

RICHMOND YACHT CLUB (INC)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2022

RICHMOND YACHT CLUB (INC)
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2022

INDEX	PAGE
Treasurer's report	1
Financial Review	2
Statement of financial position	3
Statement of financial performance	4
Notes to the financial statements	5

RICHMOND YACHT CLUB (INC)

YEAR ENDED 30 APRIL 2022

TREASURER'S REPORT

I am pleased to present this report to the members of Richmond Yacht Club. As you will note from the Statement of Financial Performance, the club made a net loss of \$13,986 this year which is higher compared to the \$3,834 loss made in the previous year.

Revenue

Total revenue was 9% lower than last year with the continued impact from the Covid-19 lockdowns and restrictions which delayed the start of our summer racing programme with many races being cancelled. This impacted our race fee income and membership subscriptions. It was good to see so many boats out again once racing resumed and their support of the club was appreciated as most were still happy to pay the same series entry fee despite the shortened program. Bar sales were impacted with the clubrooms having to be closed and also good to see so many skippers and crew back up in the club and happy to follow all the health and safety guidelines.

Dinghy locker income was up as more locker space was created in the basement and has been rented out. Venue hire was up slightly on last year with a busy end to the last few months of the year.

Lomocean continue to provide us important rental income for the top floor of the building and remains unchanged. Interest revenue has also decreased by 47% with all BNZ term investment on annual renewals with current interest rates now only 0.8%. In the new financial year the Club has invested \$150K into a Milford Asset Diversified Income managed fund. This will hopefully provide the club a higher return from our cash reserves in the long term. Sufficient cash reserves will remain on BNZ term deposit to cover our short and medium term requirements identified in the Club's Long Term Maintenance Plan.

Overall revenue has also been aided by the receipt of grants, donations, and sponsorships through the year. Thanks again to Victoria Cruising Club for again providing a donation towards the administration, promotion, and operation of the Victoria Friday Night Special race series. Thanks to our many sponsors that provide gift vouchers used as racing prizes.

Expenses

Overall, the expenses were lower compared to last year by 7K or 3.5%. Repairs and maintenance expenditure was lower than last year with no major spend undertaken this year just the usual plumbing and electrical maintenance.

Last year's rent expense included a lumpsum Back rent payment of \$16K for the 2017 Rental review. Our rent is now subject to a further rental review from Jan 2022. Panuku have just proposed another significant increase of 31% fixed for the next 5 years. Although not agreed I have accrued on this basis for our financial accounts. We have also experienced cost increases in insurance, wages and utilities.


Balance Sheet

The club continues to be in a good financial position, two years of loses has reduced our cash reserves by 11K or 3%. Fixed assets have decreased due to annual depreciation, there were no disposals and the only significant addition was the purchase of a sewing machine for the workshop. All known accounts payable and accruals have been accounted for and includes an accrual for the recent Panuku rent increase.

Closing Comments

All things considered the Club has weathered the Covid pandemic in reasonable shape. The focus going forward is to return our revenue level back to where they were pre-pandemic and the best way is to increase member numbers. There is a need to encourage our active racing fleet to become members of our club. My proposed strategy that is being reviewed by committee is to increase our race fees while keeping our membership fees and sail pass at the same level for another year.

I would like to thank the committee and all our volunteers that help organise, promote and run our events. It all helps to ensure we minimise the cost of running the club that benefits all members. I would especially like to thank Kate Herstell for her work throughout the year in the office and Mike McGlone for reviewing these accounts.


.....
Steve Morriss CA, Treasurer

RICHMOND YACHT CLUB (INC)

YEAR ENDED 30 APRIL 2022

FINANCIAL REVIEW

TO THE MEMBERS OF THE RICHMOND YACHT CLUB (INC)

I have reviewed the financial statements on pages 3 to 5. The financial statements provide information about the past financial performance of the Club for the year ended 30 April 2022 and its financial position as at that date. The information is stated in accordance with the accounting policies described in Note 1 to the financial statements.

Committee's responsibilities

The Committee is responsible for the preparation and presentation of financial statements which present fairly the financial position of the Club as at 30 April 2022 and its financial performance for the year ended on that date.

Reviewer's responsibilities

I am responsible for expressing an independent opinion on the financial statements presented by the Committee and reporting my opinion to you.

Basis of opinion

The review includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. It also includes assessing:

- (a) the significant estimates and judgements made by the Committee in the preparation of the financial statements; and
- (b) whether the accounting policies are appropriate to the circumstances of the Club, consistently applied and adequately disclosed.

I performed the review so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements.

I have no relationship with or interests in the Club other than in my capacities as reviewer and as an ordinary sailing member.

Qualification


In common with other organisations of a similar nature, control over the income from race entries and social activities prior to being recorded is limited. It was not practicable to extend my examination of income from race entries and social activities beyond the accounting for the amounts received as shown by the accounting records of the Club, or to determine the effect of the limited control.

Qualified Opinion

In this respect alone I have not obtained all the information and explanations I have required.

