



ANNUAL REPORT 2021

For the period ending
31 December 2021

www.nzmarine.com

PRESIDENT'S REPORT

June 2022



Transitioning to the new normal

In last year's report written for the 2021 Annual General Meeting I referred to the Covid 19 pandemic creating an "alternative universe". Moving on twelve months, we are effectively transitioning from the "alternative universe" to the new normal. We are starting to develop a clearer picture of what challenges and opportunities lie on the horizon for the New Zealand marine industry. This presents more of an opportunity to plan strategically rather than reacting to circumstances.

Probably the most significant event going forward are the New Zealand borders reopening. The Air Border and Sea Border have not opened in tandem, and it is worth acknowledging the quite different impacts each border category will have on the New Zealand marine industry.

The opening of the air border has already seen formerly trapped Kiwis look in search of overseas adventures and this will take some of the discretionary spend that fuelled the local marine market, offshore. This should result in the pleasure craft market sales levels returning to historical averages. Given the increase in interest rates and material costs these factors will act as a further dampener on demand.

One market segment that seems to be holding up is new engine supply. If customers are considering repowering, and the drive units are available, consumers are still considering purchasing. The issue of repowering may also be driven by the quest for improved fuel economy/efficiency as the cost of fuel increases. Fuel costs and the carbon footprint are also fuelling the drive to electric, hybrid electric and hydrogen vessels for both recreational and commercial use.

With the announced reopening of the sea border on 1st August 2022 we should expect to see the Refit Group and marina operators start to benefit from the potentially increasing arrival of overseas vessels back into New Zealand. There is considerable work going on behind the scenes by both the New Zealand Marine Export Group and the NZ Marine Industry Association to get the message out that New Zealand and our South Pacific partners, Fiji, Tahiti and Australia are open for business. This should also assist the Commercial Vessels Group with refit business.

The NZ Marine Export Group is playing a pivotal role in promoting this message. The plan to hold a NZ Millennium Cup in the Bay of Islands in early 2023 is an example of this messaging. The announcement and promotion of the NZ Millennium Cup 2023 is positive proof that New Zealand is open for business and promotion of the event is as much about the message it indirectly conveys, rather than the event itself.

Just to highlight some of the key activities up to the 2022 AGM.

The transition of NZMACTITO into the Private Training Establishment named Marine and Specialised Technologies Academy of New Zealand (MAST) has continued very successfully. MAST commenced operations Monday 2nd August 2021 with NZ Marine Export Group as the interim shareholder. As one of NZ Marine's final steps with the management of NZMACTITO we have now formally advised the Minister of Education that we are seeking to disestablish the NZMACTITO. Once approved the MAST shareholding will then be transferred to NZ Marine Industry Association. Chris van der Hor and his team have gone from strength to strength with 700 plus learners engaged in training under the guidance of the MAST Board chaired by Tracey Stevenson.



It is worth noting at this point that one of the major constraints to the marine industry has been, and still is, the shortage of skilled labour. MAST was specifically set up to drive marine industry training with the support of marine employers. While industry training helps to significantly address this issue, in the short term, other solutions include attracting staff back into the marine industry that may have left the industry, as well as attracting overseas workers utilising tools such as the NZ Marine Jobs website launched in November 2021. Thanks to Vice President Jason Dickey for supporting this initiative and Caroline Gibson for managing the project.

NZ Marine continues to provide numerous ongoing membership services, including weekly Fastmails keeping members informed of many opportunities (including the valued various wage and related subsidies available), the informative NZ Marine News industry magazine, and our on-going mediation service of customer/member disputes. Thank you to Caroline Gibson, Manager Membership & Communications for implementation of all of the above.

The cancellation of the October 2021 Boat Show, as well as the March 2022 Boat Show, was a "show stopping" setback for the exhibitors and the Events Team. We were fortunate that the March 2022 Boat Show was covered under the Government's Events Transition Support Scheme (ETSP) which was a form of insurance to help mitigate against costs incurred by contractors to the event. The management of contractor claims under the ETSP was rigorous and time consuming. Thanks to Stacey Cook and the Events team around the cancellation of both of these shows. Thanks also to Kim Green for the processing of the payments. The agreement and support by the exhibitors over the decisions to cancel was very much appreciated.

Going forward, planning for the Auckland Boat Show for March 2023 is underway. This 2023 Show has the potential to be a "watershed" event after the cancellation of the previous shows, the exiting of the America's Cup syndicates from the Viaduct, and the uncertainty around the future of the Auckland Showgrounds.

NZ Marine has entered a new lease for 85 Westhaven Drive commencing 1st February 2022. The lease is a 3 + 3-year arrangement with Panuku Auckland.

No report would be complete without mentioning the 2024 America's Cup venue selection. The reality is that while we are disappointed the event is not being held in Auckland, as an industry, we need to accept the decision and move forward, working to maximize the "alternative opportunities" that Barcelona will offer.

Thanks to the Board of Management for helping us navigate the Boating Industries Association of NZ Inc through the challenges and opportunities presented to us; two Vice Presidents Tracey Stevenson (Lloyd Stevenson Boatbuilders) and Jason Dickey (Dickey Boats), Denis Kendall as Treasurer (Haines Hunter), Michael Eaglen (EV Maritime), Clint Jones as Chairman of the NZ Marine Export Group (Propspeed International), Robert Knox for his financial expertise, and Lisa Easte specialising in HR matters, My thanks also to Peter Busfield and his team for sailing the ship.



Garry Lock
President

EXECUTIVE DIRECTOR'S REPORT

NZ Marine Industry Association mission is to:

“Encourage development of the New Zealand Marine Industry and support our members to build successful businesses”

We have endured a period of NZ history that will go down as bizarre for boating business – a period where the public have been barred from travelling overseas and companies suffering from intermittent downturns being compensated from the Government with weekly cash pay-outs. The demand for new boats and equipment, both internationally and in NZ, has eclipsed the boom years of 1984 to 1987 as people have invested in looking after themselves and family. Flexible working hours for many has meant less time in traffic providing more leisure time to go boating and other locally based activities. Correspondingly most NZ marine industry companies have done well, and this is also reflected in membership of NZ Marine exceeding 500 companies for the first time. This has not been without its challenges with material/equipment supply and freight issues making managing a company a relentless and tiring job.

