

# Business Plan

## Tug Lyttelton Preservation Society

*Approved and adopted by resolution: August 2022*



<b>STRUCTURE</b>	Incorporated Society: originally under the Incorporated Societies Act 1905 (“ISA”), now Charities Commission Act 2005 (“CCA”)
<b>ESTABLISHED</b>	1973
<b>DATE REGISTERED</b>	In 1991 under ISA, 2005 under CCA.
<b>REGISTRATION #</b>	Under ISA: 220431. Under CCA CC38104
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## 1. Executive Summary

### 1a. Preamble

This Plan is to be read subject to the following guidance notes:

It is anticipated that the date the Board accepts this plan by resolution, will be shown on a facing page at the front of this plan, together with any subsequent resolutions changing or adding any part of the plan.

1. The process set out in this Plan, effectively, commenced on the date when the Board resolved to accept this plan.
2. Thus the 5 – 7 year period envisage as the life of this Plan commenced from the said date...
3. The dynamic nature of this Plan is particularly reflected in any manuals which may be produced in respect of the plan and should be considered part of this plan. This is because:
  - a. These are, essentially, the manuals, comprising the operational detail for how the plan is to be implemented and by whom, and because;
  - b. At the time of approval and adoption of this Plan these manuals may not have been concluded nor the personnel whom were to undertake their completion conclusively decided upon.

## 1b. Current position

Essentially, the Society's current position viz-a-viz its role of achieving its constitutional goal of preservation of the Tug Lyttelton ("the Tug") is that:

1. The Tug is dry-docked annually and is thus in a good state of preservation and in a well-maintained operational status. Or as decided by the Marine Surveyor.
2. Membership of the Society is stable.
3. Within the membership there is interest in being on the Board. Thus the Society is able to maintain: a full quorum Board of people suitably qualified and interested stability within its executive and administrative function and to maintain some dynamism by way of the occasional but regular "new blood".
4. The Society has enjoyed, from the outset, very significant, indeed crucial, support from Lyttelton Ports of Christchurch (LPC), by providing a berth, dry-docking, security, public access to the wharf when needed, and other assistance that allows the Society to operate within the commercial harbour all gratis.
5. The empirical evidence from sailings and public feed-back clearly indicate an undiminished, if not increasing, level of public interest in the Tug. The Board believes that interest is significantly untapped. Unlocking it largely underpins the marketing initiatives contemplated by this plan.
6. The Society's costs are met, as to about 40% from revenue from sailings with the balance from charitable grants. In respect of operational revenue, the Society took a hit from the Canterbury earthquakes of 2010 and 2011, but with the most significant fall-off coming in 2012. There was another fall off when our SGS Surveyor questioned the integrity of hull repairs, and it took advice of a Naval Architect to prove otherwise. In the interim our Certificate of Survey had expired, plus a Maritime Operator Certificate had to be applied for and approved from MNZ. A change of Surveyor to AbleShips Nelson resulted in a more meaningful arrangement, and the Certificates were both received in time for some summer sailings in the 2019-2020 season. Covid lockdown then arrived in 2020 immediately shutting down the operation for the season prematurely, and once again reduced passenger numbers in the 2021- 2022 season. This severely affected income over the period.
7. A crucial concern for the Society has been the very marked decline in charitable grant income in recent years. The shortfall between grants applied for and costs for work required for survey/dry dock is placing the Society in a serious situation and compels attention. The increasing costs of coal also are of concern, and steps are in train to counter this cost with electric boiler preheating.
8. Whatever the reason for this Grant shortage, and whether it would reflect a permanent loss of support within the funding community, is unknown. For the Board, the concern looking forward, is that: because the Society has little or no opportunity to accrue funds that would allow it to fund a shortfall in grant income in any one or more year, because it cannot in law contract for the provision of the requisite marine and professional services that allow it to complete its annual survey when it has no prospect of meeting such contractual obligations as they fall due and because, if it cannot do such an annual survey it cannot operate a safe ship, this development represents the single biggest threat to the viability of the Society's operation and continued existence of the Tug herself.
9. The Society has been saved from financial embarrassment by last minute donations from supporters, which of course cannot and should not be relied upon each year.

