

# Commodore's Report 2018/19



A year of regular events on and off the water but increased activity and significant change in management. It's good to see; membership increase from 229 to 260, an increase in social and cruising activities, a new caterer on board, a lift in members at the club on Fridays as well as another successful racing programme. The club have also had great numbers for Friday night sailing, good regatta turnouts, a well-attended interclub series and another successful 24-hour endurance race.

All this is made possible by an exceptional team of volunteers who make this such a wonderful club.

## Notable Events

Some of the notable member activities for the year included;

- A large turnout for Opening Day Regatta that included a record number of entries for the interclub series. There were 43 entries, 29 from visiting clubs.
- The interclub non-spinnaker series was won by Quetzalli (LBYC) and spinnaker series by Dangerzone (RPNYC) crewed by LBYC members.
- Impulse and Kama II completed circumnavigations of the South Island visiting Fiordland on the way.
- LBYC crew on "Dangerzone" winning the Port Nicholson Regatta Fleet Championship series.
- LBYC won the Antarctic Challenge that had not been sailed for several years.
- Kaimai Flyer won the Waikawa Dry Hills New Year Regatta.
- The trimaran, String Theory, from Seaview competed in the SSANZ 60-mile two-handed event.
- The delivery voyage of Crewcut from Auckland.
- The delivery voyage of Obsession from Nelson.
- The delivery voyage of August Sun from Auckland.

## The Executive Committee

Five of the initial Executive left during the year and four new members joined. Through this change the Executive maintained a clear focus on club management with very effective contributions from our Flag Officers, staff and volunteers.

The first change was the appointment of Mary Meyers as Secretary to the Executive Committee and to oversee communications. In this role Mary revitalised The Cutlass and worked on What's On and the accuracy and timeliness of our communications, as well as making sure the key decisions of the Executive were recorded.

There was a change of Rear Commodore Cruising. Thanks go to Mel Hines for her contribution and ongoing support. The Executive welcomed on board a new and very enthusiastic Flag Officer, Martin Payne, who has compiled a comprehensive agenda for the year and beyond and has run some well received technical evenings on how boats work.

Treasurer, Shawn O'Grady, resigned mid-term due to other commitments. Shawn served the club well, and his effort and support is greatly appreciated. I am very grateful that Keith Murray has returned to this role and has capably addressed the systemic issues the club was struggling with.

I was delighted to have Jamie Reid join the Executive during the year. It's great to have a shot of energy and enthusiasm and to see a younger face at the table. Jamie has signalled his intention to stand for Vice Commodore.

The Executive were very disappointed to see Robert Baldock leave during the year due to big commitments in his workload. He has been a true champion for the club organising great events and entertainment for us. Whilst there is no replacement for Robert as Rear Commodore House, the club has Evan Still on board not only running events for the club but also providing us with a reliable and much appreciated catering service.

During the year the Executive called a Special General Meeting (SGM) to approve accounts for the previous year. The delay in being able to approve accounts, that should have been available at the AGM, was a concern and signalled a problem with our management systems.

Since the post SGM discussion on Life membership the criteria for this has been dealt with by way of a regulation under Rule 47. This enables a more flexible and adaptive approach to a vexed issue that has a wide range of opinions. The approach has been to apply a clear process as well as basic criteria without being too prescriptive, putting emphasis on an exemplary contribution to the club.

Affiliation, and associated rule changes were discussed after the SGM and a revised version of these are to be considered at this AGM. This has progressed from that discussed at the SGM but is essentially the same. The club now has a specific proposal from Sailability that I believe offers mutual advantage. The proposed agreement is attached so members can see the contributions and benefits to both parties.

### **Finance**

Despite the efforts of the previous and new Treasurer, and the inordinate time spent on the accounting system, the Executive was not getting the reliable information it needed. They struggled to get; accurate accounting information, a reliable boat register, accurate information on membership and enough information to manage the bar. Given the size of our enterprise, the time and effort were manifestly disproportionate to the results and this was affecting my ability to effectively manage the club.

The new Treasurer was asked to review Xero to see what could be done to make it work effectively. Not only were there limitations in its scope but there were inaccuracies and errors in the information recorded. The Executive had to decide if more time and expense was to be spent to make it work or start again. The cost of continuing with Xero (time and money) was going to be greater than reverting to an earlier spreadsheet system. Within a few weeks of making a decision the club had; timely, relevant and accurate reports covering the full scope of the club's activities, including; the bar, membership and the boat register. The decision was not about the merits of Xero but about having reliable financial information across all the club functions.