In my opinion, except for the adjustments, if any, that might have been necessary had I been able to obtain sufficient evidence concerning income from race entries and social activities, the financial statements present fairly the financial position of the Club as at 30 April 2022 and its financial performance for the year ended on that date, in accordance with generally accepted accounting practice in New Zealand.

My review was completed on 8th June 2022 and my qualified opinion is expressed as at that date.


Mike McGlone CA (Retired)
Honorary Auditor

RICHMOND YACHT CLUB (INC)
STATEMENT OF FINANCIAL POSITION
AS AT 30 APRIL 2022

2021 \$		2022 \$
	Accumulated funds	
446,268	Beginning of the year	442,434
(3,834)	Gain/(Loss) for the year	(13,986)
<u>442,434</u>	End of year	<u>428,448</u>
	Represented by:	
	Non-current assets	
93,528	Fixed assets (Note 2)	84,087
	Current assets	
700	Cash on hand	700
7,435	Cash at bank – BNZ	9,202
369,744	Cash on deposit – BNZ	356,558
6,739	Stock – bar and items for resale	7,922
-	Prepayments	-
-	GST receivable	-
110	Accounts receivable	3,188
<u>478,256</u>	Total Assets	<u>461,657</u>
	Current Liabilities	
(2,000)	Bonds	(3,500)
340	GST Payable	(1,279)
(34,161)	Accounts Payable/Accruals	(28,430)
<u>(35,822)</u>	Total Liabilities	<u>(33,209)</u>
<u>442,434</u>	Net assets	<u>428,448</u>

The attached notes form part of these financial statements.

RICHMOND YACHT CLUB (INC)
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 APRIL 2022

2021		2022
\$		\$
	Revenue	
39,970	Subscriptions	32,864
22,848	Dinghy Locker Fees	24,570
37,896	Racing	30,899
32,021	Social Room	28,455
12,794	Venue Hire	13,260
5,846	Interest	2,773
43,778	Rental	43,778
5,000	Grants, donations and sponsorship	5,648
2,263	Sundry Income	2,707
202,416	Total revenue	184,954
	Expenses	
(2,400)	Bank fees	(1,806)
(61,108)	Clubhouse	(63,920)
(10,947)	Depreciation	(10,421)
(42,490)	Employment and honorariums	(45,660)
(2,048)	General expenses	(1,224)
(13,420)	Insurance	(15,156)
(1,799)	Legal and consulting	(1,834)
0	Loss/(profit) on disposal of fixed assets	0
(15,544)	Postage, printing and stationery	(11,599)
(7,814)	Power, gas and water	(8,326)
(38,774)	Rent and rates	(31,120)
(7,459)	Repairs and maintenance	(5,425)
(2,446)	Phone and eftpos	(2,449)
(206,249)	Total expenses	(198,940)
(3,834)	Net (deficit)/surplus	(13,986)

The attached notes form part of these financial statements.

RICHMOND YACHT CLUB (INC)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2022

1. STATEMENT OF ACCOUNTING POLICIES

These financial statements are prepared for the members of Richmond Yacht Club (Inc) ("the Club") and for the purposes of complying with the requirement to prepare annual financial statements under the Incorporated Societies Act 1908.

As the Club is not large nor a public benefit entity, there is no requirement to prepare the financial statements in accordance with the Accounting Standards Framework administered by the External Reporting Board.

The financial statements of the Club have been prepared on a going concern basis using historical cost accounting. They do not purport to disclose the current values of the Club's assets.

The following specific accounting policies have been adopted:

- Income from subscriptions and racing has been brought to account on an accrual basis.
- Expenditure is accounted for on an accrual basis.
- Bar stock and items for resale have been valued at the lower of cost and net realisable value.
- Fixed assets are recorded at historical cost less accumulated depreciation.

Furniture, fittings and equipment bought in the period up to 30 April 2009 have been depreciated at rates ranging from 10% to 50% on a diminishing value basis. Furniture, fittings and equipment bought from 1 May 2009 onwards have been depreciated at rates ranging from 10% to 40% on a straight line basis as we believe this will more readily reflect the value of the assets.

Trophies are stated at nominal cost and are not depreciated.

Clubhouse improvements are depreciated on a straight line basis on an estimated life not exceeding 50 years.

There have been no significant changes in accounting policies from those applied in the prior year.

2. FIXED ASSETS

	Cost	<u>2022</u>		Cost	<u>2021</u>		<u>2022</u> <u>2021</u>	
		Accum dep'n	NBV		Accum dep'n	NBV	Dep'n for year	Dep'n for year
Furniture & fittings	165,047	(155,170)	9,877	164,067	(152,628)	11,439	2,542	2,626
Clubhouse improvements	295,257	(222,057)	73,200	295,257	(214,178)	81,079	7,879	8,321
Trophies	1,010	-	1,010	1,010	-	1,010	-	-
	461,314	(366,806)	84,087	460,334	(366,806)	93,528	10,421	10,947

3. COMMITMENTS

The club has no known commitments (2021 - Nil).