As referred to by President Garry Lock in his report, the opening of our sea border from 1st August 2022 will provide us the opportunity to market Destination New Zealand to the world's superyachts and ocean-going cruising yachts, thereby regaining and growing our refit business.

Our industry is very diverse, from marina operations to design, build and exporting of boats and equipment. The range of boats include canoes, dinghy sail boats, inflatables, trailer power boats, launches, yachts, superyachts, America's Cup 75' mono hulls, Sail GP 52s, to commercial vessels. As such, our specialist sector groups are instrumental in us providing support to member companies in these various specialist sectors.

Sector group activity in 2021 included:

NZ Commercial Vessels Group – Chaired by Jeff Porter

The Commercial Vessels Group (incorporating the Big Engine Group headed by Ross Williamson) has approximately 40 active members who participate in projects and activities and meet three to four times per year.

Some of the activities the NZ Marine Commercial Vessels Group have spearheaded include:

- Representation to NZ government officials that when purchasing vessels to buy from a New Zealand boatbuilding company. This is working well with several government departments such as NZ Customs, Department of Conservation, Ministry of Transport, and NZ Police having new vessels designed and built in NZ.
- Executive Director Peter Busfield sitting on the NZ Government's Business Reference Group – providing advice to the Government on best procurement practice for the good of the New Zealand economy.
- Recent activity includes - Publication of and digital version of the 2022/23 pictorial directory of companies in the commercial vessel sector.

NZ Marine Boat Builders & Refit Group – Chaired by Garry Lock

The Boat Builders and Refit Group has been active mainly in areas of representation to Government. The usual networking and informative functions have not been held due to Covid restraints. We look forward to this group, in close liaison with the NZ Marine Export Group, assisting companies reconnecting with the international markets.

Activities of the NZ Marine Boat Builders & Refit Group include:

- Focused on expansion of marine clusters adjacent to water ways of Opuia, Whangarei, Auckland, Whitianga, Tauranga, Whanganui, Whakatane, Wellington, Picton, Nelson and Lyttelton.
- Promotion to cruising yachts and superyachts of the border exemption for visiting yachts with pre-booked \$50,000 or more of refit/repairs and recently the sea border opening in August 2022.
- Promotion of Destination New Zealand 2020-2021 with our informative America's Cup and visiting yachts DLE brochure, leading up to the March 2021 America's Cup in Auckland.
- Recent activities include an updated Destination & Cruising NZ book and digital information informing visiting yachts of the rules for visiting

NZ, cruising grounds and attractions and NZ Marine member companies available to service their yachts.

Brokers Group

– Chaired by Jason Snashall

The NZ Marine Brokers Group meet via Zoom several times a year addressing areas, including finalisation of a review of brokers documentation for the Sale and Purchase of a boat which now makes a survey as a mandatory requirement. The group has revised the Brokers Code of Ethics document and is working on a universal induction training plan to ensure that new brokers met certain criteria in various skill sets.

Northland and Far North Region

– Chaired by Brian Caulton

Brian Caulton has been active in representation to local Government and organisations in the area promoting the Northland and Far North marine industry. He has also been proactive in supporting MAST training initiatives and the School To Work programme in the region throughout the year.

Auckland Boat Show

Due to Covid restrictions the show planned for October 2021 was cancelled. The Show planned for March 2022 due to Covid restrictions was also cancelled and we are now focusing on and planning the March 2023 show that we hope will be allowed to be staged! As an organisation we have claimed and been paid out the respective Government wage subsidies and insurances for the cancelled shows and this has enabled us to retain our events team through this challenging period.



NZ Marine Export Group

– Chaired by Clint Jones

With borders closed, difficulties with freighting boats and equipment offshore and supply chain issues, being a NZ exporter in 2021 was not a lot of fun. The profile of New Zealand for quality and being world-leading in many marine industry technologies was however maintained through companies' releases of new innovative products, existing international contacts, and PR by NZ Marine in association with NZTE at international events and boat shows. The 36th America's Cup, held in Auckland in February/March 2021 and Emirates Team New Zealand's successful defence kept the

New Zealand marine industry to the fore and we will continue to reap the benefit from ETNZ's defence of the Cup in Barcelona, including NZ marine industry companies supplying components to ETNZ and syndicates for the next America's Cup.

A major export market that basically disappeared in 2021 was visitation of cruising yachts and superyachts to NZ. This market worth more than \$200m to our industry in a normal year was reduced by an estimated 75% and it was only due to the special refit exemption that NZ Marine negotiated with the NZ Government that allowed some boats with pre-booked refits to visit that saved many companies in the refit and maintenance sector.

The NZ Marine Export Group board and management have set a goal of attracting 60 superyachts per annum to NZ by 2024 and are embarking on a major promotion plan to achieve this goal. Part of this plan is the launch of a specialist division and new brand of Superyacht New Zealand.



CPC Trailer power boat manufacturers group

– Chaired by Griff Simpson

It is a credit to the NZ trailer boat manufacturing sector that over 90% of the approximate 2000 6m+ trailer power boats sold each year in New Zealand are designed and built here.

The CPC Group chaired by Griff Simpson has now been in operation for 24 years and provides leadership to this industry sector with its 'New Zealand Audited Boat Building programme'.

In 2021 the group agreed to a new marketing theme and strategy focussed on digital marketing. Three new companies joined the group now representing 18 New Zealand trailer powerboat manufacturers.



