club is exempt from income tax as a promoter of amateur sport under the Income Tax Act 2007.

Goods and Services Tax

All amounts are stated exclusive of goods and services tax (GST) except for accounts payable and accounts receivable which are stated inclusive of GST.

2. Grants and Sponsorship from Charitable Trusts

Included in income are grants from the following organisations:

Description	2023	2022
The Lion Foundation - RIB Trailers	-	\$5,000
First Light Foundation - RIB Trailers	-	\$2,500
Pub Charity - Coach Wages	-	\$15,000
NZCT - Coach Wages	-	\$11,000
ECCT - Coach Wages	-	\$5,000
Pub Charity - RIB Trailer	\$39,470	-



3. Commitments & Contingencies

There are no capital commitments or contingencies as at balance date (2022: nil).

During the year the Club entered into rights agreements in relation to its yachting programme. Under the terms of these agreements, should the agreement be terminated by either party earlier than the end date of the rights agreements, the Club is required to repay any unexpired portion of funds received in advance (2022: nil).

The Club has entered into agreements with members to occupy and use the Club's property for the purpose of boatsheds, for which the Club receives an annual rental fee. Subject to the terms of the agreement, upon the cancellation of any agreement the Club shall pay the member an agreed value determined for the transfer, after deducting reasonable administration costs and any other amounts owing in relation to the agreement. As at 31 May 2023, there are 41 boatsheds subject to these agreements (2022: 41 boatsheds).

4. Westpac Accounts

The Westpac Cheque account has an overdraft facility available of \$50,000.00. As at 31st May 2023 the interest rate applying was 14.30% (2022: 10.75%).

5. Term Loans

As at the 31st of May 2023 the loans owing to the Westpac Bank have the following interest rates applying:

Loan 92	11.60%	Fixed until July 2024
Loan 91	11.40%	Fixed until July 2024

The security for these loans is an Unsupported Guarantee from the Napier City Council limited to \$750,000. The loans expire in July 2024. Principal repayments are made so as to repay the loans by this date.

At the current interest rate the principal portions of the loans that will be paid in the next 12 months total \$33,902 (2022:\$45,698).

6. Insurance

As at the balance date the insured values of major assets are as follows:-

Buildings	\$5,115,400	(2022: \$4,643,867)
Plant & Stock	\$258,000	(2022: \$258,000)
Other Property	\$1,085,200	(2022: \$721,736)

2023

2022

7. Property, Plant and Equipment

Buildings

Buildings at cost	795,762	745,992
Accumulated depreciation - buildings	(290,485)	(290,485)
Total Buildings	505,277	455,507



	2023	2022
Furniture and Fittings		
Furniture and fittings at cost	253,467	243,906
Accumulated depreciation - furniture and fittings	(211,566)	(204,824)
Total Furniture and Fittings	41,902	39,082
Launches & Dinghies		
Launches & Dinghies at cost	490,736	396,710
Accum Depreciation for Launches & Dinghies	(301,377)	(296,441)
Total Launches & Dinghies	189,360	100,269
Ramps & Floating Jetties		
Ramps & Floating Jetties at cost	253,926	253,926
Accum Depreciation for Ramps & Floating Jetties	(165,179)	(159,357)
Total Ramps & Floating Jetties	88,747	94,569
Slipway & Travel Lift		
Travel Lift & Slipway at cost	125,904	125,904
Accum Depreciation for Travel Lift & Slipway	(97,520)	(94,081)
Total Slipway & Travel Lift	28,385	31,823
Yachts		
Yachts at cost	30,888	30,888
Accum Depreciation for Yachts	(26,464)	(25,358)
Total Yachts	4,424	5,530
Other Fixed Assets		
Other Fixed Assets at cost	260,265	256,399
Accum Depreciation for Other Fixed Assets	(180,772)	(168,712)
Total Other Fixed Assets	79,493	87,687
Blue Water Mooring		
Bluewater Mooring 2013 Valuation	84,490	84,490
Accum Depreciation for Bluewater Mooring	(26,220)	(24,007)
Total Blue Water Mooring	58,270	60,483
North Beach Development		
Northern Beach Development & Breastwork at cost	1,152,841	1,152,841
Accum Depreciation for Northern Beach Development & Breastwork	(247,806)	(219,798)
Total North Beach Development	905,034	933,042
Total Property, Plant and Equipment	1,900,892	1,807,993



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NAPIER SAILING CLUB INCORPORATED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Napier Sailing Club Incorporated ("the Club"), which comprise the statement of financial position as at 31 May 2023, the bar trading account, yacht racing account, travel lift account, HB Sail trading account, the statement of financial performance for the year then ended and the statement of changes in equity, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Club for the year ended 31 May 2023 are prepared, in all material respects, in accordance with the accounting policies specified in Note 1 to the financial statements.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ("ISAs (NZ)"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Society in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards)* (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, the Club.

Emphasis of Matter - Basis of Accounting and Restriction on Distribution and Use

We draw attention to Note 1 to the financial statements, which describes the basis of accounting. The financial statements are prepared solely for the Club's members, as a body. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for the Club and the Club's members, as a body, and should not be distributed to or used by parties other than the Club or the Club's members. Our opinion is not modified in respect of this matter.

Committee's Responsibilities for the Financial Statements

The Committee is responsible for the preparation of the financial statements in accordance with the accounting policies specified in Note 1 to the financial statements and for such internal control as the Committee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Committee are responsible for assessing the Club's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Committee either intends to liquidate the Club or to cease operations, or has no realistic alternative but to do so.

PARTNERS: Glenn Fan-Robertson Heather Hallam Lisa Townshend
CONSULTANT: David Pearson

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are 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 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 decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (NZ), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 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 Club's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the 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 Club'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 statements 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 Club to cease to continue as a going concern.

We communicate with the 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 we identify during our audit.

Who we Report to

This report is made solely to the Club's members, as a body. Our audit work has been undertaken so that we might state those matters which 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 Club and the Club's members, as a body, for our audit work, for this report or for the opinions we have formed.

BDO Hawke's Bay

BDO Hawke's Bay
Napier
New Zealand
31 January 2024