

INDEPENDENT AUDITOR'S REPORT

To the Members of Manawatu Marine Boating Club Incorporated

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Manawatu Marine Boating Club Incorporated (the entity), which comprise the statement of financial position as at 30 June 2021, and the statements of financial performance, 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 present fairly, in all material respects, the financial position of the entity as at 30th June 2021, and its financial performance for the year then ended in accordance with Public Benefit Entity Standards Reduced Disclosure Regime.

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

We are independent of the Entity in accordance with Professional and Ethical Standard 1 (Revised) Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Other than in our capacity as auditor we have no relationship with, or interests in, the entity, except participating in events provided on normal terms of non-members.

Other Information

The executive Committee are responsible for the other information. The other information comprises the information included in the Annual Report but does not include the financial statements and our auditor's report.

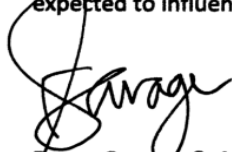
Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

Executive Committees Responsibilities for the Financial Statements

The Executive Committee of the entity are responsible for the preparation of the 30 June 2021 financial statements in accordance with the Public benefit Entity Standards reduced Disclosure Regime and for such internal control as the Committee determine is necessary to enable the preparation of the 30 June 2021 financial statements that are free from material misstatement, whether due to fraud or error.

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 by fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with ISA (NZ) 700 will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements



Burns Savage & Associates Limited
Palmerston North
11 August 2021

Manawatu Marine Boating Club Incorporated
Divisional Statement of Financial Performance
For the Year Ended 30 June 2021

	Note	2021 \$	2020 \$
BAR			
Operating Revenue			
Sales		187,175	148,044
Less Cost of Sales			
Opening Stock		15,219	15,430
Purchases		81,994	67,236
		97,213	82,667
Closing Stock		(13,121)	(15,219)
Total Cost of Sales		84,092	67,448
Gross Surplus from Trading		103,083	80,596
Gross Surplus %		55.07%	54.44%
Less Direct Costs			
Licence Fees		1,339	3,640
Repairs & Maintenance		540	480
Wages		16,864	20,386
Total Direct Costs		18,743	24,506
Gross Surplus		84,340	56,090
Gross Surplus %		45.06%	37.89%
Other Revenue			
Covid19 Wage Subsidy		2,079	5,250
Gross Surplus after Other Revenue		86,419	61,341
Less Expenses			
Donations		900	-
General		84	48
Printing & Stationery		-	23
Staff Training		45	443
Total Expenses		1,029	514
Surplus		85,390	60,827

Manawatu Marine Boating Club Incorporated

Divisional Statement of Financial Performance (continued)

For the Year Ended 30 June 2021

	Note	2021 \$	2020 \$
MEALS			
Operating Revenue			
Sales		176,256	141,602
Catering		7,772	14,124
Sundry Income		2	-
Total Revenue		184,030	155,726
Less Cost of Sales			
Opening Stock		11,087	12,167
Purchases		101,559	83,782
		112,646	95,949
Closing Stock		(15,162)	(11,087)
Total Cost of Sales		97,484	84,862
Gross Surplus from Trading		86,546	70,863
Gross Surplus %		47.03%	45.51%
Less Direct Costs			
Wages		63,869	61,536
Gross Surplus		22,677	9,327
Gross Surplus %		12.32%	5.99%
Other Revenue			
Covid19 Wage Subsidy		6,964	16,944
Gross Surplus after Other Revenue		29,641	26,271
Less Expenses			
Apparel Expenses		119	337
Cleaning		297	16
General		175	165
Low Value Assets		408	-
Meal Expenses		402	23
Printing & Stationery		15	-
Repairs & Maintenance- Equipment		741	212
Staff Expenses		3	-
Total Expenses		2,159	754
Surplus		27,482	25,518

Manawatu Marine Boating Club Incorporated**Divisional Statement of Financial Performance (continued)****For the Year Ended 30 June 2021**