Membership networking, upskilling, representation, and documentation for members' use

- Part of our membership services is organising the popular 'Boating After 5' functions hosted nationwide at member company premises - due to Covid restrictions this was not possible for most of 2021 but we look forward to restarting these in the second half of 2022.
- Assisting the boating public with services including website and printed directory of members and their services, and provision of a disputes/mediation service.
- Regular communications to members via our NZ Marine Fastmail newsletter and NZ Marine News magazine.
- Continual revision of our many businesses contract forms available for members' use in their daily business dealings.
- New NZ Marine Jobs website exclusively for members' use.
- Mentoring service to assist member companies grow their own companies.
- Representation to central and local government informing and promoting the NZ marine industry.

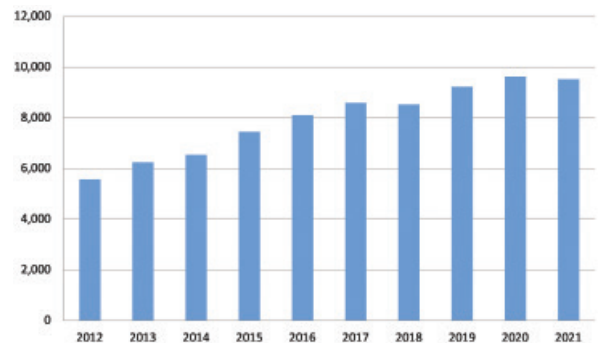
Marine Industry business activity in 2021 and going into 2022

Evidenced by the statistics on new boat trailer registrations and imports of outboard motors in 2021 the demand for new boats and boating equipment was up significantly on the 12 months to December 2020. The start of 2022 has continued with steady sales but with the Reserve Bank slowing the economy down with interest rate rises we are expecting sales activity to moderate for the balance of 2022. However, many companies have full order books through to 2023 and as such, the marine industry is looking in good stead for the immediate future.

Key statistics for the industry

During 2021 the marine industry enjoyed steady or, in many areas, increased business activity. This is evidenced in the local market with approximately 9500 new boat trailers being registered both in 2020 in 2021.

Total new boat trailer registrations by year



Imports of outboard motors of 10,707 units in 2021 was up 47% over 2020, and by 24% over the previous nine-year annual average of 8,100.

Outboard Motor Imports into New Zealand

Year	Grand Total	Change on previous year
2012	6,782	n/a
2013	8,854	31%
2014	7,310	-17%
2015	7,142	-2%
2016	8,637	21%
2017	8,018	-7%
2018	9,062	13%
2019	9,820	8%
2020	7,279	-26%
2021	10,707	47%

A very special thank you to the respective industry representatives for our regions and sector groups for their time and effort put into supporting their sectors and NZ Marine Industry:

Following are the chairs/representatives of our Sector Groups in 2021/22

- NZ Marine & Composites Transitional Industry Training Organisation/ new Marine & Specialised Technologies Academy (MAST):
Tracey Stevenson
- New Zealand Marina Operators Association Executive:
Chris Galbraith
- NZ Marine Export Group:
Clint Jones
- Royal Institution of Naval Architects NZ Division:
Graeme Finch
- CPC Manufacturers' Group:
Griff Simpson
- Boat Builders & Refit Group:
Garry Lock
- Commercial Vessel Group:
Jeff Porter
- Suppliers Group Committee:
Mike Harris
- Big Engine Group:
Ross Williamson
- Northland & Far North Region:
Brian Caulton
- Young Professionals in Yachting (YPY):
Stacey Cook

Industry Training

One of the secrets of our success in continuing to compete internationally, with NZ built boats, refits and manufacture of equipment, is our endorsed industry training. The transition from our NZ Marine and Composites Industry Training Organisation to the new marine industry owned Marine and Specialised Technologies (MAST) Private Training Establishment has gone smoothly and MAST, now with approximately 700 apprentices through 270 companies, is providing a very good service to the industry.

Refer to MAST CEO, Chris van der Hor's report on industry training enclosed.

Financial position of the Organisation

Financial summary for consolidated Boating Industries Association of NZ Inc accounts 2021 compared with 2020.

	2021	2020
Total Income	\$2,694,337	\$2,664,535
Total Expenses	\$1,890,433	\$2,136,610
Cash Surplus	\$803,905	\$527,925
After amortisation and depreciation		
Net Profit (Loss)	\$702,546	\$314,559

The financial result for the 12 months to 31st December 2021 shows a cash surplus of \$803,905 before depreciation and boat show impairment and a surplus of \$702,546 after depreciation and boat show impairment. Members' funds were \$2,707,906 as at 31st December 2021 compared with \$2,212,860 as at 31st December 2020.

The surplus in 2021 was due to the transfer of reserves from the NZMACITO to the BIA. As at June 2022, the BIA is on track to provide a break-even result or small surplus for the year ending 31st December 2022.

The number of member companies at 31st December 2021 was 502 compared with 498 in 2020.

Thank you to the Board of Management, sector group committees, regional chairs, and the dedicated team of Caroline Gibson, Stacey Cook, Kim Green, Jayne Street, Claire Benton, Sue Fourie and Jo Neal at NZ Marine House in Westhaven, for further advancing the profile and business success of the New Zealand marine industry.

Peter

Peter Busfield
Executive Director



INDUSTRY SNAPSHOT

New Zealand Marine Industry NZ

'New Zealand's largest recreational activity with 1.9million people

ESTIMATED SIZE OF INDUSTRY



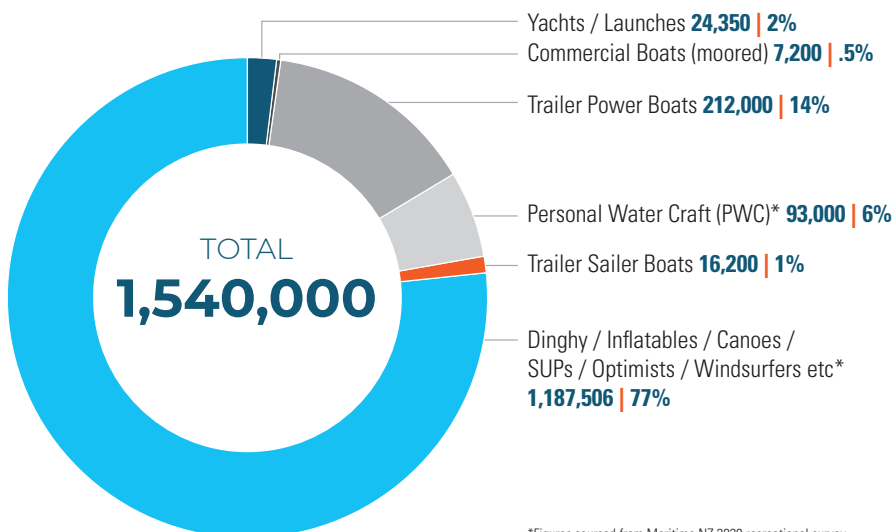
\$2.4 billion Industry
\$700 million Exports
\$1.4 billion Export growth strategy by **2030**

