

Zephyr Owners' Association
Minutes of the Annual General Meeting
Murrays Bay Sailing Club, Auckland, 14th September 2016

1. **Attendance:** M Sargisson, R Ebert, T Snedden, H Bennett, S Pyatt, B Peet, C Moss, G Salthouse, A Aitken, D Blair, K Paine, J Kliffen, T Miller, A Knowles, C Maddren, B Read, A Retter, R Martin.

Chairman M Sargisson welcomed members to the meeting, especially “out of towners” - Patron, Alex Aitken, Keith Paine, John Kliffen.

2. **Apologies:** R MacKay, P Pearson, G Gager, K Gager, Tim and Carla Holgate, R Dreverman, P Stokell, R Gill, P Busfield. *Accepted Sargisson/Bennett*
3. **Minutes of the Previous Meeting (Chch);** These had been previously circulated in the West Wind and were taken as read and accepted as a true and correct record of the previous AGM. *Ebert/Sargisson*
4. **Matters arising from the previous meeting;** A Aitken queried the continued retention of the hulls Royalty item in the accounts, after we decided to omit it last AGM. T Snedden replied that this was an oversight which would be remedied.
5. **President's Report;** Murray Sargisson spoke to his report, it having been circulated in the West Wind.
 - a. *60th Jubilee Regatta:* This was an outstanding success and the efforts of Harold Bennett and his organising team were acknowledged.
 - b. *New Zephyrs:* The efforts of all those involved in bringing the glass Zephyrs to reality, especially Don Currie and Greg Salthouse, were acknowledged. Production is one per month, with at least 9 orders.
 - c. *.Rule Changes:* Those involved in facilitating the rule changes, Rob Ebert, Don Currie and Andy Knowles were thanked.
 - d. *Resignation of Treasurer;* The resignation of Tim Snedden as Treasurer was lamented. Tim was thanked for his contribution to the class.

6. Treasurer's Report;

Tim Snedden tabled a revised set of accounts from those published in the West Wind (August 2016) spoke to the adjustments made. Issues for the incoming Committee to address were;

- Depreciation rate on the glass hull mould to be decided
- Financial Reviewer Matt Hannah has resigned from the role and will need replacing. It was noted that he has been providing a financial review, rather than a formal audit. Tim also commented on the lack of a successor to his role as Treasurer, noting that the role did need to be filled if the model of the ZOA retaining total control of all elements of the class was to be continued. The ZOA could not continue to rely on Murray Sargisson and Rob Ebert indefinitely. Other class members need to step up. Alex Aitken echoed Tim's comments reiterating the desirability of having three people familiar with the financial details of the ZOA.
 - *GST Registration;* Alex Aitken commented that the ZOA income now exceeded that required for GST registration. Discussion around how this might be avoided centred on the possibility of ZOA members dealing directly with suppliers – so as to reduce the ZOA's income - with Doyle Sails being the obvious option. This was felt to be undesirable and that GST registration should be pursued.
 - *MYOB;* The ZOA will likely continue to manage its accounts in MYOB given the ZOA's history of its use. It was felt to be able to handle GST aspects of the account easily.

The Treasurer's report was accepted. *Snedden/Sargisson*.

7. Budget and Subscriptions

- Tim Snedden presented a budget for the coming year, forecasting approximately \$120k in trading revenue, the result of new hull purchase by members. He anticipated a surplus of \$4k.
- Subscription recommended to remain at \$20. *Snedden/Sargisson*

At the conclusion of Tim's reports the meeting thanked him for his eight year contribution as Treasurer. *Sargisson/Bennett*

8. Secretary's Report

R Ebert outlined the Secretarial initiatives over the past year;

- The web site hosting had been changed and the web site moved to "Sporty".
- Rule changes for the glass hull had been completed, once again using SurveyMonkey.

9. Election of Officers;

The following positions were filled, there being no other nominations.

Patron; Alex Aitken,

President; Murray Sargisson.

Secretary; Rob Ebert

Treasurer; Vacant

Financial Scrutineer; Vacant

Committee Members;

Steve Pyatt

Peter Stokell

Andy Knowles

Brian Peet

John Kliffen

Regional Representatives (ex officio)

Richard MacKay (CZOA)

Richard Dreverman (Wgtn)

Tony Miller (AZO)

The Treasurer vacancy was discussed. Tim Snedden alluded to the continual nature of the demands from members, who often sought advice about sailing aspects of the class. He no longer had time for the demands of the role. M Sargisson will take up the accounting issues, with Tim's ongoing support.

10. General Business;

1. **National Contest 2016-17:** The 2017 event will be in Akaroa. A Aitken outlined the issues confronting the organizers.
 - 1.1. The current budget for the event requires 44 boat for break even, possibly 20 local and 24 from elsewhere. The meeting thought is number could be a bit ambitious with numbers in the low to mid 30s likely. The timing of the event in late January was awkward for many sailors.
 - 1.2. Akaroa has limited race management resources, so a lot of infrastructure needs to be borrowed from Chch clubs and moved to Akaroa.
 - 1.3. Funding arrangements for the Nationals were discussed. The ZOA will limit its "under-writing" of the event to \$1000 so it was important that host clubs establish their budgets with this in mind. Entry fees may need to be increased to cover the fixed costs of small numbers, with a "bare bones" contest.