Within four days of the close of the financial year, year-end accounts were completed. These were reviewed within three weeks by the Accounts Review Officer.

The club made a loss for the year of about \$16,000. The key reasons for this were; maintenance and repair costs, including the theft of our hot water system, a noticeable fall in the venue hire income, a big increase in insurance, and staffing costs. The club had a noticeable increase in income from catering, the bar and membership but not enough to offset increasing costs.

Whilst some of the costs for the year were extraordinary and not expected to be repeated, the club has to be mindful that some costs will continue to increase, particularly; staff costs (due to minimum wage increases and more time), insurance premiums (Insurers are taking more account of environmental risks such as; sea level rise, tsunami and liquefaction), and

the club have in the past had very modest building maintenance costs that may not be sustainable.

The equity of the club remains healthy at over \$100,000 but given the above it would be prudent to expect that increasing cost will put this at risk. Small increases in our venue hire rates, bar charges and subscriptions will enable a balanced budget to be achieved allowing for unexpected events.

I am therefore recommending a fee increase of \$10 for the next year. i.e. \$140 for senior members and \$95 for family members.

### **The Club Manager**

The previous club manager, Colleen, put in a huge effort for the club and much of this was on a volunteer basis. Her efforts as a manager and a volunteer were very significant and greatly appreciated.

The Executive were very grateful for Matthew stepping up to fill the gap at short notice and has ably steered the club through most of this year. The change has highlighted the hours that Colleen was putting into the role and this has meant an increase in the manager's hours and the cost of the manager's role.

### **Staff**

Lynn Porter deserves special mention for her commitment to the club well beyond what would normally be expected for an employee. With recent changes she has also taken on additional responsibilities and continues to be a mainstay in club operations.

The change in the minimum wage has affected the club and will continue to do so, as future increases come into effect and change the wage levels of all employees. Greater staffing costs can be expected unless the club is able to increase the number of volunteers and the scope of their activities.

### **Sailing Committee**

Another excellent year for the Vice Commodore in effectively running the club's sailing programme. A particularly good year for weather and the club enjoyed a full programme of events. The race management team have done a great job on and off the water and it is great to see Jamie Reid stepping up to take on the Vice Commodore's role, and I am sure there will be plenty of support for him.

### **The 24-Hour Endurance Race.**

Another great event for the club ably organised by race director, Theo Muller, who is now planning for 2020.

The enjoyment, sense of achievement and satisfaction on the faces at the end of the race said it all. Experiencing this for the first time this year, I now know why it is a special event and very much worthwhile taking up the challenge.

### **Spring Chickens**

A club phenomenon. What a terrific contribution they give to the club. They have a regular programme of painting and repairs that has resulted in the building looking in great shape. Not only that, they have set up club moorings and found a way to have these regularly maintained.

## **Volunteers**

In the course of the year I have had wonderful support from so many people. These members are taking the club forward and make most club activities happen. About 1 in 5 of our club members volunteer in some way which is impressive.

A characteristic of our committees is that they are short of people to help organise events. This is not a new situation, but it does raise questions "are the activities wanted, and do the club pay someone to help?" The club already does this to help the sailing programme, and the additional cost will need to be funded.

One of the points to come out of our planning meetings is the need for more to be done in the way the club manages volunteers, and to engage more people for specific tasks. For now, this appears to be the best alternative.

Currently the Executive are looking for volunteers for;

- Sailing Committee
- Cruising Committee
- Race Management
- Membership Management
- Learn to Sail
- Crew Management
- House Committee
- Health and Safety Management
- Accounts
- Volunteer Management
- Fundraising

Contributing to the club provides a sense of satisfaction and greater appreciation of the club. If there is a way that you can help, the club would love to hear from you.

## **Rule Changes**

In November last year the club had a post SGM discussion on several proposed rule changes. This was particularly helpful in addressing the matters raised and in clarifying views on the topics addressed.

Some of the changes were not considered necessary and are not being taken further, but some are still needed and are being presented at the AGM for members to vote on.

## **Club Policies**

The rules provide for the Executive to make regulations. This has been used for policy decisions made by the Executive so that they can endure beyond one year but can be changed without the need for changing the rules. This has been used for life membership applications, Facebook policy, circulation of "Whats On" as well as health and safety. A hard copy is in a folder at the club office and the policies will be published on the website.

## **Planning**

Ingrid Harder shared her business planning expertise with the club and started the Executive into a process that has been particularly useful in highlighting the crucial activities for the success of the club. These include the importance of Friday nights at the club, Friday night racing, volunteers, how the club gets new members and the need to attract more members. The Executive also examined the connection of each activity in the club to the resources required.