REGISTERED MEMBERS OF



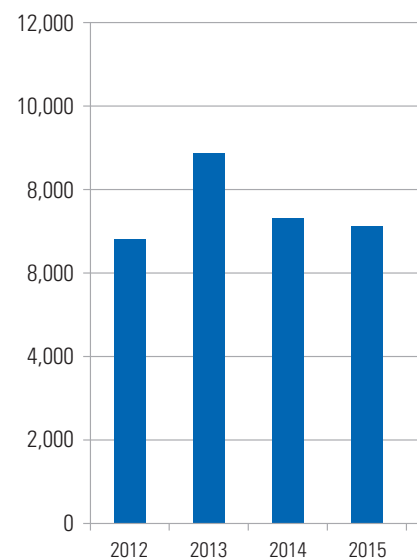
500+ companies
 over **8** turnover

ESTIMATED STOCK OF BOATS IN NEW ZEALAND



*Figures sourced from Maritime NZ 2020 recreational survey.

TOTAL OUTBOARDS IMPORTED NEW ZEALAND PER YEAR





participating in boating each year = 40% of 5 million population!

OF NZ MARINE

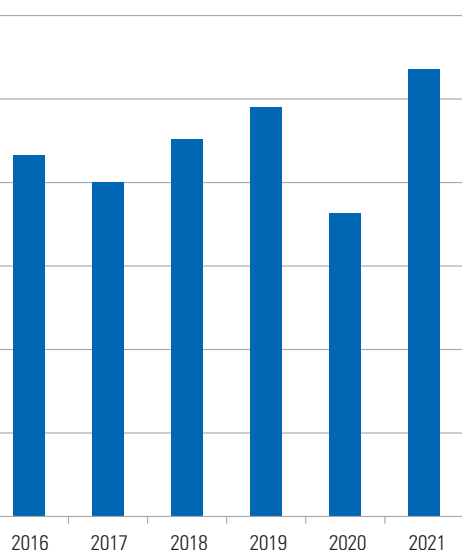
member
companies representing
0% total industry
ver.

INDUSTRY TRAINING

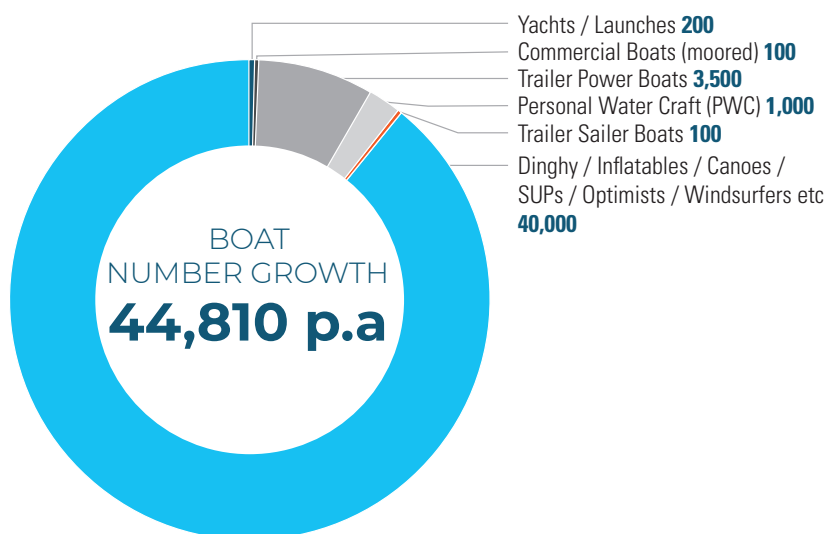


700 apprentices through
270 companies with
Marine and Specialised
Technologies Academy
(MAST).

REPORTED TO



ESTIMATED GROWTH OF BOAT NUMBERS IN NEW ZEALAND PER ANNUM



NZ MARINE & COMPOSITES TRANSITIONAL ITO REPORT

Final Report

This is the final report from NZMAC Transitional Industry Training Organisation (ITO), which covers the period from 1st January to 31 July 2021. Since December 1994, when the ITO was first registered with the Education and Training Support Agency (Now the Tertiary Education Commission) as a Standard Setting Body, the responsibility for developing qualifications, unit standards, and programmes along with arranging the training delivery for these programmes to the wider marine industry has been its core statutory functions.

Over the 27 years, it is rewarding to see that the ITO has played a significant role with ensuring the ongoing supply of suitably skilled and qualified people, which has been instrumental in the industry capability and growth over those years. The ITO has gone through many challenges and a few name changes but has evolved, expanded its industry reach, developed, and innovated its products and provided a vital key service with supporting apprentices and employers to undertake training. The ITO has built a reputation with Government agencies as a high performing ITO, delivering great outcomes. NZMAC ITO has also been acknowledged in 2018 at the International IBEX Awards in Amsterdam with winning the award for 'Best Boatbuilding Training Scheme' in the world, which was a fitting achievement.