	Note	2021 \$	2020 \$
SAILING			
Operating Revenue			
Sundry Income		43	-
Other Revenue			
Sponsorship		1,307	1,452
Sailing - Hirage		296	257
Raffles (Net)		-	200
Interest		4	4
Subscriptions		1,252	1,135
Regatta Income		461	761
Donations		208	75
Apparel		-	17
Total Other Revenue		3,527	3,900
Gross Surplus after Other Revenue		3,571	3,900
Less Expenses			
Regatta Expenses		40	-
Engraving		-	104
Fuel & Oil		150	68
General		15	699
Insurance		1,194	1,194
Prizes		774	82
Repairs & Maintenance		246	-
Total Expenses		2,419	2,148
Surplus		1,152	1,753

RAFFLES AND DRAWS**Operating Revenue**

Raffles	7,732	7,278
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Less Expenses

Prizes	2,861	2,576
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Surplus

4,872	4,702
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Manawatu Marine Boating Club Incorporated**Divisional Statement of Financial Performance (continued)****For the Year Ended 30 June 2021**

	Note	2021 \$	2020 \$
FISHING			
Operating Revenue			
Sponsorship		25,283	-
Raffles (Net)		157	-
Interest		13	16
Entry Fees		18,771	730
Apparel		1,026	-
Gross Surplus after Other Revenue		45,250	746
Less Expenses			
Advertising		29	-
Apparel Expenses		1,564	-
General		987	194
Licence Fees		-	180
Printing, Stationery & Postage		480	631
Prizes		23,891	1,073
Tournament Expenses		2,000	578
Total Expenses		28,951	2,656
Surplus (Deficit)		16,299	(1,909)
SOCIAL			
Operating Revenue			
Socials Income		10,894	10,978
Raffles		1,398	-
Gross Surplus after Other Revenue		12,292	10,978
Less Expenses			
Raffle Prizes		515	46
Socials Expenses		12,045	11,124
Total Expenses		12,560	11,169
Deficit		(268)	(192)

Manawatu Marine Boating Club Incorporated

Divisional Statement of Financial Performance (continued)

For the Year Ended 30 June 2021

	Note	2021 \$	2020 \$
POOL CLUB			
Operating Revenue			
Raffles (Net)		1,326	623
Interest		4	4
Subscriptions		287	313
Pool - Christmas Club		661	817
Sundry Income		-	628
Weekly Fees and Games		2,085	1,374
Gross Surplus after Other Revenue		4,363	3,759
Less Expenses			
Function Expenses		1,395	1,108
Engraving		338	488
General		26	418
Printing & Stationery		14	30
Prizes		548	432
Travelling Expenses		78	99
Total Expenses		2,399	2,575
Surplus		1,964	1,184

Manawatu Marine Boating Club Incorporated
Combined Statement of Financial Performance
For the Year Ended 30 June 2021

	Note	2021 \$	2020 \$
Divisional Revenue			
Surplus from Bar		85,390	60,827
Surplus from Meals		27,482	25,518
Surplus from Sailing		1,152	1,753
Surplus (Deficit) from Fishing		16,299	(1,909)
Surplus from Pool Club		1,964	1,184
Surplus from Raffles and Draws		4,872	4,702
Deficit from Social		(268)	(192)
Total Divisional Revenue		136,890	91,883
Operating Revenue			
Sundry Income		30	-
Total Gross Surplus		136,920	91,883
Other Revenue			
Interest		115	98
Venue Hire		1,695	1,526
Joining Fee		2,956	1,939
Subscriptions		56,817	51,965
Donations - Feva Vessel		-	11,000
Covid19 Wage Subsidy		6,137	12,395
Administration Costs Recovered		2,159	2,091
Ramp Fees		5,222	3,788
Donations		855	3,419
Donations - Campers & Jetty		3,511	44,497
Apparel		483	730
Total Other Revenue		79,951	133,449
Net Revenue		216,871	225,332
Less Expenses			
Accounting and Audit Fees		3,050	3,000
ACC & other Personnel Expenses		1,101	764
Advertising		5,097	35
Affiliation Fees		773	670
Apparel Expenses		304	801
Bank Fees		52	113
Cleaning		11,948	13,045
Computer		1,133	1,277
Depreciation		31,187	31,825
EFTPOS		1,597	836
Electricity		6,765	5,353
Fuel & Oil		35	25
General		2,452	4,749
Honorarium		4,000	4,000
Insurance		11,001	10,833
Legal Fees		-	2,069
Loss On Disposal		451	778
Low Value Assets		399	661
Meal Expenses		131	126

