



Coastguard Northern Region



2011

Annual Report



THE CHARITY SAVING LIVES AT SEA



NORTHERN REGION

Purpose

Saving Lives at Sea

Vision

Everybody safe on the water. We will save lives through rescue, education, communication and example.

Values

In everything we say and do, we will:

- Recognise the courage, commitment and humanity of our crews
- Strive to maintain our volunteer ethos
- Foster a culture of excellence and continuous improvement at every level of the organisation
- Encourage open and effective communication
- Continue to innovate - to push the boundaries of our organisation and find smarter ways to achieve our goals
- Ensure thorough and robust consultation throughout our organisation's development

Coastguard Northern Region Board

President
Joe Davis

Vice President
Roly Linstrom

Immediate Past President
Jody Foster

Board Members
Roger Farley
Ron Lucca
Sally Higgs
Sue McBride

Hauraki OpsCom Representative
Ian Gibson

Northland OpsCom Representative
Murray Jeffs

Tasman OpsCom Representative
Brenda Phillips

Co-opted member
John Macaulay





Joe Davis - President & Interim Chief Executive Officer

Through the past year, our Coastguard volunteers right across the Region have continued

their remarkable work saving lives in the communities around the Coast, and helping boaties get home safely.

That mission - Saving Lives at Sea - lies at the very heart of all that we do. Within the Regional office, this year has been one of considerable change, as the Board-led review of the office structure has been completed, and a new staff structure implemented, better focusing our efforts and resources in the areas that we need to succeed. First and foremost, focusing on ensuring that our brave volunteers have the very best support possible to achieve their vital tasks.

As I write this report, the implementation of the new structure is all but complete. In the past several months we have welcomed a number of talented, dedicated people to the Coastguard team, seen existing members of staff take up (and excel in) new roles, and implemented a structure with clear responsibilities and accountabilities across each and every role. Change is never an easy process, and I would like to take this opportunity to acknowledge the hard work of everyone involved in driving and embracing this change. The results are already starting to show, with tremendous positive feedback both internally and externally - and I'm confident that with our ongoing effort and focus this will continue through the months and years ahead.

This year has been our second as recipients of funds from the Auckland Regional Amenities Funding Act. This Act provides funding from Council to a number of organisations delivering services to the greater Auckland region, of which Coastguard Northern Region is one. These funds have allowed us to deliver greater support to our Units, and to continue to drive improvements within

our Regional Communications and SAR Response Centre. These funds in no way reduce our dependence on the support of our members, sponsors and supporters, but do allow us to develop further - and more rapidly - than we could otherwise.

With the continued support of the ASB Community Trust, Coastguard New Zealand, and key funders within our communities we have been able to continue our programme of rescue vessel replacement and refurbishment projects through the course of the year, ensuring that our people have the very best tools available to them in their work. We have also deployed a Regional relief vessel, Manaia Rescue, available on call to ensure that we can continue to save lives when a Unit's primary vessel is out of service. The continuation and funding of this long-term programme is a great result, and one we're enormously proud of.

One of the great highlights of this year has been the continued development of strong, positive and supportive relationships with Coastguard New Zealand and Coastguard's other three Regions. This increased collaboration - sharing ideas and approaches, and taking a 'One Coastguard' approach to challenges wherever possible - is a source of great strength and opportunity for the Region.

Coastguard as an organisation is continuously evolving and developing. The pace of change is exciting in many ways, but I think also presents some challenges in ensuring that consultation remains thorough and robust, and that new initiatives are implemented in a way that lasts - leading lasting change is an intensive process, and one we cannot afford to rush as we continue to evolve. Major work is underway in areas of real

significance to our People - in training, rescue vessel design, national structure and funding to name a few - and it is essential that we engage with and help to steer this work to ensure the best possible outcomes.

This report is my last as President, having completed the maximum allowable term in the role. I'd like to take this opportunity to thank you all for the opportunity to lead this remarkable organisation. It has been a challenging and remarkably rewarding experience - the last three years have just flown by. Thanks in particular to the Board members who have given so freely of their time and wise counsel during my time as Chair - their passion for Coastguard and level-headed approach provides a tremendous sense of direction and clarity during even the most complex of discussions. Above

all else, thank you to each and every one of Coastguard's lifesaving volunteers around the Region - it has been a privilege to help lead your Region in its role supporting your amazing work.



...focusing on ensuring that our brave volunteers have the very best support possible to achieve their vital tasks.



This has been a year of exciting developments; both out around the coast, and in the way the Region supports and leads its people towards Coastguard's mission. We have embraced change, continually striven to improve how we do things, and above all else continued to provide an essential service to people on the water. Our best work is always in front of us - here's looking forward to the year ahead!

Safe boating.

Joe Davis
President & Interim Chief Executive Officer

Explanation

You'll notice that within this year's Annual Report, the President's and Chief Executive's reports are combined. During the course of the year, former Chief Executive Officer Dean Lawrence resigned to take up a new post outside the organisation. With a restructure of the office underway at the time, Joe Davis (President) services were contracted to provide interim leadership in the office. The Board took steps to

ensure that appropriate governance & management accountabilities were maintained, with Roly Linstrom assuming the duties of President for the duration of this arrangement. At the time this report was produced, Roly was overseas - in the interests of efficiency therefore, the two reports usually included herein have been combined, with Joe providing a single report for the membership.