## **1c. Competitive advantage (and otherwise)**

1. One of only three fully operational coal fired steam driven vessels of early 20<sup>th</sup> century vintage in New Zealand (and possibly similar rarity world-wide) working out of a commercial harbour environment of national significance.
2. The public can enjoy the experience of seeing old things up close, with opportunities for “hands on” experiences, not evident in other vessels.
3. The, general level of support the Society has had from the charitable grant community in the past, demonstrates a level of support and favourable disposition toward the Tug that could confer a significant competitive advantage.

## **1d. Strategic plan overview: overcoming that negative competitive disadvantage**

The Board will take such actions that will:

- a. Increase awareness among members, the general public, the charitable grant community and the country’s museum and historic places entities of the need for preservation of the Tug and, in particular of her historical value.
- b. Continue to maintain the tug, increasing her value as a historical artefact, and seek necessary funding to achieve this goal
- c. Increasing national significance as a part of New Zealand’s historic and cultural heritage.

## 2. Business background and goals of this Plan.

### 2a. History

1. Launched in 1907, the Tug Lyttelton spent its working life as an operational, steam powered, tug on Lyttelton Harbour during which it saw the end of the era of sailing ships, the NZ soldier departing for and returning from the First World War, a refit and active service during the Second World War, the departure of Shackleton's first expedition to Antarctica in 1908. In its modern role it has taken passengers to greet the Queen Victoria on her first arrival, farewell the QE2 and the see in the new Millennium.
2. She was saved from the possible scrap heap by the vision and dedication of a group of local men lead by marine surveyor, Dick Musson, who advocated for and, eventually, together with 45 others the founding members of the Society, raised the \$19,000.00 requisite funds, restored the vessel and persuaded the, then, Lyttelton Harbour Board to allow the operation of the vessel on the Harbour: rather than as a static display at Ferrymead Historic Park as was the Board's first preference.
3. From Sunday 14<sup>th</sup> October 1973 until 1991 she was operated as a passenger vessel on charter from the Harbour Board. The Society was incorporated under the Incorporated Societies Act of 1905. Following that event, on the 26<sup>th</sup> October 1991, the Lyttelton Port Company, successor to the harbour Board, transferred the ownership of the Tug to the Society..
4. That level of Harbour Board empathy and support has continued ever since in that LPC continues to support the Society's aims for the Tug by providing the berthage, dry-docking, security and other assistance that allows the Society to operate within the commercial harbour all free of charge.
5. From that transfer of ownership in October 1991 the Tug has operated as a charter vessel and undertaking Public Harbour Cruises ("PHCs"), generally on a Sunday during the months November to April, with occasional Charters.
6. Charterers are both private charters by individuals for, family gatherings such as 21<sup>st</sup> birthdays and weddings) or corporates for events such personnel team building and Christmas parties..
7. Both PHCs and Charters are always well received and enjoyed by the participants. .
8. The Tug picks up and drops off passengers at No 2 e wharf, but is generally moored at Z berth.
9. The tug has been dry-docked almost annually for every year of her existence and is thus, structurally and operationally, exceptionally well-maintained for a vessel of her age. She is, however, subject to the normal depredation of a working vessel made of iron and steel working in salt water.
10. The requisite funds are not just for operational expenses, such as coal, but for the specialist marine services provided by Lyttelton businesses for work on the hull, the boiler and steel repairs.
11. The Board faces different difficulties that have an impact on the Society's financial viability and, potentially threaten the continued existence of the Tug. These include:
  - a. Other operations on Lyttelton Harbour and the nearby Ferrymead Historic Park that, undoubtedly, attract the public dollar. The Society doesn't see these as having a significant financial impact but their existence must be acknowledged..
  - b. An increasing Occupation Health and Safety focus over recent decades and more stringent security operation at the Port reducing public access to the tug.