Manawatu Marine Boating Club Incorporated

Combined Statement of Financial Performance (continued)

For the Year Ended 30 June 2021

	Note	2021 \$	2020 \$
Licence Fees		543	509
Printing, Stationery & Postage		7,737	7,159
Promotions		225	156
Radio Operator		3,855	2,687
Raffle Prizes		-	382
Lease & Rates		5,793	5,456
Repairs & Maintenance - Grounds		3,224	2,354
Repairs & Maintenance - Clubhouse		2,713	4,111
Repairs and Maintenance - Equipment		2,675	4,361
Repairs & Maintenance - Wharf		30,363	395
Security Expenses		1,226	485
Sponsorship		870	-
Staff Expenses		560	91
Staff Training		483	92
Sky Subscriptions		2,819	3,518
Telephone & Tolls		1,970	1,264
Rubbish Removal		1,826	848
Wages		42,420	37,684
Total Expenses		190,778	152,513
Net Surplus		26,093	72,818

Manawatu Marine Boating Club Incorporated

Statement of Movements in Equity

For the Year Ended 30 June 2021

	2021 \$	2020 \$
Owner's Equity		
Opening Balance	1,086,336	1,013,517
Net Surplus	26,093	72,818
	1,112,429	1,086,336
Total Owner's Equity	1,112,429	1,086,336

Manawatu Marine Boating Club Incorporated**Statement of Financial Position****As at 30 June 2021**

	Note	2021 \$	2020 \$
Current Assets			
Cash on Hand		1,020	1,000
Undeposited Funds		6,028	3,680
Petty Cash Imprest		19	100
Westpac Main Account 00		32,709	41,356
Westpac Savings - Main 01		147,524	72,462
Westpac Savings - Fishing 02		24,519	26,415
Westpac Savings - Sailing 03		7,506	5,749
Westpac Savings - Pool 04		9,168	7,979
Westpac Savings - Reserve 05		70,152	70,116
Sundry Debtors		1,501	1,148
Prepayment - Fishing prizes		-	1,530
GST Receivable		663	-
Stock on Hand		29,430	26,306
Total Current Assets		330,239	257,843
Non-Current Assets			
Property, Plant & Equipment	2	852,693	872,480
Total Assets		1,182,932	1,130,322
Current Liabilities			
Sundry Creditors		60,347	12,580
Income In Advance - Covid19 wage subsidy		-	19,127
Income in Advance - Fishing Tournaments		2,609	3,170
GST Payable		-	2,480
Provision for Holiday Pay		7,548	6,630
Total Liabilities		70,504	43,987
Net Assets		1,112,429	1,086,336
General Funds			
Total General Funds		1,112,429	1,086,336

Manawatu Marine Boating Club Incorporated
Notes to and forming part of the Financial Statements
For the Year Ended 30 June 2021

1 Statement of Accounting Policies

Reporting Entity

Manawatu Marine Boating Club Incorporated was incorporated under the Incorporated Societies Act 1908 on 17 June 1970.

Statement of Compliance and Basis of Preparation

The accounting principles recognised as appropriate for the measurement and reporting of the Combined Statement of Financial Performance and Statement of Financial Position on a historical cost basis are followed by club, unless otherwise stated in the Specific Accounting Policies.

The information is presented in New Zealand dollars. All values are rounded to the nearest dollar.

Specific Accounting Policies

The following specific accounting policies which materially affect the measurement of the Combined Statement of Financial Performance and Statement of Financial Position have been applied:

(a) Revenue Recognition

Revenue is recognised when earned.

(b) Inventories

Inventories are recognised at lower of cost and net realisable value, determined on a first-in first-out basis.