Statistics

	Radio Calls	Calls for Assistance*	People Assisted	Volunteer Hours
Hauraki Operational Area				
Auckland	0	628	1,745	14,401
Auckland Air Patrol		3	5	1,371
CNR Communications Group	104,321	2,054	0	8,826
Great Barrier		6	7	919
Hibiscus		122	255	8,426
Howick		163	385	7,376
Kawau		68	127	5,218
Maraetai		167	781	5,199
North Shore		249	564	12,598
Thames		24	45	901
Waiheke		94	166	3,749
Tasman Operational Area				
Kaipara	0	1	3	2,393
Papakura	132	5	38	11,098
Raglan	24	41	38	5,053
Titirangi (previously Manukau)	25	30	51	8,752
Waiuku*	0	16	34	1,250
Northland Operational Area				
Bay of Islands	0	67	139	3,348
Far North	23,487	134	239	13,525
Hokianga	2,562	14	23	10,978
North Kaipara	3,777	20	34	10,324
Northland Air Patrol	0	12	0	1,405
Tutukaka	0	29	69	2,153
Whangarei	10,826	83	139	11,616
Whangaroa	30	26	36	1,898
Whangaruru	0	8	12	1,302
Northern Region Total	145,184	2,011	4,935	151,303
National Total	316,811	3,337	6,996	348,356

Source: Coastguard New Zealand



Staff

Regional Support & Management

Interim Chief Executive Officer

Joe Davis

Unit Support & Operations Manager (North)

Graham Petrie

Unit Support & Operations Manager (South)

Ray Burge

Marketing & Fund Development Coordinator

Georgie Hope

Business Support Manager

Jo Whapham

Business Support Administrators

Lorraine Moon

Jodie Robertson

Administration Volunteer

Jan Jupp

Editor 'Coastguard Matters'

Bruce Smith

Education

Education Manager

Darren Arthur

Education Administrator

Liz Norquay

SAR Training Co-ordinator

Nadia McMorran

Communications & SAR Response

Communications & SAR Response Manager

Kate Crawford

IT & Infrastructure Manager

Mike Lawrence

Duty Officers

Mark Leever

Peter Seymour-Nash

Radio Operators

Tony Winyard

Nikki Latham

Peaches Koller

Sarah Fletcher

Anita Horsley

Carolyn Caukwell

Professional Services

Banker

ASB Bank, Eastridge

Accountants

Hayes Knight NZ Limited

Insurance

Baileys Insurance Brokers Ltd

Auditor

Hayes Knight Audit

Medical

Dr. Bruce Greenfield

Vitae

Solicitor

Kevin Ogles Associates

Employment Relations

Pohlenkean

Honorary Life Members

Brooke Archbold
K. W. Archer
J. R. Atterton
Susan Cameron
John Cowan
Laurie Cranfield
Len & Kay Gilbert
A.R. D. Haddock, QSO

Peter Hamling
F. Hilditch
Basil Irwin
Trevor D. Kelly
R. J. Knox
Brian Litten
Jim MacPherson
Rod Osmond

Kevin G. O'Sullivan
Graham S. Reiher
M. Reynolds
N. B. Roberts, OStJ
Mike Rounthwaite
Judge Laurence J. Ryan
Rear Admiral K. M. Saull;
CB, FCIT(Rtd)

H. Sheppard
Bruce A. Smith
Jim Talboys
Capt. C. Barry Thompson
Richard Udy
Tom Whittle
Roger Wickes

Coastguard Northern Region 2010 Awards

Volunteer of the year

Northland Operational Area

Jeff Cramp (Hokianga)

Hauraki Operational Area

Mike Skeet (Thames)

Tasman Operational Area

Richard Udy (Waiuku)

Rescue Vessel Crew Person of the Year

Northland Operational Area

Jennifer Snookes (Tutukaka)

Hauraki Operational Area

Not Awarded

Tasman Operational Area

Nigel Griffiths (Waiuku)

Performance of the year

Northland Operational Area

Jeff Cramp, John Pattinson,
Rhys Dempster (Hokianga)

Hauraki Operational Area

Alan Martin, Ian Gibson, Mike Cole,
Jim Fellows, Craig Hokamau,
Greg Noble (Howick)

Tasman Operational Area

Richard Udy, Eric Morgan, Ali Ritchie
(Waiuku)

CNR Unit of the Year

Tutukaka

Special Merit Awards

Kevin Tung (CNR Communications)
Mike Podesta (Tutukaka)

Overall Regional Recipients and nominees to Coastguard New Zealand Awards

Volunteer of the Year & recipient of the Dr John Taylor memorial award

Jeff Cramp (Hokianga)

Rescue Vessel Crew person of the year

Jennifer Snookes (Tutukaka)

Performance of the Year

Jeff Cramp, John Pattinson,
Rhys Dempster (Hokianga)

Air Patrol Person of the Year

Alan Murgatroyd (Northland Air Patrol)

Communications Person of the Year

Cliff Hodgman (CNR Communications)

Sponsors, funders and supporters

Coastguard Northern Region gratefully acknowledges our highly valued supporters.