- c. A fall off in recent passenger numbers caused by external events such as the Christchurch earthquakes and the Covid pandemic.
  - d. The major concern is the fall in charitable grant income in recent years. The Society has been saved from financial difficulty by one-off donations and grants, but cannot be confident such chance will be repeated each year, which is, largely what drives the need for this business plan.
12. Membership is divided in to two groups: operational (i.e. Thursday workers, administrators, and regular sailing crews) and subscribing members.

## 2b GOALS

Overall, the genesis of this business plan is the Board's desire to act proactively to: overcome those negative factors listed in 1d, and thereby, secure the Tug's future for all to see and experience what has been referred to as the "golden age of steam."

1. Given the threat to the financial viability of the Society, and that the costs of ongoing maintenance and operations are split as to about 40% from revenue from sailings with the balance from charitable grants, there has always been a need to look beyond the Society's own resources for security of existence. A primary goal of this plan is overcoming or minimising that chance and consequential risk.
2. The Board will continue to work with LPC to continue the support currently received and take advantage of changes to the inner harbour berthing arrangements to secure a permanent berth and better access for the members and the public.
3. Two factors underpinning the physical reality of the Tug's continuing existence and these goals are:
  - a. Iron and steel rust away - more readily in sea water. This requires regular maintenance, both day to day plus larger work done during survey by contactors.
  - b. Is the Tug is better and more cheaply preserved on the water as an operational revenue earning entity, other than off the water as a static display.
4. In conclusion on the question of goals, the Board appreciates (as evident by this Business Plan) that, as the Tug enters her second century the Society is now charged with preserving and ensuring for posterity the Tug as a museum grade historic artefact of increasing historical and national significance and rarity world-wide namely a fully operational steam vessel. The questions raised by the above history and issues and which this Business Plan is being developed to answer are:
  - a. Identifying the factors and pathways that will best achieve these goals,
  - b. Identifying the partners who or which are best placed, best qualified and able to assist the Society, and
  - c. Establishing working relationships or building on existing relationships with such partners.
    - d. Formulating the practical, operational aspects of achieving these goals.
  - e. The Board to undertake a review and, change or develop as necessary all the Society's systems to ensure they are appropriate to the above tasks.

## **2c. Pro-Bono contribution by the Society's members and the Lyttelton community.**

1. The members provide, free of all charge, their: expertise, time, labour marine, sailing, engineering, and administrative experience and, as evidence by the above history, commitment to the vessel and ideals of the Society.
  - a. Each voyage requires a crew of about 14, not including the captain. It is made up of a Leading Hand, Purser, a team of 5 in the engine room, someone in charge of the Galley, someone to attend to attend the souvenir shop and a minimum of six deck-crew.
  - b. Less crew numbers are required for turning the ship when bunkering and entering and exiting dry-dock. It is, however reasonable to say a further significant contribution to undertake these, highly specific functions particularly moving "dead ship".
  - c. Throughout the year members meet on the ship each Thursday morning to undertake maintenance and general repairs and upkeep. Numbers vary but there are usually a minimum of 12 members involved.
  - d. Tug would be in dry dock for anything up to 10 days, requiring crew to any necessary work that cannot be done in the water. Plus there is some time moving on and off the dock.
  - e. Sailings require crew to be organised. This is done by members whom volunteer as rosterers for: the Masters, the engineers, the stokers and the crew. At times achieving a full crew can be difficult and demanding (volunteers members cannot be ordered to attend) requiring very considerable commitment and input by these members.
  - f. The annual survey is preceded by a work done on the vessel by Society members who carry out preparations, particularly on the boiler and safety requirements, prior to the visit of the surveyor.
  - g. Then there is the value of the Secretarial function – which, in this instance also includes the administrative functions carried out by the secretary and the treasurer attending to such as receipting, invoicing, banking, preparation of applications for funding. The administrative team also produces the Society's newsletter and produces financial statements, as well as attending all Board meetings.
2. The LPC (a part of the Christchurch City Holdings Limited – the commercial arm of the Christchurch City Council) has continually since 1965 demonstrated its commitment to the preservation of the Tug. This support has a very significant financial component, allowing gratis: a berth, wharfage, dry-docking and security (fencing, access and oversight) within what is a very controlled commercial environment both on the water and wharf. The Tug could not exist nor the Society operate without this support.