- 1.4. The meeting noted that member's attendance at National Championships was highly variable, not only in the Zephyr class – and it did not necessarily reflect the overall strength of the class.
2. **National Championship Grant Applications;** The ZOA was supportive of applications to charitable trusts for financial assistance in running the Nationals and accepted the motion; “that the AGM pass a resolution to seek grant funding from the appropriate sources to support the 2017 National Contest at Akaroa” *Mackay/Aitken*
 3. **National Championship Guidelines;** The meeting accepted the suggestion from R Mackay about the need for a clear set of guidelines, the requirements, the consultation process and the expectations of ZOA, in order to assist those preparing for the annual National Contest. This was passed to the incoming committee to address. It was noted that a number of other classes have taken this approach, some being highly prescriptive. Items to include would be the timing (dates) number and length of races, wind limits, duration of contest (days, number or races per day, split fleets, judging.
 4. **National Contest 2017-18:** Worsler Bay have expressed interest in hosting the 2018 National Championships. They hope to be in a new club house by then. 2019 Nationals would be North of the North Island, then back to the South Island in 2020.
 5. **Taper in alloy masts;** Greg Salthouse alluded to the continued difficulties in tapering the Zephyr masts and suggested a tapered fibreglass top section be investigated. The idea was an attractive one, but the technical challenges in matching a glass tip to an alloy base are considerable. The incoming Committee will take this up.
 6. **Wooden Zephyr Jig:** The original jig for the triple skin Zephyrs now has a shell bonded to it and is unuseable. It is taking up space in Greg Salthouse's yard. Moved “that the jig for the wooden hull Zephyrs be destroyed” *Snedden/Bennett*
 7. **Glass Zephyr Quality Control;** A Retter sought assurance from the meeting as to the adequacy of quality control over the new hulls – especially in the event of the builder changing. He was reassured that the building and finishing process was documented and replicable in another builder's hands.

Meeting closed 2140

**Zephyr Owners' Association
Treasurer's Report
Year ended 31 May 2016**

Trading:

Trading was slower than last year although there was a very active period leading up to the nationals in April. For the year we sold a total of 35 sails, 8 batten sets, 8 masts and 4 booms.

At balance date the Association held 12 sails and 6 masts.

The gross margin on sales was a satisfactory 8.7% for the year.

Matt Hannah, our auditor, has agreed that depreciation of the mould for the fiberglass hulls should commence in the financial year to May 2017. No depreciation has been taken into account in the year under review as the mould had not been used in a revenue generating capacity during this period. The incoming committee will need to consult with Greg Salthouse before deciding an appropriate rate of depreciation.

Administration:

Subscriptions income of \$2,530 was \$250 higher than for 2015.

Auckland membership increased by 11 to 59, Canterbury by 2 to 21 and Wellington by 3 to 28 while Central was down 3 to 16. There were no unaffiliated subs paid directly to the ZOA (3 last year). Total paid up ZOA membership currently stands at 124, up 10 from last year.

The major expense items were again insurance for stock at \$723, meeting expenses (being the cost of regional delegates' travel to the AGM) of \$364 and sundry at \$372.

Website expenses of \$792 reflected the cost of hosting the new website by Sportsgound and included a one off transfer fee of \$223.10

Contest promotion which relates to the travel subsidy of \$100 for members crossing Cook Strait for the nationals was \$400 higher at \$1000 reflecting the strong support for the nationals from Canterbury.

Investments:

Funds in the ASB cheque account at 31 May stood at 1,379. One of the ASB term deposits stood at \$13,547 having been re-invested in May for six months at a rate of 3.20%, while the other deposit stood at \$20,000 having been re-invested in April for six months at 3.30%. \$17,000 was drawn from this term deposit to fund the building of the mould for the fiberglass hull.

Interest rates have continued to fall over the past year following the decreases in the OCR by the Reserve Bank which, together with the abovementioned withdrawal, resulted in interest income for the year being \$836 lower at \$1,384.

Total cash and investments at balance date stood at \$34,926 and members' funds at \$68,217.

Matt Hannah, who has reviewed our annual accounts at no charge for the past six years, has decided to resign from the position due to increasing business commitments.

I would like to thank Matt for the great assistance he has provided me and the ZOA in preparing the final accounts over this period.

As I am also resigning at this AGM, I would like to thank the various committees I have worked with, and particularly Murray Sargisson and Rob Ebert, for the support and assistance they have given me in my role as Treasurer.

Tim Snedden
Treasurer

**ZEPHYR OWNERS' ASSOCIATION
2016-17 BUDGET COMMENTS**

Trading:

I have budgeted for trading revenue from 9 new hulls and 9 more sails, masts and booms than in the 2016 year to reflect the fit-outs of the 9 hulls together with the recovery of \$2,256 of costs associated with hull #601.

Subscriptions:

I have budgeted for membership numbers in all regions to remain at 2016 levels.