With thanks for your generosity and support. Your belief in Coastguard and it's mission means the world to us - we simply couldn't do it without you!

Funders



Supporters

Outboard Boating Club of Auckland
Pakuranga Rotary Club
Surf Life Saving Northern Region
Northland Regional Council
Auckland Council
Environment Waikato
Maritime New Zealand
Ports of Auckland

Sponsors

Please show your support to our sponsors by using their products and services whenever possible.



Northland Operations Committee

Chairman	Jeff Cramp
Representative on CNR Board	Murray Jeffs
Bay of Islands	Maureen Calkin, Tim Roffey
Far North	Annette Hall, Bill Campbell
Hokianga	Barbara Ward, Helen Cogle
North Kaipara	Mike Andrews, Bob Morris
Northland Air Patrol	Ron Gardner, Alan Murgatroyd

Tutukaka	John Glaze, Jenny Snookes
Whangarei	John Haselden
Whangaroa	Lewis Piesse, Adriaan Bosch
Whangaruru	Tony Coyle, Alex Wakefield



Chairman's Report

Well it's hard to believe that another year has passed us by. It just seems like yesterday I was doing this for the

Northern Region's Annual Report.

Despite long distances travelled by many of the unit members, attendance at the meetings which we hold at the Kerikeri Airport has been quite high with 80-90% regular attendance from unit delegates and their support members.

The year has been quite quiet in relation to purchasing of major assets such as vessels etc., with no new vessels being introduced to the fleet over the last 12 months.

All units have reported back that they have been happy with their recent purchases from the previous year and continue to train and recruit personnel to operate their vessels.

Holding our meetings at the airport, allows our Northland Air Patrol unit to have an active voice within the Operations Committee and we are regularly reminded of the important role that the air patrols play in the Coastguard family. This is something that we all acknowledge and appreciate.

It has been pleasing to see that the Far North Area has been progressively

moving towards establishing two new wet units for the area; the main one being based at Houhora.

Hopefully we will see progress in this area and that the unit will be established and up and running over the next 12 month period; as for Northland, a big hole exists around the North Cape area, particularly the west coast along the 90 Mile Beach zone which is notorious for being a rough sea area, and a regular passage for game boats and vessels coming and going from overseas.

The Operations Committee would like to acknowledge the hard work done within the Committee and throughout Coastguard by the past CEO, Dean Lawrence, who was a regular visitor to units in Northland as well as to the Operations Committee meetings. His knowledge and expertise in the area of Coastguard was well recognised and well received.

We also acknowledge the hard work put into the units and to the Operations Committee by Unit Support and Operations Manager (South), Ray Burge who has split his role and handed the reigns of the Northland units to Graham Petrie.

We wish Graham well in the new role and hope that we don't "beat him up too much" when he attends meetings.

A main topic of discussion which appears to have occurred on a regular basis at Operations Committee meetings is the training structure and delivery throughout the Northland area, and in particular due to the current economic climate, the funding and available money towards assisting for that purpose.

All the units recognise the expense incurred by Coastguard Northern Region to deliver tutors to

their units to supply the training required to complete modules. They recognise the need to have crew members attend those training sessions and thus far have been supplying the required numbers to justify the cost.

Northland Operations Committee (NopsCom) was pleased to have three of its members receive Coastguard Northern Region awards for their achievements throughout the 2010 year with our local air patrol member, Alan Murgatroyd, receiving national recognition for his service to the air patrol.

We look forward to possibly seeing other unit members achieving such goals in the next upcoming awards.

This year sees our local delegate to Coastguard Northern Region, Murray Jeffs, stand down from his role as delegate; a role now to be taken up by Maureen Calkin of the Bay of Islands unit.

Murray has provided a good service to NopsCom acting as a bridge between NopsCom and CNR. He has also provided assistance to units throughout Northland at their request. This assistance has been appreciated by them and acknowledged during the course of the year.

Murray, on behalf of the units in the NopsCom area, thank you for your service over the last two years in that role.

From myself to all the Northland units, thank you for attending meetings and for your co-operation and robust conversations. It has been a pleasure chairing the meetings and to see the interaction, co-operation and good work done throughout the area.

May that kind of working relationship continue in the future years to come.

Jeff Cramp



Hauraki Gulf Operations Committee

Chairman & representative

on CNR Board	Ian Gibson
Auckland Air Patrol	Steve Couch
Auckland	Stephen Fordyce, Jasper Robertson
CNR Communications	Ron Aylan-Parker
CNR Controllers	Brooke Archbold, Adam Wickes
Great Barrier	Chris Ollivier, Wayne Sanderson

Hibiscus

Howick

Kawau

Maraetai

North Shore

Thames

Waiheke

Keith Roberts, Tom Trinder
 Todd Forsyth, Steve Rowlands,
 Roger Davies, Peter Nash
 Ross Porter
 Mark Harnett, Leigh Armstrong
 Mike Skeet, Allan Benson
 Rebecca Armstrong, Robb Henry



Chairman's Report

The Hauraki Gulf Operations Committee volunteers, along with the hard working staff at Coastguard Northern

Region continue to review and modify the Operations procedures to strive to provide the best possible Coastguard service on the Hauraki Gulf. Training continues to be a focus for the highly skilled volunteers in the Operations room, and on the Rescue Vessels and the Aircraft. That training was put to the test with the 104,321 radio calls logged and 1,435 search and rescue incidents attended in the year to March 31st 2011.