## **2d. Intellectual property contribution: a further, if less tangible, contribution**

1. The vessel requires numerous, very specific skill sets and expertise to operate: from the Maritime qualified Masters who captain the vessel when operating, to the Marine Engineers who undertake annual survey assessment of the vessel and other steam qualified engineers who operate the engines, the boiler men and stokers whom operate the boilers, the Leading Hand (largely responsible for organising the deck crew) and the senior deck crew and pursers.  
There is thus, a body of expertise - of intellectual property - vested, in effect, in the Society that has accrued over the past 50 plus years that provides the foundation for confidence that, if funding can be secured, so too can the Tug's future, without the need to pay for the human resource that provides those various skills and expertise.
2. Society is moving to embrace the internet and social media as a marketing and booking tool which has significantly eased the burden at the top of the gangway on sailing days. A longer-term goal of this plan is to ensure the Society's pool of IT savvy members is increased and institutionalised within a future Board.

## **2e. Location of operations.**

1. The Tug is operated with sailings from the No.2 Wharf of the Port of Lyttelton, and lays up at Z berth.
2. It is envisaged that at some time in the future LPC will develop No 7 wharf to move it outside of the Customs area enabling all public operations including the tug and the Black Cat ferries to operate from that wharf.
3. The Society's executive and administration functions are all undertaken in the private homes of members (gratis).
4. Preparation of Audited Annual Accounts is undertaken professionally by the Society's Accountant, Murray Mowat, of 285 Lincoln Road, Christchurch.

## 3. Business strategy

### 3a. Grass-roots Tactics: an overview

1. This Business Plan has a number of phases, namely:
  - a. The initial phase is to carry out necessary work on the boiler. This involves not only repair work, such as on the boiler doors, but also steps to reduce carbon emissions such as pre heating the boiler with an electric heating system rather than using coal. Quotes are received for this work and once funding is received the system could be in place without affecting the sailing season. The boiler tubes are reaching the end of their life and replacements need to be sourced from UK at some time when funding becomes available. The pre heating system will reduce the stress on these systems, prolonging their current life.
  - b. The second phase involves the modernisation of the after deck area the comfort of passengers and make the tug more pleasing to the eye without losing any the historical aspects on show now. This could involve:
    - Replacing the after canvas canopy.
    - Replacing the existing after area seating
    - Modernise the lighting systems where possible to 12vt LED
    - Installing ventilation into the museum area
  - c. To be a corporate platform during the Sailing GP on Whakaraupō March 2023. And to be an advertising platform for a corporate sponsor during this period
  - d. To highlight the historical significance of the Tug to Lyttelton, Christchurch and maritime history on the 50<sup>th</sup> anniversary of the society late 2023
- d. Employ fulltime staff to look after the maintenance of tug and manage booking systems for sailings, including a full time engineer/manager who would oversee the required maintenance work required, including surveys, and a dedicated booking/publicity administrator for the sailing season.

### 3b. Strategic impact

1. The expected strategic impact of these phases obviously is dependant on the availability of necessary funding that can be obtained to bring the business plan to completion, and preserve the Tug in its full operational capacity. It is anticipated that most of the work involved paras 3. 1a and b above can be carried out in the non-sailing season to preserve income from sailings and keep the tug in the public eye during the summer months, as well as maintaining continued member and community involvement.