No change in the level of subscriptions is recommended for the 2016 year.

Expenses:

Contest promotion comprises \$100 travel subsidies for an estimated 10 North Islanders attending the nationals in Akaroa.

Meeting expenses comprise return airfares for delegates from Wellington and Christchurch to attend the AGM.

Insurance based on actual known costs for budgeted period.

Interest income:

Locked in returns for term deposits maturing October and November. Reinvestment at 3.0% plus estimated average balance in ASB FastSaver account \$4,000 @ 1.50%.

Tim Snedden
Treasurer

Addendum to 2016 Budget

In my haste to prepare the budget before my departure, I have just realised that I made an error in my calculations for the purchase price of sails, and spars & rigging which, when stated correctly (see attached), make a material improvement in the budgeted gross margin on sales (from \$3,676 to \$13,334) and consequently net surplus (from \$4,227 to \$13,886)!

Tim Snedden
15th September, 2016

**ZEPHYR OWNERS'S ASSOCIATION
BUDGET FOR YEAR TO 31 MAY 2017**

Revenue	
Sails	40,061
Spars & Rigging	25,419
Hulls	58,863
Trolley	639
Total Trading Revenue	124,982
Cost of Sales	
Purchases Sails	36,183
Purchases Spars & Rigging	22,325
Purchases Hulls	51,750
Purchases trolley	639
Freight	751
Total Cost of Sales	111,648
Gross Margin on Sales	13,334
Expenses	
Insurance	723
Contest promotion	1,000
Total trading expenses	1,723
Net Surplus from trading	11,611
ADMINISTRATION ACCOUNT	
Subs Auckland	1,180
Subs Central	320
Subs Wellington	560
Subs Canterbury	420
Total Subscriptions Revenue	2,480
Expenses	
Website expenses	569
Meeting expenses	364
Sundry	372
Total Admin Expenses	1,305
Net Administration Surplus	1,175
Other Income	
Interest Income	1,100
Net Surplus	\$13,886

ZEPHYR OWNERS' ASSOCIATION (INC)		
STATEMENT OF FINANCIAL POSITION		
AS AT 31 MAY 2016		
ASSETS	2016	2015
Current Assets		
ASB Cheque Account	1,379	2,573
ASB Fast Saver Account (on call)	-	2,487
ASB Term Dep 0072 (maturing 29 November 2016)	13,547	13,039
ASB Term Dep 0073 (maturing 23 September 2015)	-	36,877
ASB Term Dep 0074 (maturing 18 October 2016)	20,000	
Total Cash On Hand	34,926	54,975
Debtors	212	775
Interest Receivable	80	300
Insurance Prepaid	648	648
Stock on Hand	17,290	7,334
Total Current Assets	53,156	64,032
Fixed Assets		
Building Moulds and Patterns	15,381	372
Total Fixed Assets	15,381	372
Total Assets	68,537	64,404
LIABILITIES		
Current Liabilities		
Trade Creditors	-	-
Prepaid Subs	80	60
Subs due to AZO	80	
Subs due to Central ZOA	120	200
Subs due to WZOA	10	
Subs due to CZOA	30	
Total Current Liabilities	320	260
Total Liabilities	320	260
Net Assets	68,217	64,144
MEMBERS FUNDS		
Accumulated Funds 1 June 2015	61,544	57,506
Royalty Reserve	2,600	2,600
Current Year Surplus	4,073	4,038
Total Members Funds	\$68,217	\$64,144

ZEPHYR OWNERS' ASSOCIATION (INC) FINANCIAL REPORT FOR YEAR ENDED 31 MAY 2016 STATEMENT OF FINANCIAL PERFORMANCE		
	2016	2015
TRADING ACCOUNT		
Revenue		
Sails	32,096	36,847
Spars & Rigging	11,357	16,397
Hulls	-	-
Total Trading Revenue	43,453	53,244
Cost of Sales		
Opening Stock	7,334	5,934
Purchases Sails	32,793	34,364
Purchases Spars & Rigging	15,070	16,592
Purchases beach trolley	639	
Purchases Hulls	363	-373
Freight	751	1,053
	56,950	57,570
Less Closing Stock	17,290	7,334
Total Cost Of Sales	39,660	50,236
Gross Margin On Sales	3,794	3,008
Expenses		
Insurance for Stock	723	716
Write-off old mould	373	
Subscriptions collection fees	9	
Contest Promotion	1,000	600
Net Surplus From Trading	1,689	1,692
ADMINISTRATION ACCOUNT		
Subscriptions Income		
Subs Auckland	1,180	960
Subs Central	310	380
Subs Wellington	560	500
Subs Canterbury	420	380
Subs National ZOA	-	60
Subs Prior year	60	-
Total Subscriptions Revenue	2,530	2,280
Expenses		
Bank Charges	1	10
Website Expenses	792	207
Meeting Expenses	364	920
Sundry	372	616
Honorarium Secretary	-	250
Nationals Costs	-	150
Total Admin Expenses	1,529	2,153
Net Administration Surplus	1,001	127
Other Income		
Interest Income	1,384	2,219
Net Surplus	\$4,073	\$4,038