A roundup of the activity in the units follows:

Communications Group: A busy year taking over the monitoring of Tauranga's night and Whangarei's night and weekend calls. Training of new radio operators continues to keep the operations room full of enthusiastic volunteers. Restructuring of the CNR management structure has led to the introduction of a new "Communications and SAR Response" Manager, changing lines of communication with the CNR Board but the volunteers continue to be managed by volunteers. And it would appear that the message is getting out... A boatie was heard calling his mate reminding him that he had not called Coastguard to indicate that he had safely crossed the Manukau Bar.

Kawau Unit: Kawau has had one of its busiest years with a Tug boat fire, Helicopter ditching, missing person search and the usual number of run of the mill breakdowns and tows. The unit is in good shape with 9 new recruits in training. The aim is to build operational numbers to eight for each of the three crews currently formed to really make Kawau's presence felt on the water this summer.

Auckland Air Patrol: It has been a bumpy ride for Auckland Air Patrol this year. Civil Aviation Regulations have meant that the aircraft has only flown in emergency situations and the lack of regular training flights has made it harder to keep the unit sharp and the enthusiasm up. But the arrival of the new C182 aircraft with its built-in SAR package has gone a long way to resolve these problems and a very promising year ahead is ahead.

Howick: Another busy year on the water but no special incidents to report. Unit numbers are adequate with a good number of new recruits working through the training matrix to reach operational level before the summer onslaught.

Coastguard Great Barrier: The unit is building in numbers and the rescue vessel continues to perform well.

Coastguard Thames: The membership numbers are healthy with lots of module training keeping everyone busy. Thames Rescue is about to have a facelift but will be ready for the summer season.

Coastguard Maraetai: The focus this year has been the construction of a new rescue vessel, a 9.5m Naiad, to match Auckland's new "Alpha" and the new "Maraetai Rescue" is due on the water soon. The unit has strong numbers but having sold the old vessel have no boat to play with until the new vessel is launched.

Coastguard Hibiscus: The unit is in good shape with a lot of effort being made to bring new crew up to operational level. The Sealegs vessel, Hibiscus Rescue 2, has become an accepted and admired addition to the Coastguard fleet and has certainly proven her worth on many occasions. Two major projects are proceeding despite funding issues. The Stanmore Bay shed to house Hibiscus Rescue Two is almost complete and is the unit's first real "home". The new vessel build, a 9.5m Naiad to match the Auckland and Maraetai new vessels is progressing slower than hoped but should be

complete by Christmas.

Coastguard Auckland: As always, this three vessel unit wins the prize for the most incidents attended in another busy year. One highlight of the year was the launching of the new "Trillian Rescue Alpha", a 9.5m Naiad with twin 250 hp outboards. ASB and Lion, the two "heavies", continue to perform well.

Coastguard Waiheke: The unit numbers are strong following the successful arrival of a new 10.3m Naiad with twin jets last year, despite having lost a few senior members who have moved off the island. It has been a busy year of up-skilling on the new vessel and the more robust and capable vessel has led to the unit extending its field and hours of operation.

Coastguard North Shore: This is another well manned and managed unit. The 9.5m AMF Vessel was given a mid-life spruce-up and is now back on the water with the members looking forward to another busy summer.

CNR Coordinators: This year there have been fewer incidents, which is a good sign, but those which have occurred have been intense and challenging. There continues to be a solid and reliable hard working team of volunteers in place day and night to provide the expertise needed to oversee these serious Search and Rescue incidents.

So it has been another busy year on the water and in the air, with an increasing number of trip reports and requests for assistance. The volunteer base remains sound and our fleet of vessels is the newest it has ever been. Notwithstanding this, it still needs to be remembered that we are a volunteer organisation that needs your support. Please maintain your membership and the privileges this entitles you to and encourage others to join.

Thank you in anticipation of your continued support.

Ian Gibson

Tasman Operations Committee

Chairman	Wally Hawken
Representative on CNR Board	Brenda Phillips
Kaipara	Iain Gulliford, Wayne Hirst

Titirangi	Mark Harvey, Peter van Rooyen
Papakura	Mark Baucutt, Gary Williams
Raglan	Raewyn Mitchell
Waiuku	Nigel Griffiths, Eric Morgan



Chairman's Report

It is a privilege to present the Tasman Operational Committee annual report.

I commend all Tasman units

for their fortitude, enthusiasm, and constructive input regarding the Tasman Operational Committee. I am impressed with their dedication and professionalism. Hitherto, it is of paramount importance as to what delegates get from the monthly gathering. More particularly the monthly forum has developed into an initiative which Tasman units corroborate the volunteer domain in terms of information, technology, fiscal and revenue options, application of operational issues and asset maintenance. This all concurrently run with the debate on the survivability and professionalism of volunteers being able to deliver on 'saving lives at sea'.

The operations and education arm of Coastguard Northern Region is to be praised for the continued encouragement and support of assisting volunteers achieve and attain an informed, professional status and operational ethic.