It is hoped that the strategic impact of these phases is the full restoration of the Tug with the goal that, upon completion the physical structure and operational capability of the vessel will be secured for as long as practicable, producing a significant period of years of operational life, during which survey costs and operational costs could be kept to a minimum.

### 3c. Systems required to meet these phases.

1. To upgrade the Society's internal systems and operational efficacy to provide as follows:
  - a. Upgrade accounting systems and software (possibly also hardware)
  - b. Develop a stock control system, particularly a manual for stock control for the souvenir shop and on-line sales.
  - c. Review and upgrade crew manuals, including training manuals.

- d. Maintain the Maritime Transport Operators Plan, including requirements therein, the Safe Operating procedures, and the Hazard Risk register.
- e. Promulgate the Standing Orders as the guidelines and practises that are appropriate to preservation of the Tug and her proper operating systems.

### **3d. Involving membership in core values and in Plan process**

1. It is important that the membership of the society be kept abreast of the targets and progress laid out in the phases of the business plan This can be achieved by:
  - a. Promulgating this Plan to membership inviting feed-back and co-operation.
  - b. Regular production of the society's newsletter "Boot Topping", which can be sent in the main by email, with mail-outs as required to other members
  - c. Weekly updates by email to active and involved members i.e. sailing crew and Thursday workers, to recognise involvement or encourage participation.
  - d. The Board is to consider re-structuring membership and subscriptions to reflect the involvement of the different types of membership.
  - e. The Board proposes that, within the initial phase of this Plan, it will delegate certain members in a leadership role the task of regularly reporting progress to the Board.

### **3e. Increased Credibility and Risk reduction**

1. Where in this section and elsewhere in this Plan there is reference to the Tug as an historic artefact or museum grade artefact, or words to similar effect, that is intended to refer, in addition to the general meaning of those words, to the fact that the Tug is considered by the Society to be a "protected historic object" squarely within the definition of a social history object and/or under the technology and transport definition as set out in Schedule 4 of the Protected Objects Act 1975.
2. Credibility is to be defined as the perception of the Tug as a vessel with the status of an increasingly rare example of a coal fired steam driven vessel of historical significance which is a museum grade treasure/artefact of national significance to New Zealand's history.
3. This Business Plan seeks to achieve the goal of increased credibility, first by raising the awareness and participation of members, secondly, by raising the public profile of the Tug and, thirdly, by taking steps to develop strategic relationships with 3rd parties or entities which share similar goals relating to preservation of the Tug per se or historic artefacts in general.
4. This risk reduction, for both the Tug herself and the viability of the Society is the underlying concept of this Business Plan. It is to be achieved firstly by the processes and systems by which it is hoped to increase that credibility factor and secondly, by the financial aspects of the phases of this Business Plan.

## 4. The team

### 4a. Management structure

1. Management is by the Board as constituted.
2. The Board is selected by annual vote of the members.
3. There is interest in Board positions within the membership and new Board members are introduced to add new blood and impetus to the Board..
4. The Secretary sits in on, and is an integral part of, the management team.
5. The President is selected by the elected members from within the Board
6. The treasurer can also be selected by the board from the within the Board or from the general membership, in which case he acts as an advisory member of the Board.

### 4b. Current team

1. The current team, who report to directly or indirectly to the board, is comprised of deck and engine room superintendents who are responsible for the everyday maintenance of the tug, including repairs and surveys, and liaison with contractors.
2. The Maritime Transport Operators Plan requires that there are at least two persons named in the plan as “fit and proper persons” responsible to ensure that all aspects of the MTOP are adhered to. These people are named in the plan and can only be added to or 1