Although it will be sad to see NZMAC ITO being dissolved, we should celebrate that navigating through the Reform of Vocational Education has resulted in the Tertiary Education Commission (TEC) and NZ Qualifications Authority (NZQA) recognising this niche industry, with supporting and approving the transition from NZMAC Transitional ITO to a newly established Private Training Establishment (PTE) known as the Marine and Specialised Technologies Academy of New Zealand (MAST Academy) which occurred on 2nd of August 2021.

The transition saw all existing staff, programmes and assets being transferred to the new entity and it is pleasing to see that there was no disruption to learners and employers during that period, and that industry training continues at pace.

Having MAST Academy brings a fresh and unique opportunity for industry and learners to finally have its own independent training provision, which will truly unleash the full opportunities and benefits a training provider can bring, with providing the necessary learner pathways and skill development we have been wanting to deliver for some time. As MAST Academy is a new start-up entity in the 'provider' space, it will take a little time to fully realize that vision with creating a Centre of Excellence for learners, that delivers on the skill needs to the various industry sectors we now serve.

It is an exciting new era, and one that MAST Academy team is fully invested in to its future. Future updates on industry training will now come from MAST Academy.

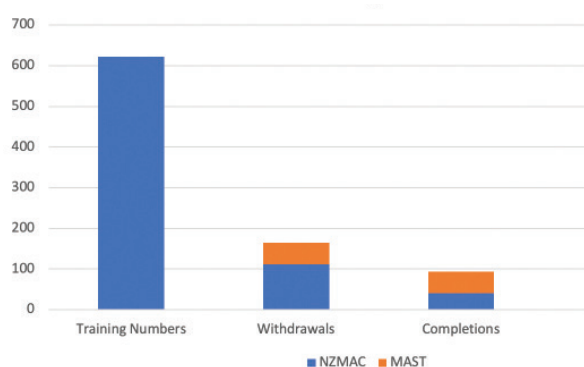
Current Number of apprentices

It is pleasing to see NZMAC ITO make a significant financial contribution to NZ Marine in its final year of operation. This was achieved through steady demand from employers in training more apprentices, the Government COVID-19 response through the *Targeted Training Apprenticeship Fund (TTAF)* providing fees free training along with the Apprenticeship Boost Initiative for employers, along with reduced staff during the reforms has all contributed to the good financial result.

Training Numbers (2021)	622*
Withdrawals (2021)	135 (111 ITO & 54 MAST)
Completions (2021)	93 (40 ITO & 53 MAST)

*Excluding 8 School to Work

2021 Training Statistics



CURRENT EMPLOYER/APPRENTICE NUMBERS PER INDUSTRY PROGRAMME

As of 22 April 2022

Ranked by largest number of apprentices

Industry Programme	# Employers	670 Apprentices
1 Power Boat Technician Service & Repair	85	120
2 Composite Boatbuilding	35	81
3 Production Boatbuilding - Alloy	28	81
4 Marine Systems Engineering	48	60
5 Composites – Level 4	27	52
6 Industrial Textiles Fabrication – Level 3	24	41
7 Power Boat Rigging	19	34
8 Marina & Boatyard Operations	8	30
9 Marine Electrical	16	28
10 Marine Coatings	15	27
11 Production Boatbuilding - Composites	9	22
12 Wooden Boatbuilding	11	17
13 Alloy Boatbuilding	10	15
14 Sail Making/Rigging	8	11
15 Marine Interiors	4	5
16 Composites - Level 3	3	3

Note: Some employers operate in several training programmes at a time, hence the high number of employers listed.

Graduation 2021

Due to the Government COVID settings we were unable to hold a graduation event, however all graduates who qualified in 2021 year have received their certificates.

All 2021 graduates will be invited to the 2022 Graduation event which has been rescheduled for 23rd February 2023 with full communications to go out to learners in due course.



Chris van der Hor,
General Manager (Former)

Financial Statements

Boating Industries Association of New Zealand Incorporated
For the year ended 31 December 2021

Statement of Profit or Loss

Boating Industries Association of New Zealand Incorporated For the year ended 31 December 2021

	2021	2020
REVENUE		
Completion Charge & Sale of Training Material	4,309	98,108
Corporate Sponsorship & Advertising	15,000	-
Export Offshore Licensing Income	22,500	19,500
Function Room Hire	39,836	23,293
Industry Training Fund from NZ Government	1,049,261	1,233,410
Industry Training Fund from NZ Government - Fees Free	449,482	299,309
Interest	16,864	25,230
IRD Resurgence Support Payment	35,652	-
Membership Subscriptions	264,960	359,282
NZMI Boat Show & Special Events Income	146,506	263,735
NZMI Member Industry Contribution to Training	2,264	69,617
Other Boat Show Contributions - NZ Boat Show	19,000	-
Overheads Recovery - Marine & Specialised Training Academy of NZ Ltd	68,051	-
Recovery of Bad Debts	-	490
Rent	53,730	56,284
Sector Group Administration	87,584	107,463
Special Contributions Income	235,000	89,800
Student / Industry Contributions	502	12,204
Sundry Income	11,221	13,493
Total Revenue	2,694,337	2,664,535
LESS EXPENSES		
Accident Compensation Levy	2,841	3,088
Accommodation & Travel Subsidy for Apprentices	5,053	408
Accounting Fees	45,292	47,420
Audit Fees	15,513	18,210
Bad Debts	1603	9,493
Bank Charges	1,381	2,010
Cleaning & Laundry	5,793	7,136
Computer Expenses	92,001	93,279
Consultancy	20,649	27,055
FBT	4,256	33,769
Freight & Cartage	3,095	3,793
General Expenses	4,036	7,364
Graduation Ceremony	1,035	2,639
Hire Expenses	3,840	6,999
Insurance	8,358	8,360
Legal Fees	820	10,423
Light & Power	7,221	7,765
Market Research & Statistics	2,100	7,648
Motor Vehicle Expenses	57,015	40,420

The above information must be read in conjunction with the accompanying notes to the financial statements and Independent Auditor's Report.