I am mindful that our administrators and volunteers in the Kaipara, Titirangi, Raglan, Waiuku and Papakura units are at times pressured to perform their operational functions in an environment which is resourced by constant and insatiable fundraising. I thank all units for their energy and patience in this regard.

The financial and managerial support of Coastguard Northern Region to Tasman units via, the Chief Executive Officer, Operations Managers, Business Support, SAR training, Education, Marketing co-ordination and IT infrastructure is greatly appreciated and in reality this is the sustenance of Tasman units. As time endures demand on more assistance is apparent.

Thoughts for Tasman units going forward;

- Regional membership is a focus that all units need to be mindful of.
- Ongoing education of volunteers is paramount.
- Be mindful and implement where possible the principles of the T.A.I.C. report.
- Welcome all volunteers and treat them with respect recognising that they will contribute with different intensity and in their own way.
- Help Coastguard Northern Region to help Tasman units.
- There are many ways of achieving a goal.

I am appreciated of the support afforded to me by not only the Tasman delegates but also Coastguard Northern Region and I commit to serving you in the future.

L.W. Hawken

Finance Report

Overall a pleasing end of year result with a modest surplus resulting from effective fiscal management through the course of the year.

The ongoing support from Auckland Council through the Auckland Regional Amenities Funding Act (now in its second year) continues to allow us to continue to drive improvements in our Communications & SAR Response Centre, provide additional support for our Units in the Auckland area, and to continue to deliver innovative accessible education to the boating public.

Points of interest from this year's Statement of Financial Performance:

- Paid to Units shows as some \$200,000 down on the previous year, despite a slight increase in fuel reimbursements paid. This apparent reduction is the result of Units' timing in drawing down Coastguard Funding

Support for capital projects, with several significant grants still waiting to be drawn down at year end (these are dependent on project progress with new vessel construction etc).

- It is pleasing to see the continued growth in membership, with a year-on-year increase of some 7.5%. This is an area targeted for further growth in the year ahead, and it is pleasing to have a steady platform of growth to build upon.
- Also pleasing to note is the steady increase in lecture income resulting from the Region's education/prevention activities.
- General expenses are up significantly from \$43k to \$181k. In large part this represents costs associated with the restructure carried out through the year, and expenses incurred in bringing previously unidentified

areas of potential risk - employment agreements, contracts etc - into line. Many of these expenses are 'one off' items, and we expect a lesser amount in the coming year.

Within the Statement of Financial Position:

- Cash at the bank as at 30 June 2011 was \$1.629m. The organisation currently holds uncommitted reserves of \$500k, with no additional funds transferred to reserves through the course of the year.
- The policy on Capital expenditure continues, with projects only being undertaken when funds have been secured and allocated to the project.
- The budget for the year ahead recognises the arrival of new organisational leadership following the restructure, but also sets ambitious but realistic targets for growth

Auditors Report



INDEPENDENT AUDITOR'S REPORT

**TO THE MEMBERS OF
COASTGUARD NORTHERN REGION INCORPORATED**

We have audited the financial statements of Coastguard Northern Region Incorporated on pages 2 to 9 which comprise the statement of financial position as at 30 June 2011 and the statement of financial performance, statement of movements in general funds for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board Responsibility for the Financial Statements

The board are responsible for the preparation and fair presentation of these financial statements in accordance with generally accepted accounting practice in New Zealand and for such internal control as the board determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand).

Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the overall presentation of the financial statements.

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

An associated company, Hayes Knight (NZ) Limited, provides accounting services for the society. The firm and its associates have no other relationship with, or interests in, Coastguard Northern Region Incorporated.

Basis for Qualified Opinion on Financial Position and Financial Performance

As stated in note 4 on page 7, the society's statement of financial position records income in advance for capital projects of \$723,821. In our opinion the recorded income in advance for capital projects does not meet the definition of a liability in the Statement of Concepts for General Purpose Financial Reporting. To correct this departure would result in an increase to operating income in the Statement of Financial Performance and net assets in the Statement of Financial Position of \$723,821.

Control over income from general donations of \$62,270 included in the Donations, Grants and Sponsorships total of \$1,427,774 as disclosed on page 4 of the financial statements, prior to being recorded is limited, and there are no practical audit procedures to determine the effect of this limited control.

Qualified Opinion on Financial Position and Financial Performance

In our opinion, except for the effects of the recognition of income in advance of \$723,821 and the possible effects of the limited controls over general donations described above, the financial statements on page 2 to 9 fairly reflect the financial position of Coastguard Northern Region Incorporated as at 30 June 2011 and the results of its operations for the year ended on that date.