## 5. Expected critical success and difficulty factors

### 5a. Summary

Strengths	<i>We will maximise them by:</i>
<ol style="list-style-type: none"> <li>1. Uniqueness of vessel and the experience.</li> </ol>	<ol style="list-style-type: none"> <li>1. Raising awareness of the general public and museums/ historic places community.</li> <li>2. Seeking to have the Tug recognised as an historic object nationally.</li> </ol>
Weaknesses	<i>We will seek to minimise them by:</i>
<ol style="list-style-type: none"> <li>1. Fixed location</li> <li>2. Limited sailing season.</li> <li>3. Achieving retention of expertise.</li> <li>4. Succession in respect of crucial roles.</li> </ol>	<ol style="list-style-type: none"> <li>1. Use of internet and social media to increase Tug's public profile.</li> <li>2. Increasing opportunities for the public to experience the Tug as a static display</li> <li>3. Recruiting experienced manpower, and delegation through staff to achieve continuity of succession.</li> <li>4. In respect of elected officers; and Superintendents having good records, i.e. this Plan and manuals relating the Maritime Transport Operators Plan.</li> </ol>
Opportunities	<i>We will maximise them by:</i>
<ol style="list-style-type: none"> <li>1. Social Media</li> <li>2. Maintaining contact with the charitable grant community.</li> <li>3. World-wide recognition</li> </ol>	<ol style="list-style-type: none"> <li>1. Increased focus, Up-skilling, rebranding, good systems (marketing, sales and feed back) and pro-active use</li> <li>2. Sell the Society and the Tug and take steps to enhance credibility.</li> <li>3. Steps to maximize the "Swire factor"</li> </ol>
Threats	<i>We will seek to minimise them by:</i>
<ol style="list-style-type: none"> <li>1. Potential for frustration and lack of insight and application by Board and members.</li> <li>2. Loss of support within charitable grant community.</li> </ol>	<ol style="list-style-type: none"> <li>1. (a) Having targets, (b) Being pro-active, greater focus, identifying resources and more specific application to crucial issues that will achieve the goals of this plan, and (c) communicating with and taking the membership along.</li> <li>2. Raising credibility and profile generally with the public at large.</li> </ol>

## **5b. Chosen strategy**

1. Acknowledgement in general of the factors in 5a above is implicit in the actions and Resolutions of the Board and subsequent Boards.
2. The strategy henceforth will be for the Boards to be pro-active in continuously acting to develop the tactics and operation detail by which implementation of this Business Plan will be achieved within a targeted time frame, namely:
  - a. An initial phase of 2 – 3 years during which the following should occur, namely:
    - This plan is fully developed,
    - The vessel maintained
    - Funding secured for that initial phase and also for the final phase,
    - Internal systems reviewed and upgraded,
    - Rebranding effected,
    - New marketing strategies identified and put in place.
    - Development of strategic relationships commenced.
    - Plans for succession or cover in respect of crucial roles are developed.
  - b. The final phase of 3 – 4 years that follows during which restoration will be maintained, marketing further developed and work done to further build those strategic relationships.
  - c. To ensure such continuous progress each and every meeting of the Board will include an agenda item by which: progress to date is reported on, those reports reviewed and resolutions passed that will promote or ensure progress continues.

## **5c. Critical success factors**

1. Agreement on the terms of this Business Plan.
2. Strong leadership by the Board to drive the plan, using delegation and sub-committees to involve the membership in an inclusive way.
3. Maximising the human resources represented by the membership generally
  4. Securing funding whether by way of charitable grants, or otherwise.
  5. Achieving an enhanced profile for the Tug and maximum credibility within the wider community.
  6. Achieving credibility, support and strategic relationships from within the community, contractors and supporters.
  7. Developing a sponsorship portfolio.
  8. Ensuring continuity of this plan factors within successive executive Boards.