The outcome of the two planning sessions was a prioritised list of activities and an opportunity – a learn-to-sail programme. From this the Executive have an initial work plan to implement. The process highlights that planning is a long-term and ongoing requirement that continues beyond the one-year term of the Executive. This should be part of the Executive policy so that it can at least be considered by the new management team.

The ideas from the planning work are now being applied by giving priority to the club's most important activities and will be more evident next year when the Executive work on its activity list.

### **Affiliation and Sailability**

Affiliation was raised following the SGM in November. Feedback from this has been taken on board and the Executive now have an offer from Sailability which clearly sets out what this looks like. The proposed agreement has been circulated and to put this into effect changes to the rules are required.

The proposal has specific advantages for LBYC including; a fee, use of support boats for our key sailing events, the opportunity to use Sailability boats for the Antarctic Challenge and for a learn-to-sail programme.

The proposal enables Sailability members to have access to the club as limited members. It also gives Sailability use of the club for events and meetings.

As Sailability is a significant part of the local sailing community, affiliation with LBYC is a logical step and follows what other clubs have done. It has the advantage that it does not attract Yachting New Zealand levies and in terms of Liquor Licensing requirements. Diversification in the use of the club helps with fundraising activities because of the perceived wider benefits for the community. It also enables more use of the buildings and allows the club to be open more often.

### **Looking forward to next year**

There is plenty to build on from last year. With more members, and a better cash flow the Executive can turn its attention to building activities and the systems that support these.

Club management has been a concern since the change of manager. The Executive is currently identifying all the tasks required to manage the club, as well as the time and skills required to complete these. When the analysis is done a decision will be made on how the club resource this with a club manager and volunteers.

A learn-to-sail programme for the club is an exciting opportunity. Sailability have made this a reality for the club by making their yachts available to us and I am hopeful the club can make this happen in the coming year.

Capturing those enquiring about sailing and wanting a sailing experience is a project for the coming year.

Volunteer management is another opportunity for the coming year. It is a significant part of the club's activities and deserves closer attention to making it work well.

To help with building activities the Executive have emphasised getting support for individual events. Being a champion for one activity reduces commitment and being involved in the committee process. This is an approach I would like to see continue.

### **Conclusion**

It has been a privilege to serve the club. It has its challenges but is very rewarding because I get to meet more people involved with boating and work with the fantastic people that make the club such a great place to be.

Max Meyers  
Commodore

**LOWRY BAY YACHT CLUB INC**  
**STATEMENT OF FINANCIAL PERFORMANCE**

For period to		30-Jun-19	30-Jun-18
	Notes	Actual	Actual
		12 months	12 months
		\$	\$
<b>Gross turnover</b>		145,589	119,778
<hr/>			
<b>Income</b>			
Subscriptions		22,620	19,481
Clubhouse Rental		21,814	25,169
Net Trading income from bar		17,696	15,758
Racing account		-394	2,692
Social events		-4,686	-995
Other Income	11	11,438	5,119
		<hr/>	<hr/>
		68,488	67,224
<hr/>			
<b>Expenses</b>			
ACC Levy		245	58
Advertising		0	43
Administration Wages		26,896	16,079
Almanac Costs		993	1,241
Bank charges		1,065	974
Cleaning		1,736	1,561
Depreciation		4,084	4,580
Dues and subscriptions		4,521	4,507
Hire charges		737	482
Power		4,033	4,289
Insurance		5,999	4,970
Software and other licences		1,087	3,095
Maintenance	10	19,125	2,201
General expenses		855	66
Rates		2,111	1,950
Rent		6,200	6,458
Honorarium		0	0
Postages & Stationery		1,823	2,202
Security		1,482	947
Telephone		1,502	1,279
		<hr/>	<hr/>
Total expenses		84,492	56,982
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<b>Net surplus(deficit) for period</b>		-16,004	10,241
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**Presented on Behalf of the Committee**