	2021	2020
Motor Vehicle Lease	11,513	-
NZMI Contribution to Industry Training	5,000	-
NZMI Boat Show & Special Events Expenses	99,575	149,233
NZQA Completion Certification	-	3,598
NZQA Credit Fees	19,509	21,439
NZQA Moderation Activity	96,196	5,833
NZQA Qualifications Registrations	1,775	6,605
Postage	4,674	5,265
Printing & Stationery	10,448	18,073
Publicity & Promotions	43,334	49,839
Purchase of Off Job Training & Assessment Services	62,037	67,632
Recruitment / Temp Expenses	7,512	510
Rent & Rates	140,171	143,974
Repairs & Maintenance	935	3,690
Salaries & Wages	962,758	1,213,149
Sector Group Meetings	1,585	6,490
Security	690	915
Staff Training & Team Building	6,300	3,844
Storage Fees - Pontons	-	15,000
Subscriptions	16,115	16,793
Telephone & Tolls	13,085	14,833
Travelling Expenses	55,300	65,631
Total Expenses	1,990,433	2,136,610
NET CASH SURPLUS	803,905	527,924
Less Noncash Items		
Amortisation	275	59,863
Asset Write-down / Loss on Disposal	78,012	15,435
Depreciation	23,071	106,060
Total Less Noncash Items	101,358	213,357
NET PROFIT	702,546	314,566

The above information must be read in conjunction with the accompanying notes to the financial statements and independent Auditor's Report.

Statement of Changes in Members' Funds



Boating Industries Association of New Zealand Incorporated
For the year ended 31 December 2021

	2021	2020
Members' Funds		
Opening Balance	3,316,850	1,657,003
Revaluation Movement	(206,500)	243,000
Total Opening Balance	(206,500)	243,000
PROFIT & REVALUATIONS		
Profit for the Period	702,040	214,558
Total Members' Funds	2,707,905	2,214,861

This above information must be read in conjunction with the accompanying notes to the financial statements and Independent Auditor's Report.

Balance Sheet

Boating Industries Association of New Zealand Incorporated As at 31 December 2021


	NOTES	31 DEC 2021	31 DEC 2020
Assets			
Current Assets			
ANZ Bank	4	1,796,415	1,272,145
KiwiBank	4	161,070	150,634
Accounts Receivable & Accruals		667,173	261,391
Prepayments	6	38,354	35,390
NZMI Commercial Vessel Group	8	1,244	2,610
CPC Programme	6	-	2,079
Inventory		4,451	2,445
Total Current Assets		2,639,020	1,737,304
Non-Current Assets			
Fixed Assets	5	172,915	218,715
Marine and Specialised Training Academy of New Zealand Ltd - Loan (Unsecured)	16	231,894	-
Marine and Specialised Training Academy of New Zealand Ltd - Current Account	16	500,000	-
Total Non-Current Assets		1,024,809	115,715
Intangibles			
Auckland International Boat Show	7	209,500	419,200
Learning Packages	12	-	360,410
Trademarks		1,287	1,353
Total Intangibles		210,787	789,274
Total Assets		3,874,616	2,743,292
Liabilities			
Current Liabilities			
Accounts Payable & Accruals		150,110	359,218
GST Payable		67,329	37,170
Invoice Advance	11	933,657	130,268
CPC Intercompany	6	10,671	-
Young Professionals in Yachting (NZ Division)		4,723	3,256
Total Current Liabilities		1,166,709	530,432
Total Liabilities		1,166,709	530,432
Net Assets		2,707,906	2,212,860

The above information must be read in conjunction with the accompanying notes to the financial statements and Independent Auditor's Report.

	NOTES	31 DEC 2021	31 DEC 2020
Equity			
Retained Earnings		2,707,906	1,214,850
Total Members' Funds		2,707,906	1,214,850

For and on behalf of the Board:

President



Executive Director



Date

2nd JUNE 2022

The above information must be read in conjunction with the accompanying notes to the financial statements and independent Auditor's Report.

Notes to the Financial Statements

Boating Industries Association of New Zealand Incorporated For the year ended 31 December 2021

1. STATEMENT OF ACCOUNTING POLICIES

Reporting Entity

These are the financial statements of Boating Industries Association of New Zealand Incorporated (BIA), trading as NZ Marine, New Zealand Marine Industry Association, and New Zealand Marine & Composites Industry Training Organisation. BIA is incorporated under the Incorporated Societies Act 1908.

Measurement Base

These financial statements of BIA have been prepared for funding and management purposes only.

The financial statements are prepared in accordance with Special Purpose Financial Reporting Framework for Profit Entities ("SPFR"), except for Intangible Assets, which has been recognised and prepared in accordance with IAS 38 of the New Zealand Equivalents to International Financial Reporting Standards ("NZ IFRS").

The consolidated financial statements have been prepared on a going concern basis. During the financial year the training operations were relinquished to Marina and Specialised Technologies Academy of New Zealand Limited, refer Note 15. This does not affect the going concern presumption of the group due to its ability to continue operating without the training organisation.

They have been prepared on an historical cost basis, except that certain intangible assets are recorded at valuation.

The information is presented in New Zealand dollars.

Changes in Accounting Policies

There have been no changes in accounting policies. All policies have been applied on bases consistent with those used in previous years.

Specific Accounting Policies

In the preparation of these financial statements, the specific accounting policies are as follows:

(a) Property, Plant and Equipment

The entity has the following classes of Property, Plant & Equipment:

Account	Method	Rate
Boat Show Equipment	Straight Line	3.6% - 67%
Leasehold Improvements	Straight Line	5.5% - 50%
Office Furniture	Straight Line	5.5% - 80%
Office Equipment	Straight Line	2% - 80.4%
Motor Vehicles at Cost	Straight Line	21%

The accompanying notes form part of these financial statements.

Fixed assets are recorded at original cost less an allowance for depreciation.

Depreciation is calculated on the basis of allocating the cost or valuation of assets over their useful lives, on a straight-line basis at the rates as set by the Executive Committee of BIA above.

