

**ZEPHYR OWNERS ASSOCIATION INC
FINANCIAL REPORT FOR YEAR 1 JUNE 2004 TO 31 MAY 2005**

STATEMENT OF FINANCIAL PERFORMANCE

TRADING ACCOUNT	2005	2004
Income		
Sails	11,105	11,326
Test Sails	900	-
Spars & Rigging	7,514	14,619
Cedar Hull #260	<u>-</u>	3,300
	19,519	29,245
Less Expenditure		
Opening Stock 1/6/04	1,469	9,615
Sails	10,955	8,028
Spars & Rigging	6,349	11,693
Materials	2,072	-
Write off building mould	-	1,562
Administration costs./Sundry	<u>393</u>	<u>400</u>
	21,238	31,298
Less Closing Stock 31/5/05	<u>5,058</u>	<u>1,469</u>
	16,180	29,829
<u>Net surplus from trading</u>	<u>3,339</u>	<u>-584</u>

ADMINISTRATION ACCOUNT

Income		
Donations	90	25
Subscriptions	2,460	2,180
Interest	492	252
Sundry/reimbursement trading account	200	400
Sundry	<u>2</u>	<u>50</u>
	3,244	2,907

Less Expenditure

Bank Charges	3	7
Engraving	81	49
Newsletter	528	513
Postage & Stationery	67	143
Tolls & General	302	211
Meeting Expenses	112	76
Promotion & Development	3,218	
Less expenses capitalised for mould	<u>3,000</u>	
	218	2,276
Sundry Travel	646	930
Honorarium President	250	250
Prizes	<u>197</u>	<u>nil</u>
	<u>2,404</u>	4,454
Net surplus/loss admin	<u>840</u>	<u>-1,547</u>
Add		
Net surplus from trading	<u>3,339</u>	<u>-584</u>
Total surplus for the year	<u>4,179</u>	<u>-2,131</u>

STATEMENT OF FINANCIAL POSITION AS AT 31 MAY 2005

CURRENT ASSETS	2005	2004
ASB Bank Account no: 50	11,538	14,749
ASB Cheque Account no:00	1,326	505
Less unrepresented cheque	<u>123</u>	(100)
	1,203	405
Stock on hand	<u>5,058</u>	<u>1,469</u>
	17,799	16,620
FIXED ASSETS		
Building moulds and pattens	3,000	1,562
Written off	<u>-</u>	<u>-1,562</u>
	<u>20,799</u>	<u>16,620</u>
Represented by:,		
MEMBERS FUNDS		
Accumulated funds 1 June 2004	16,620	18,751
Net surplus/loss for the year	<u>4179</u>	<u>-2,131</u>
Accumulated funds 31 May 2005	<u>\$ 20,799</u>	<u>\$16,620</u>

**AUDITORS' REPORT
ZEPHYR OWNERS ASSOCIATION**

To the Members of Zephyr Owners Association. We have audited the Association's financial report on the following pages. The financial records provide information about the past financial performance of Zephyr Owners Association and its financial position as at 31 May 2005.

MEMBER' RESPONSIBILITIES

The Members are responsible for the preparation of the Association's financial report which fairly reflects the financial position of Zephyr Owners Association as at 31 May 2005 and of the results of its operations for the year ended on that date.

AUDITORS' RESPONSIBILITIES

It is our responsibility to express an independent opinion on the financial report presented by the Members and report our opinion to you.

BASIS OF OPINION

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial report. It also includes assessing:

- the significant estimates and judgements made by the Board in the preparation of the financial report; and
- whether the accounting policies are appropriate to the Association's circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with generally accepted auditing standards in New Zealand. We planned and performed our audit so as to obtain the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial report is free from material misstatements, whether caused by fraud or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial report.

We have assisted in the preparation of the accounts.

UNQUALIFIED OPINION

We have obtained all the information and explanations we have required. In our opinion the financial report fairly reflects the financial position of the Association as at 31 May 2005 and the results of its operations for the year ended on that date.

Our audit was completed on 22 June 2005 and our unqualified opinion is expressed on that date.

MARKHAMS MRI CHRISTCHURCH LTD