(c) Trade Receivables

Trade Receivables are recognised at estimated realisable value.

(d) Property, Plant & Equipment

Property, Plant and Equipment are recognised at cost less aggregate depreciation. Depreciation has been calculated using the maximum rates permitted by the Income Tax Act 2007. In 2016, the ramp was revalued by \$100,000.

(e) Income Tax

Income tax payable on profits is not recorded in the financial statements as no income tax is required to be paid on operating surplus for sporting clubs.

(f) Goods and Services Taxation (GST)

Revenues and expenses have been recognised in the financial statements exclusive of GST. All items in the Statement of Financial Position are stated exclusive of GST except for receivables and payables which are stated inclusive of GST.

(g) Changes in Accounting Policies

There have been no changes in accounting policies. All policies have been applied on a basis consistent with those from previous financial statements.

Manawatu Marine Boating Club Incorporated

Notes to and forming part of the Financial Statements (continued)

For the Year Ended 30 June 2021

2 Property, Plant & Equipment

	Cost	Depreciation Charged	Accumulated Depreciation	Closing Book Value
Property, Plant & Equipment 2021	\$	\$	\$	\$
Ramp	210,792	6,286	60,310	150,482
Clubrooms	708,044	10,000	85,776	622,269
Office Equipment	9,942	868	8,889	1,053
Sailing Section Boats	59,526	3,617	34,977	24,549
Plant & Machinery	150,266	5,960	115,090	35,176
Rescue Boat	23,614	1,806	16,392	7,222
Motor Vehicles	13,290	709	8,544	4,746
Furnishings	36,786	1,673	30,094	6,692
Radios	11,465	268	10,960	505
Total Property, Plant & Equipment	1,223,725	31,187	371,031	852,693

	Cost	Depreciation Charged	Accumulated Depreciation	Closing Book Value
Property, Plant & Equipment 2020	\$	\$	\$	\$
Ramp	214,502	5,818	57,642	156,860
Clubrooms	708,044	11,246	75,776	632,269
Office Equipment	9,942	772	8,021	1,921
Sailing Section Boats	59,526	3,598	31,360	28,166
Plant & Machinery	147,219	4,930	117,576	29,643
Rescue Boat	23,614	2,257	14,586	9,028
Motor Vehicles	13,290	815	7,835	5,455
Furnishings	36,786	2,091	28,421	8,365
Radios	11,465	299	10,692	773
Total Property, Plant & Equipment	1,224,388	31,825	351,908	872,480

3 Significant Event

Major repairs were required to the Foxton Beach Warf which is not owned by the Club. The Executive Committee agreed to contributing \$30,000 (excl GST) towards the cost of these repairs. The final cost was \$37,232.27 (excl GST). Caldow Builders provided a generous donation of \$7,232.27 to match the approved contribution.

4 Capital Commitments	2021	2020
	\$	\$
The Joiner		
Installation of new bar units	11,355	-
IndeServe		
Point of Sale System	5,575	-
Floor Court		
New flooring for bar area	4,695	-

Capital commitments represent capital expenditure contracted for at balance date but not yet incurred.

5 Insurance Valuation

The clubrooms, storage area and coastguard area were revalued for insurance purposes on 4 November 2020 by Telfor Young. The Restatement Cost Estimate was valued at \$2,825,000. The Financial Statements remain based on cost basis.

**Proposed changes and remits to the Constitution (Constitution available at
www.mmbc.org.nz)
Submitted by the 2020/2021 MMBC Executive Committee**

REMIT 1

re Manawatu Marine Boating Club Electronic and/or Postal Voting

The Executive Committee shall have the authority to investigate and if deemed appropriate implement an electronic and/or postal voting system for the Manawatu Marine Boating Club (MMBC).

The MMBC has a membership of +/- 1,450 at present (assuming 2 members per family membership).