Hayes Knight Audit

HAYES KNIGHT AUDIT

AUCKLAND, NEW ZEALAND

12 September 2011

Hayes Knight Audit
CHARTERED ACCOUNTANTS

Level 1.1 Broadway
Newmarket
Auckland
New Zealand

PO Box 9588
Newmarket
Auckland 1149

T +64 9 550 5910
F +64 9 307 0143
E audit@hayesknight.co.nz
W hayesknight.co.nz



AN INDEPENDENT MEMBER OF HORIZON INTERNATIONAL AND THE HAYES KNIGHT GROUP

Coastguard Northern Region Incorporated
Statement of Financial Position

As at 30 June 2011

Notes	2011	2010
Current Assets		
Operating Bank Accounts	5,506	-16,482
Bank Deposits	1,629,877	1,096,562
Inventory	12,717	15,399
Other Receivables	0	12,941
Receivables	197,368	130,837
	<u>1,845,468</u>	<u>1,239,257</u>
Non Current Assets		
Property, Plant and Equipment		
As per Schedule (at Book Value)	13	997,417
	<u>2,842,885</u>	<u>377,259</u>
Less Liabilities		
Current Liabilities		
Payables	249,648	191,413
Hire Purchase	61,258	81,824
Income Received in Advance - Operational and Units	3	88,372
Income Received in Advance - Capital Projects	4	723,821
Grants	5	377,877
Accrued Expenditure	154,874	19,587
	<u>1,855,850</u>	<u>506,347</u>
Net Assets	<u>1,187,035</u>	<u>1,110,169</u>
Represented by:		
General Funds		
Retained Earnings	1,187,035	1,110,169
	<u>1,187,035</u>	<u>1,110,169</u>

For and on behalf of the Board who authorised these financial statements:

Joe Davis
Joe Davis (President)

J.R. Macaulay
John Macaulay (Board Member)

9/9/11
Date



Coastguard Northern Region Incorporated
Statement of Movements in General Funds

For the Year Ended 30 June 2011

	2011	2010
General Funds at start of Year	1,110,169	812,112
Total Recognised Revenue and Expenses	76,866	298,057
General Funds at end of Year	<u>1,187,035</u>	<u>1,110,169</u>



Coastguard Northern Region Incorporated Statement of Financial Performance For the Year Ended 30 June 2011

	2011	2010
Operating Income		
Donations, Grants and Sponsorship	1,427,774	1,681,154
Membership Subscriptions	1,317,493	1,226,322
Lecture Courses	258,598	205,785
Trading Sales	28,683	35,131
Towing and Search Reimbursement	108,063	117,122
Commissions, Rent and Other Activities	268,987	310,784
Other Income	159,979	87,147
	<u>3,669,577</u>	<u>3,663,445</u>
Less Cost of Sales	251,247	194,640
Less Paid to Units		
Fuel Costs	244,252	229,546
All Other Payments	789,775	1,022,903
	<u>1,034,027</u>	<u>1,252,449</u>
Net Operating Income	<u>2,284,303</u>	<u>2,216,356</u>
Less Expenses		
Audit Fees	10,708	14,435
Computer and Telecommunications	83,278	81,680
General Expenses	181,364	43,435
Insurance	43,352	34,872
Promotions and Events	54,471	63,203
Member Communications and Events	170,251	69,040
Motor Vehicle Expenses	29,020	34,128
Personnel	1,066,598	1,012,500
Printing, Stationery and Postage	98,163	114,989
Rent, Rates and Building Expenses	86,013	87,264
Repairs and Maintenance	57,319	92,950
SAR Expenses	220,281	247,204
	<u>2,130,816</u>	<u>1,875,700</u>
Surplus/(Deficit) from Operation Activities	153,487	340,656
Plus Income for Capital Projects	68,184	74,277
Less Depreciation	144,571	116,880
Less Loss on Disposal of Fixed Asset	232	0
Net Surplus/(Deficit)	<u>76,868</u>	<u>298,053</u>



Coastguard Northern Region Incorporated Notes to the Accounts For the Year Ended 30 June 2011

1. Statement of Significant Accounting Policies

Coastguard Northern Region Incorporated is an incorporated society domiciled in New Zealand, registered under the Incorporated Societies Act 1908. The financial statements have been prepared according to generally accepted accounting practices in New Zealand. The Society qualifies for differential reporting. The Society has taken advantage of all available differential reporting exemptions.

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

Specific Accounting Policies
The following specific accounting policies which materially affect the measurement of financial performance and the financial position have been applied.

- Subscriptions**
Subscriptions are recorded on a cash basis.
- Valuation of Inventories**
Inventories are valued at the lower of cost, determined on a first-in-first-out basis, and net realisable value.
- Goods and Services Tax**
The financial statements have been prepared exclusive of GST with the exception of receivables and payables which include GST involved.
- Property, Plant and Equipment Depreciation**
Property, plant and equipment are included at cost less depreciation at rates determined by the Board of Management as being the useful life of the asset, defined as between 3 and 10 years. Aircraft are included at cost less depreciation at the rate allowed by the Inland Revenue Department.

Assets are classed and depreciated as follows:	
Buildings	5 Year Straight Line
Communications	20% Diminishing Value and 3-5 Year Straight Line
Administration	20% Diminishing Value and 3-5 Year Straight Line
Air Patrol	20% Diminishing Value and 3-5 Year Straight Line
Air Patrol Cessna 128	7% Straight Line
Air Patrol Cessna 182 (2011)	7% Straight Line
Motor Vehicles	5 Year Straight Line
Rental Lifejackets	33% Diminishing Value and 5 Year Straight Line
- Taxation**
The society has been registered with the Charities Commission as a charitable entity (registration number CC30031) and is exempt from income tax under the income tax legislation.
- Donations and Grants**
Any donations and grants in excess of \$50,000 which are received to purchase an asset are treated as deferred income and classified as Income in Advance – Capital Projects. The release of the deferred income is set to match the depreciation on the capital expenditure that has been made. The Board of Management believes that this accounting policy best reflects the financial position and performance of the society, notwithstanding that it contravenes generally accepted accounting practice in New Zealand.