Commodore  
Treasurer

M Meyers  
K W J Murray

**LOWRY BAY YACHT CLUB INC**  
**STATEMENT OF FINANCIAL POSITION**

As at	30-Jun-19	30-Jun-18	30-Jun-17
<b>Assets</b>	\$	\$	\$
<b>Current assets</b>			
ANZ cheque account	19,040	21,810	22,623
ANZ deposit accounts	82,418	80,124	77,705
Cash in Hand (Bar Float)	377	1,404	1,404
Trade receivables	1,632	2,996	2,398
Prepayments and Sundry Receivables	8,328	4,641	4,846
Inventory	5,205	5,319	5,197
	<hr/>	<hr/>	<hr/>
	117,000	116,294	114,173
<b>Fixed Assets</b>	216,529	223,545	226,078
	<hr/>	<hr/>	<hr/>
Total Assets	333,529	339,839	340,251
	<hr/>	<hr/>	<hr/>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade creditors	11,058	298	7,809
Sundry Accruals	0	200	0
GST Payable	448	2,321	2,666
Subs received in Advance	650	130	186
Other Liabilities	1,733	1,246	4,187
	<hr/>	<hr/>	<hr/>
	13,888	4,194	14,848
	<hr/>	<hr/>	<hr/>
<b>Membership Funds</b>			
Balance at start of year	137,034	126,792	108,283
Surplus (deficit) for year	-16,004	10,241	18,509
Revaluation reserve	198,611	198,611	198,611
	<hr/>	<hr/>	<hr/>
Balance at end of year	319,641	335,645	325,403
	<hr/>	<hr/>	<hr/>
Total Liabilities	333,529	339,839	340,251
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**LOWRY BAY YACHT CLUB INC**  
**STATEMENT OF CASH FLOWS**

	Year to 30-Jun-19	Year to 30-Jun-18
<b>Operations</b>		
Bar sales, clubhouse rental and sponsorship	102,512	75,343
Subscriptions	23,140	19,425
Race fees and sponsorship	12,300	15,992
Interest received	2,757	2,019
Bar costs	-28,014	-35,508
Social costs	-24,513	-4,975
Racing costs	-12,695	-13,301
Administration costs	-79,921	-55,343
	<hr/>	<hr/>
Funds from operating	-4,435	3,653
	<hr/>	<hr/>
<b>Investing</b>		
Change in term Loans		
	<hr/>	<hr/>
Funds from investing	0	0
	<hr/>	<hr/>
<b>Long Term Assets</b>		
Sales (additions) of fixed assets	2,932	-2,047
	<hr/>	<hr/>
<b>Net cash flow for period</b>	-1,503	1,606
Bank Balances at start of year	103,338	101,732
	<hr/>	<hr/>
<b>Bank Balances at end of period</b>	101,835	103,338
	<hr/>	<hr/>
Reconciliation of surplus for year to cash flows		
Surplus (deficit) for year	-16,004	10,241
	<hr/>	<hr/>
Add back depreciation	4,084	4,580
Change in Debtors	-2,323	-393
Change in Creditors	9,694	-10,653
Change in Inventory	114	-122
	<hr/>	<hr/>
Funds from Operating as above	-4,435	3,653
	<hr/>	<hr/>



**LOWRY BAY YACHT CLUB INC  
TRADING ACCOUNTS**

	Actual 30-Jun-19	Actual 30-Jun-18
<b>Bar</b>		
Bar Sales	54,426	43,570
Bar Cost of Sales	22,330	17,410
	<hr/>	<hr/>
Gross profit from bar	32,096	26,160
	59.0%	60.0%
<b>Deduct</b>		
Bar Staff Wages net of recoveries	13,198	9,237
Bar Licences	1,178	133
Other Bar Costs	109	949
	<hr/>	<hr/>
Surplus from bar	17,611	15,841
	32.4%	36.4%
Profit from Regalia Sales	85	-83
	<hr/>	<hr/>
Net Trading Income	17,696	15,758
	<hr/>	<hr/>
<b>Social</b>		
Food Sales	14,333	2,230
Food Costs	-11,240	-3,114
Other food related costs	-2,698	0
	<hr/>	<hr/>
	396	-884
	<hr/>	<hr/>
<b>Functions</b>		
Ticket sales	5,494	1,751
Function costs	-10,576	-1,861
	<hr/>	<hr/>
	-5,082	-110
	<hr/>	<hr/>
Net Social Costs	-4,686	-995
<b>Other income</b>		
Advertising Received	0	0
Interest	2,757	2,019
Fishing contest	0	0
Raffle Income	-27	0
Sponsorship, Grants & Donat 11	8,709	3,100
	<hr/>	<hr/>
	11,438	5,119
	<hr/>	<hr/>
<b>Racing income</b>		
Entry fees	5,422	4,709
Sponsorship & Donations 11	6,879	11,284
	<hr/>	<hr/>
	12,300	15,992
	<hr/>	<hr/>

**Racing expenses**

Payroll - Start Box	4,593	3,539
Kiore RIB Expenses	200	28
Racing Expenses	3,033	7,191
Mark Maintenance	0	238
Prizes	3,831	1,643
Trophies	1,038	661
	<u>12,695</u>	<u>13,301</u>
Net racing surplus(cost)	<u>-394</u>	<u>2,692</u>