MEMBERSHIP SUMMARY AS AT 30 JUNE 2021 CLUB

Individual Members 154

Family Members 657

Complimentary Members (including 8 Life Members) 32

The MMBC has +/- 850 voting members (1 vote per individual membership and 1 vote per family memberships). Currently members have to be present at the meeting when the membership of the MMBC is required to vote. Historically voter turnout has been +/- 15%. As per the last 2 opportunities the membership of the MMBC has had the opportunity to vote (2020 AGM and Special General Meeting 2021). An electronic and/or postal voting system would provide for a far greater percentage of the membership to actively partake in the voting process.

In the event the Executive Committee elect to adopt an electronic and/or postal voting system for the MMBC the following would apply:

- Voting rights would remain the same as catered for in the current MMBC constitution, one vote per individual, couple and family membership.
- Only full financial members shall have voting rights
- Electronic and/or postal voting will be available for all occasions that the membership of the MMBC is required to vote
- The electronic and/or postal voting system would be available/open for up to 14 days prior to 12.01am on the day before the date of the meeting that the membership of the MMBC is required to vote.

REMIT 2

Authority for the Executive Committee to trial Summer Membership for one year

Proposer: Executive Committee

The Executive Committee has the authority to instigate a summer membership structure on trial for one year should they elect to do so.

By definition, a summer member would have all the same club privileges as a full member but for a defined period of time, not greater than 10 weeks. However, they would not be eligible to vote or hold any position on the Executive Committee.

The cost of summer membership would be determined by the Executive Committee but would be no less than 50% of a full membership fee.

If there were to be a joining fee for summer membership this would be determined by the Executive Committee.

The Rationale

The rationale for providing the Executive Committee authority to trial summer membership is because the current constitution does not allow for summer membership.

Summer membership has been discussed at an Executive level a number of times over the years. There have been mixed feelings about the pros and cons of such a concept. One of the main negative factors against introducing the summer membership has been uncertainty about the implementation of the summer membership and the question of whether it adds value for the Club and its existing members.

The Club is currently installing a new Point of Sale cash register system at both the bar and restaurant. This system will enable the Club to provide a discount to members and ensure non members do not gain Club privileges as they have in the past. The Executive Committee wants to ensure that over September and October the new system is fully implemented and if it meets the expectations the Executive may want the opportunity to trial summer membership using the new system. This remit gives the Executive authority to trial summer membership for one year, should they wish, to ascertain whether it is beneficial for the Club.

Note that if the Executive does decide to go with summer membership this year and it works well, this time next year there may be a remit for summer membership to be offered annually.

REMIT 3

Proposed by Susan McPhee seconded by Susan Hoskin.

Clause 12 (e)

Seven (7) Members of the Executive shall form a quorum.

Proposed change

Seven (7) **elected** Members of the Executive shall form a quorum.

Rationale

The Secretary and Treasurer are part of the Executive team and as such are included in a quorum count but have no voting rights (Clause 12 (g)). Definition of a quorum is:

The minimum number of members required for a group to officially conduct business and to cast votes. As the Secretary and Treasurer cannot cast votes, they should not be included in the quorum.

Nominations received for 2021 – 2022 Executive Committee are:

Commodore

Christina Brenton

Nominated: Jude Moxon
Seconded: John Haverkamp

Vice Commodore

Bill Curtis

Nominated: Christina Brenton
Seconded: Ann Darby

Ian Pedersen

Nominated: Bruce Culley
Seconded: Ted Davies

Fishing Co-ordinator

Jude Moxon

Nominated: Lyal Brenton
Seconded: John Haverkamp

Executive Committee

Ricky Anderson

Nominated: Roger Manderson
Seconded: John Haverkamp

Blair Cottrill

Nominated: Philip Wilson
Seconded: John Haverkamp

Bruce Culley

Nominated: Alistair Culley
Seconded: Ian Pedersen

Bill Curtis

Nominated: Kelvin Hirst
Seconded: John Bary

Jo Davenport

Nominated: Bernard Cronin
Seconded: Martin How

Robin Hall

Nominated: Philip Wilson
Seconded: Bill Curtis

Ian Pedersen

Nominated: Bruce Culley
Seconded: Ted Davies

Matt Whiteman

Nominated: John Haverkamp
Seconded: Jude Moxon