(b) Goods and Services Tax

These financial statements have been prepared on a GST exclusive basis with the exception of accounts receivable and accounts payable which are shown inclusive of GST.

(c) Inventory

Inventory is stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. Inventory comprises promotional stands and materials.

(d) Receivables

Receivables are stated at their estimated realisable value. Bad debts are written off in the year in which they are identified.

(e) Sponsorship and Grants

Sponsorship and Grants are recognised in operating revenue unless specific conditions are attached and repayment is required where these conditions are not met. In these cases, the sponsorship or grant is treated as a liability until the conditions are met.

2. AUDIT

These financial statements have been subject to audit, please refer to the Independent Auditor's Report.

3. TAXATION

From 1 July 2005, BIA was granted full income tax exemption under the Income Tax Act 2007, section CW 39.

	2021	2020
4. CASH AND CASH EQUIVALENTS		
Cash at Bank	461,139	411,185
Term Deposits	1,456,345	1,322,193
Total CASH AND CASH EQUIVALENTS	1,917,485	1,433,379

The accompanying notes form part of these financial statements.

	2021	2020
5. FIXED ASSETS		
Boat Show Equipment		
At Cost	270,057	328,127
Accumulated Depreciation	(135,650)	(150,874)
Book Value	134,395	168,253
Leasehold Improvements		
At Cost	410,484	410,484
Accumulated Depreciation	(409,000)	(407,722)
Book Value	1,483	2,762
Office Furniture		
At Cost	24,249	31,011
Accumulated Depreciation	(24,210)	(30,009)
Book Value	39	4,202
Office Equipment		
At Cost	192,291	315,403
Accumulated Depreciation	(158,235)	(209,005)
Book Value	34,055	25,508
Motor Vehicles		
At Cost	37,235	317,102
Accumulated Depreciation	(82,203)	(209,112)
Book Value	-	17,990
Total FIXED ASSETS	171,515	216,715

6. COMPLIANCE PLATE PROGRAMME

Compliance Plate Code (CPC) programme is a joint initiative of BIA and Royal New Zealand Coastguard Federation to establish boat manufacturing safety and building performance standards. BIA administers the programme on behalf of CPC members in a trust capacity. Funds held on behalf of CPC members are included in BIA's cash reserves and offset by a corresponding amount showing in the Balance Sheet as a current liability. Movements for the year were as follows:

	2021	2020
Compliance Plate Programme		
Income	64,014	36,346
Expenses	51,054	45,340
Net Surplus / (Deficit)	12,959	(8,994)
Members' Funds at the start of the year	(2,079)	6,915
Members' Funds at the end of the year	10,871	(2,079)

The accompanying notes form part of these financial statements.

7. AUCKLAND ON THE WATER BOAT SHOW

BIA owns and thereby controls 100% of the Auckland On The Water Boat Show.

It was independently revalued based on an indicative valuation dated 23 January 2019, by RSM New Zealand and movements were reflected at 31 December 2019. No movements were reflected as at 31 December 2019 or 31 December 2020. The Auckland On The Water Boat Show has an indefinite useful life, due to fact that it happens annually and will continue to do so for an indefinite period of time.

The Board of the BIA due to covid-19 and the cancellation of planned Shows in October 2021 and March 2022 resolved that it was prudent in the current circumstances to recognise an impairment of the holding cost by 50%.

	2021	2020
Valuation and effect		
Opening Valuation	419,000	419,000
Impairment	209,500	-
Valuation Effect	209,500	-
Revaluation Reserve Movement	243,000	243,000
Impairment	209,500	-
Total Movement due to Revaluation	33,500	243,000

8. NZMI COMMERCIAL VESSEL GROUP (Formerly NZMI Ship & Workboat Group)

The Group's objective is to increase business opportunities for the New Zealand commercial work boat sector. BIA administers the programme on behalf of the Group in a trust capacity. Funds have been paid on behalf by BIA and appear in the Balance Sheet as a current asset. Movements for the year were as follows:-

	2021	2020
NZMI Commercial Vessel Group		
Income	10,375	9,638
Expenses	9,000	11,375
Net Surplus / (Deficit)	1,375	(1,437)
Members' Funds at the start of the year	(2,619)	(1,181)
Members' Funds at the end of the year	(1,244)	(2,619)
	2021	2020

9. PREPAYMENTS

Auckland On Water Boat Show	32,241	-
Insurance & Miscellaneous	6,128	35,390
Total PREPAYMENTS	38,369	35,390

The accompanying notes form part of these financial statements.

10. CAPITAL AND OPERATING LEASE COMMITMENTS

At balance date the capital commitments totalled \$0.00 (2020:\$0.00).

There is an operating lease commitment for the building in which BIA is based, located at 85 Westhaven Drive, Auckland requiring a notice period of six months from either party to terminate. The annual total rent is \$129,500 plus GST. The BIA has subleased part of the premises to Watersafe Auckland Inc on the same terms and conditions resulting in a net cost of \$79,772 pa.

	2021	2020
11. INCOME IN ADVANCE		
Auckland Oyster Boat Show - Income in Advance	926,937	118,000
Membership Subscriptions received in advance	120	-
Miscellaneous - Income in Advance	5,000	12,188
Total INCOME IN ADVANCE	933,657	130,188

12. TRADEMARKS & LEARNING PACKAGES

(a) Acquired trademark and licences

Trademarks and licences acquired are initially recognised at cost and are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over ten years.

(b) Acquired Assessment and Learning Packages

Assessment & Learning Packages are initially capitalised at cost, which includes other directly attributable cost of preparing the asset for its intended use. Direct expenditure including employee costs, which enhances or extends the performance of the assessment/learning packages beyond its specifications and which can be reliably measured, is added to the original cost. Costs associated with maintaining the Assessment/Learning Packages are recognised as an expense when incurred.

Assessments/Learning Packages are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight line method over their estimated useful life of six years. The amortisation period and amortisation method of intangible assets is reviewed at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

As at 2 August 2021 these Assessment and Learning Packages have been sold to Marine and Specialised Technologies Academy of New Zealand Limited.