**SUMMARY OF FIXED ASSETS**

Item	Cost	Book value 30-Jun-18	Additions	Depreciation Rate	\$	Book value 30-Jun-19
24 Hour trade mark	1,095	1,095		25%CP	274	821
Cash register	952	603		40%CP	380	223
Racing marks	3,504	708		10%DV	71	637
Start box	16,153	2,594		Scrapped	2,594	0
Furniture and Fittings	53,183	4,735		Various	967	3,768
Clubhouse	223,536	21,295		3.2%DV	681	20,614
Revaluation	190,466	190,466				190,466
Kiore	19,765	2,049	-2,932		-883	0
	<u>508,654</u>	<u>223,545</u>	<u>-2,932</u>		<u>4,084</u>	<u>216,529</u>

**MEMBERSHIP CHANGES**

	Current Numbers	Changes this year		of type	Struck off	Numbers 30-Jun-18
		New	Resigned			
Country	10	0	-1	3	-2	10
Family	29	10	-4	3	-3	23
Senior	209	61	-15	-9	-15	187
Life	12	0	0	3	0	9
Total	<u>260</u>	<u>71</u>	<u>-20</u>	<u>0</u>	<u>-20</u>	<u>229</u>

# **LOWRY BAY YACHT CLUB INC**

## **NOTES TO FINANCIAL STATEMENTS**

### **1**

These financial statements have been prepared in accordance with generally accepted accounting practices.

### **2 MEASUREMENT BASE**

The accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on an historical cost basis are followed.

### **3 DIFFERENTIAL REPORTING**

The entity is a qualifying entity for differential reporting by virtue of its size.

Differential reporting exemptions have been applied.

### **4 SPECIFIC ACCOUNTING POLICIES**

The following specific accounting policies which materially affect the measurement of profit and the financial position have been applied:

4.1 Fixed assets are recorded at cost less depreciation calculated at rates based on the items useful life

4.2 Investments are at valuation

4.3 All other assets are recorded at net realisable value.

4.4 Subscriptions are recognised as income only when received

### **5 CHANGES IN ACCOUNTING POLICIES**

There have been no changes in accounting policies

### **6 CONTINGENT LIABILITIES**

There are no contingent liabilities as at balance date

### **7 COMMITMENTS**

There are no capital commitments as at balance date

### **8 GOODS AND SERVICES TAX**

These financial statements have been prepared net of GST.

### **9 SIGNIFICANT EVENTS AFTER BALANCE DATE**

There are no significant events subsequent to the balance and up to the time of preparation of these financial statements, that materially affect the position as it existed at that date.

<b>10 MAINTENANCE</b>	30-Jun-19	30-Jun-18
The following is a summary of the costs incurred:		
General clubhouse maintenance	1,713	2,201
Lighting upgrade	1,323	
Replace BBQ	869	
Replace hot water system	6,164	
Replace Blinds	1,364	
Replace stove	7,118	
Mooring costs	573	
	<u>19,125</u>	<u>2,201</u>

### **11 GRANTS**

Other income includes grants and sponsorship for specific purposes as follows:

Pub Charity to replace the stove	5,000	
Seaview Marina discount of rent	3,100	3,100
Sundry donations	609	
	<u>8,709</u>	<u>3,100</u>

The Racing account includes Sponsorship and donations as follows:

24 Hour Race		
Heineken	1,083	3,740
Gibson Sheat	1,500	750
Infometrics	1,000	
MM Research	500	500
Whiting Financial Services	500	500
Italian Cermaics	500	500
Compass Coffee		500
CPS Design	500	
Vinings Marine	750	750
Metal Art	250	250
Youth Race - Capital Blinds	230	
Racing marks - Pelorus Trust		3,359
R Rowell	65	435
	<u>6,879</u>	<u>11,284</u>

## **LOWRY BAY YACHT CLUB INC**

### **REPORT TO THE MEMBERS OF THE LOWRY BAY YACHT CLUB Inc**

I have reviewed the attached financial statements comprising the Statement of Financial Performance, Financial Position, Cash Flows and Notes to the financial statements. The information is stated in accordance with the accounting policies described in the notes to the financial statements.

I have obtained all the information and explanations that I have required.

1. Proper accounting records have been kept by the Club as appears from my examination of those records; and
2. The financial statements have been drawn up to comply with generally accepted accounting practice and give a true and fair view of the financial position of the Club as at 30 June 2019 and the results of its operations for the period ended on that date.

My review was completed on 18 July 2019 and my opinion is expressed as at that date

JG Rushton  
Wellington