The above information must be read subject to the Auditor's Report



1

2. Related Party Transactions

During the year, the Society paid \$25,760 to Digital Fishbowl Limited for management services provided by Joe Davis. Joe Davis is the president of Coastguard Northern Region (CNR) and is a director and shareholder of Digital Fishbowl Limited.

The Board of Management does not consider there were any other related party transactions during the year.

3. Income Received in Advance – Operational and Units

Grants are received from various sources to be used for the benefit of the units and for Coastguard Northern Region, either to fund specific projects or to offset costs incurred. Grants for projects still in progress at balance date are recorded in Income in Advance – Operational and Units.

(a) Auckland Regional Amenities Funding Act 2008

This year \$610,000 (Last year \$500,000) was received from the Auckland ratepayers under the Auckland Regional Amenities Funding Act 2008. The funds have been used during the financial year to cover expenses for units within the Auckland region, and is in line with the Society's submission to the Funding Board.

(b) Units

During the year the following grants were received for the benefit of Units:

- \$27,000 in August 2010 from Four Winds Foundation for the ongoing first aid training of volunteers; and
- \$44,000 in November 2010 from COGS used for SAR training of volunteers.

(c) Operations

During the year the following grants were received operational costs:

- \$50,000 in September 2010 from the Lion Foundation to help cover payroll costs, and drawn down at the rate of 1/12th per month.
- \$20,000 in October 2010 from NZCT to cover the costs of the Whangarei VOIP and computers.
- \$12,000 in December 2010 from Pelorus Foundation to cover costs of the Bay of Islands VOIP.
- \$18,000 in December 2010 from Southern Trusts to cover newsletter costs.
- \$15,000 in January 2011 from Environment Waikato to cover costs of a Regain VOIP.

The above information must be read subject to the Auditor's Report



2

4. Income Received in Advance – Capital Projects

Income received from donations and grants in excess of \$50,000 and used to purchase an asset are treated as deferred income and classified as Income in Advance – Capital Projects. The release of the deferred income is set to match the depreciation on the capital expenditure that has been made. Movements during the year were as follows:

	2011	2010
Opening balance of deferred income	54,750	0
Grants received in excess of \$50,000	701,681	60,000
Less amounts amortised this year	(32,580)	(5,250)
Income in Advance	<u>\$723,851</u>	<u>\$54,750</u>

Grants received during the year included:

\$400,000 from the Lion Foundation in September 2010, and \$168,000 from Coastguard New Zealand, and \$93,756 from ASB Community Trust which are being used to offset depreciation on the Cessna 182 purchased in April 2011. The Cessna 182 is being depreciated at 7% straight line per annum.

5. Grants

Coastguard Northern Region receives grants from ASB Community Trust which are then distributed to the units to offset the costs for specific projects, such as the refurbishment of vessels and equipment. Grants received but not distributed because projects are still in progress at balance date are held in the Grants Fund.

	2011	2010
Opening balance of deferred income	71,643	294,151
Grants received	500,000	212,962
Less amounts disbursed this year	(193,766)	(435,470)
Income in Advance	<u>\$377,877</u>	<u>\$71,643</u>

The above information must be read subject to the Auditor's Report



3

Coastguard Northern Region Incorporated
Notes to the Accounts
 For the Year Ended 30 June 2011

6. Hire Purchase Liability

Nissan Finance
 Total Cost \$38,199
 Repayment Terms: Monthly \$739 principal and interest for 48 months commencing 20 December 2009
 Finance Rate: 10.50%
 Security: Nissan Qashqai FED41
 Total outstanding as at 30 June 2011 \$21,435
 Unexpired Hire Purchase Charges (\$2,611)

Nissan Finance
 Total Cost \$43,029
 Repayment Terms: Monthly \$832 principal and interest for 48 months commencing 20 December 2009
 Finance Rate: 10.50%
 Security: Nissan X Trail FED42
 Total outstanding as at 30 June 2011 \$24,142
 Unexpired Hire Purchase Charges (\$2,923)

Nissan Finance
 Total Cost \$43,028
 Repayment Terms: Monthly \$832 principal and interest for 48 months commencing 20 December 2009
 Finance Rate: 10.50%
 Security: Nissan X Trail FED43
 Total outstanding as at 30 June 2011 \$24,137
 Unexpired Hire Purchase Charges (\$2,922)

Total Outstanding Hire Purchase Liability for 3 vehicles \$69,714
 Total Outstanding Unexpired Hire Purchase Charges for 3 vehicles (\$8,456)

7. Operating Revenue and Cost of Sales

Gross income from trading sales and lecture courses is shown under Operating Income.

Cost of Sales includes the cost of products sold over the counter of \$17,943 (Last year \$21,834) and cost of running education courses of \$232,944 (Last year \$129,056).