13. CONTINGENT LIABILITIES

At balance date there are no known contingent liabilities (2019:\$0). BIA has not granted any securities in respect of liabilities payable by any other party whatsoever.

The accompanying notes form part of these financial statements.

14. RELATED PARTIES

The Group is made up of New Zealand Marine Industry Association and New Zealand Marine & Composites Industry Training Organisation. All related party transactions are invoiced at market rates; no special or reduced rates are provided. Related party transactions comprise exhibition fees, sponsorship, training/administration fees and membership subscription fees charged to Executive Committee members or parties related to those members.

The following companies are owned 100% by BIA for name protection purposes, and are inactive:

- Auckland International Boat Show Limited
- Auckland Boatshow Limited
- Marine Industry Association of New Zealand Limited
- New Zealand Marine Industry Limited
- NZ Marine Industry Association Limited
- NZ Marine Industry Training Limited
- NZ Marine Limited

The following payments were paid to Board Members to recognise their input into the establishment of Marine and Specialised Technologies Academy of New Zealand Limited (MAST):

G Lock	\$4,500.00
R Knox	\$2,000.00
T Stevenson	\$3,500.00

15. SECURITIES AND GUARANTEES

The following securities are registered on the Personal Properties Securities Register:

* Canon New Zealand Limited – office photocopier owned by Canon New Zealand Limited leased to BIA.

* Petroleum Logistics Limited (PLL) – credit of up to \$4,000 every month relating to fuel supplied by PLL to BIA.

16. INDUSTRY TRAINING ORGANISATIONS

On 13 February 2019, Education Minister Chris Hipkins announced a proposal to establish the New Zealand Institute of Skills and Technology and separate standard setting bodies. Among other things, the New Zealand Institute of Skills and Technology will carry the functions of enrolling and managing apprentices and industry trainees. Per the Tertiary Education Commission in February 2020, it is proposed that Industry Training Organisations would be able to continue to operate current arrangements for supporting on-the-job training until the end of 2022. The operations of the New Zealand Marine and Composites Industry Training Organisation continued to operate under Boating Industries Association of New Zealand Inc. On 2 August 2021 the functions of enrolling and managing apprentices and industry trainees was relinquished and the assets were sold to the new training organisation called Marine and Specialised Technologies Academy of New Zealand Limited. The loan and current account are unsecured. Interest at 4.55% pa is charged on the unsecured loan. No interest is charged on the current account.

17. CORONAVIRUS PANDEMIC

In December 2019, a novel strain of coronavirus (SARS-CoV-2), which causes COVID-19, was reported to have surfaced. The spread of this virus has impacted the activities and performance of certain businesses beginning in January 2020 with varying level of effect depending on the nature and geography of business activities. In March 2020, the World Health Organization declared the outbreak of COVID-19 to be a pandemic, and certain global economies began to experience pronounced effects. Following establishment of a foothold within the New Zealand population, the New Zealand Government initiated a full societal lockdown with significant isolation requirements and movement restrictions imposed on citizens (with only essential services permitted to operate). The countrywide lockdown commenced on 25 March 2020 and was initially forecast to run for a 4 week period. This was followed by a second lockdown in Auckland at level 3 from 12 August 2020 for 2 weeks and a third lockdown in Auckland at level 3 from 14 February 2021 for 3 days.

This pandemic and ongoing lockdowns continued to affect business activities for the entity over the course of 2021 with further lockdowns from 17 August 2021 to 5 October 2021. The duration and level of effect on customer behaviours, and overall impact on global economics is significant. The main impact was the cancellation of the Auckland On Water Boat Show originally scheduled for October 2021. During 2021 there were also cancellations of other minor events. Future effects cannot be reasonably estimated at this time.

The accompanying notes form part of these financial statements.

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Independent Auditor's Report

To the Board of Boating Industries Association of New Zealand
Incorporated

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Boating Industries Association of New Zealand Incorporated (comprising New Zealand Marine Industry Association and New Zealand Marine & Composites Industry Training Organisation) on pages 3 to 13 which comprise the consolidated balance sheet as at 31 December 2021, and the consolidated statement of profit or loss and consolidated statement of changes in members' funds for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly in all material respects, the financial position of Boating Industries Association of New Zealand Incorporated as at 31 December 2021, and of its financial performance and cash flows, for the year then ended, in accordance with Special Purpose Financial Reporting Framework For Profit Entities ("SPFRE") issued by the New Zealand Institute of Chartered Accountants (now known as Chartered Accountants Australia and New Zealand), except for Intangible Assets, which has been recognised and prepared in accordance with IAS 38 of the New Zealand Equivalents to International Financial Reporting Standards ("NZ IFRS") issued by the New Zealand Accounting Standards Board (together referred to as "The Framework").

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 Consolidated Financial Statements* section of our report. We are independent of the Group 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. 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 Group.

Emphasis of Matter

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with a special purpose framework and, therefore, may not be suitable for another purpose.

Information Other than the Financial Statements and Auditor's Report thereon

The Board are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Annual Report but does not include the financial statements and our auditor's report thereon.

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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board's Responsibilities for the Consolidated Financial Statements

The Board are responsible on behalf of the Group for the preparation and fair presentation of these consolidated financial statements in accordance with The Framework and for such internal control as those charged with governance determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board are responsible on behalf of the Group for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the Audit of the Consolidated Financial Statements

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

A further description of the auditor's responsibilities for the audit of the financial statements is located on the External Reporting Board's website at: <https://www.xrb.govt.nz/standards-for-assurance-audit/for-auditors-responsibilities-audit-report-1/>

Restriction on use of our report

This report is made solely to the Group. Our audit work has been undertaken so that we might state to the Group 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 Group for our audit work, for this report or for the opinion we have formed.

Grant Thornton New Zealand Audit Limited

Grant Thornton

Auckland

2 June 2022

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ANNUAL REPORT 2021

For the period ending
31 December 2021

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