8. Segment Information

Coastguard Northern Region Incorporated operates predominantly as a marine safety organisation within the area north of a line between Kawhia and Thames, providing search and rescue, education, communication and marine safety services.

The above information must be read subject to the Auditor's Report



4

9. Capital Commitments

There were capital commitments of \$35,026 at year end (Last year \$30,453).

This relates to the following:

Grants received from New Zealand Community Trusts \$40,000 and Pub Charity \$10,000 to cover the installation of a new weather channel at Hokianganga. Expenses to date have been \$28,705 leaving a balance of \$21,295
 A grant of \$12,000 received from Pelorus Trust to cover the installation of a VOIP at the Bay of Islands. No expenses had been incurred at balance date, leaving a balance of \$12,000.

10. Lease Commitments

There were no lease commitments at balance date (Last year \$0).

11. Contingent Liabilities

There were no known contingent liabilities at year end (Last year \$0).

12. Post Balance Date Events

There have been no events subsequent to 30 June 2011 that require disclosure in these financial statements.

13. Property, Plant and Equipment and Depreciation

Closing cost, accumulated depreciation and net book value of assets:

Asset Group	2011			2010		
	Cost	Accum Deprec.	Net Book Value	Cost	Accum Deprec.	Net Book Value
Buildings	58,237	58,237	0	58,237	58,237	0.00
Communications	1,712,878	1,464,484	248,394	1,696,302	1,444,479	251,823
Administration	149,714	145,004	4,710	167,053	160,020	7,033
Air Patrol	915,510	234,786	680,724	250,013	214,165	35,848
Motor Vehicles	93,687	30,933	62,754	95,977	14,485	81,492
Rental Lifejackets	1,391	557	834	13,260	12,197	1,063
	<u>2,931,417</u>	<u>1,934,001</u>	<u>997,415</u>	<u>2,280,842</u>	<u>1,903,584</u>	<u>377,259</u>

Depreciation Charged:

Asset Group	2011	2010
Buildings	0	0
Communications	102,434	90,009
Administration	2,552	4,112
Air Patrol	20,621	10,324
Motor Vehicles	18,737	12,195
Rental Lifejackets	223	240
	<u>144,567</u>	<u>116,880</u>

The above information must be read subject to the Auditor's Report



5

Coastguard Northern Region Incorporated
Budget For Year Ending 2012

	2012
Operating Income	
Donations, Grants and Sponsorship	1,470,650
Membership Subscriptions	1,420,000
Education Income	300,000
Trading Sales	25,000
Towing and Search Reimbursement	107,500
Commissions, Rent and Other	285,500
Activities	
Other Income	91,200
	<u>3,699,850</u>
Less Cost of Sales	242,500
Less Paid to Units	
Fuel Costs	213,000
All Other Payments	665,150
	<u>868,150</u>
	<u>2,589,200</u>
Less Expenses	
Audit Fees	11,000
Computer and Telecommunications	89,200
General Expenses	49,500
Insurance	45,000
Promotions and Events	69,000
Member Communication and Events	109,000
Motor Vehicle Expenses	24,000
Personnel	1,428,000
Printing, Stationery and Postage	74,000
Rent, Rates and Building Expenses	92,700
Repairs and Maintenance	80,000
SAR Expenses	335,500
	<u>2,406,900</u>
	<u>182,300</u>
Surplus/(Deficit) from Operational Activities	182,300
Plus Income for Capital Projects	0
Less Depreciation	0
	<u>182,300</u>
Net Surplus/(Deficit)	182,300

The attached notes form an integral part of these accounts

Agenda - Annual General Meeting

Notice is hereby given that the Annual General Meeting of members will be held at the Auckland Marine Rescue Centre, Mechanics Bay, on **Tuesday 18th October 2011** at 2000 hours.

Business

1. Apologies
2. Confirm the minutes of the 2010 Annual General Meeting
3. Receive the President's Report
4. Presentation of the Chief Executive Officer's Report
5. Receive and consider the Financial Statements for the year ended 30th June 2011, and the Auditors Report.
6. To elect and declare Officers and Committee for the ensuing year
 - a) President
 - b) Vice President
 - c) Two Board Members
7. Announcement of Board Members
 - a) Hauraki OpsCom
 - b) Northland OpsCom
 - c) Tasman OpsCom

8. Judicial Panel
9. To fix the annual subscription for the ensuing year
10. Appointment of Auditors
11. To transact any other business which may be properly brought before the meeting.

Joe Davis
Interim Chief Executive Officer

Election of Officers - Coastguard Northern Region Board

Nominations for the various positions on the Board for election at the Annual General Meeting to be held on Tuesday, 18th October 2011 must be in the office of the Chief Executive Officer by Tuesday 11th October 2011 at the latest.

The Nomination Form accompanies this booklet, please copy, complete and return to the Regional Office (please see contact information below).



Coastguard Northern Region

POSTAL ADDRESS / PO Box 2195, Shortland Street, Auckland, 1140

STREET ADDRESS / Level 1, Auckland Marine Rescue Centre
3 Solent Street Mechanics Bay, 1010

PHONE / 09 303 4303

EMAIL / admin@coastguard.org.nz

WEB / www.coastguard.org.nz

THE CHARITY SAVING LIVES AT SEA



NORTHERN REGION