## 6. Market research and analysis.

### 6a. Overview

1. The Society recognises that it needs more and better information on the market that would allow for greater marketing of the uniqueness that is the Tug and of the experience she provides.
2. Any market research will require analysis for the Society's purposes. The Board may appoint a person or persons to assess and make recommendations on accessing the market, which could include the local, national and international including:
  - a. Market opportunities and, especially, what, if any target markets exist.
  - b. Market structure of persons and entities willing to assist preservation of the Tug and associated goals as set out herein.
  - c. For example, whether the Society's target market might comprise:
    - Active members whom commit to assisting the Tug with sailing, maintenance, etc.
    - Supporting members willing to provide financial support over and above membership fees. For example, sponsorship to achieve break-even funding in any one or more years.
    - Charitable organisations and persons and organisations willing to provide sponsorship.
    - Charterers
    - More general passengers.
    - Those interested in viewing the Tug as an historical "icon"
  - d. Market size (ie beyond the Christchurch area) and outlook, and likely income derived.

## **7. Financial plan**

### **7a Preamble**

1. Preamble to funding. To restate some pertinent under-lying primary goals of this Plan are:
  - a. Preservation of the Tug as the historic artefact she is.
  - b. That requires security of funding
  - c. That is achieved by compelling wider recognition of the Tug's worth as an historic, museum grade artefact (the credibility factor) by both members and wider community.
  - d. That requires more market knowledge, market analysis and better targeting by the Society.

### **7b. Funding general:**

To be completed

### **7c Break-even**

1. The Board needs to know the break-even value, whether that is achievable from revenue and direct funding by members and, if not, how passenger charges, charter fees, subscriptions and the like can be structured to achieve that, and, if that is unlikely to be met from such resources, the minimum level of charitable grants required in each year to maintain the Tug minimally but so that it can operate within Maritime Transport Operator Plan requirements.
2. There is to be drawn up a schedule of the forecast cost of the minimal operational, annual survey and repair, plus statutory requirements to provide the basis for establishing a break-even budget. .
3. It is equally clear that the Society could not meet survey costs (largely the cost of ongoing restoration) from revenue. The questions are, therefore, what are such costs and could they be met, either wholly or in part by adjustments to revenue?

### **7d. Cash Flow Forecast**

1. Doing a comparative analysis for the difference between income from grants and donations and survey costs..
2. The vagaries of fair wear and tear mean a better forecast would be a medium value or one within the inter-quartile range (IQR).

### **7e. Could we achieve that result from membership.**

1. With approximately 150 members, of clearly variable means, it is unlikely that level of funding could be secured from members, whether by one-off or occasional levy or annual subscriptions.
2. Restructuring of the membership and achieving greater membership involvement in the goals set out in this Plan. Ameliorating the impact of a negative cash flow in any given year.

## 7f. Balance Sheet forecast

During the initial phase (2 – 3 years) the Board will, in conjunction with the Society's Accountant (if appropriate), develop a Balance Sheet Forecast and formula for such a forecast that will allow the incoming Board, upon being seized of Annual Accounts for the income year concluding 30<sup>th</sup> June prior to it's election,

1. The goal of such Balance Sheet Forecast and formula will be to allow each Board to calculate and assess changes in the state of the physical asset that is the Tug, the likely need for maintenance and restoration costs, the likely financial implications of such changes, a dollar value thereof and how such change will impact on the Society's need for funding in the year to come and the two years thereafter.
2. Such Balance Sheet Forecasts, together with the break-even forecasts referred to above will be in a format suitable for submission to charitable organisations in support of applications for funding.
3. Having regard to the relatively wide IQR referred to above, the Board shall, during the initial phase of this plan consider a goal of establishing a balance sheet "Contingency Fund" to be used to cover for the inevitable yearly differences between income from grants and donations and actual restoration/survey costs. Such a Contingency Fund could be established by either or both specific grant or membership income levied for the purpose (such a goal being linked to the goal of reviewing the membership structure, so that, for example, there may be a form of membership referred to as "Supporting Member" comprising people whom support the Society's aims of preservation of the Tug as an historic artefact and whom will provide financial support for that specific purpose).
4. It is anticipated that, securing funding for the second phase major restoration work may require an assessment and quantification of cost to be undertaken and funded by the Society by an independent Marine Quantity Surveyor. Preliminary proposals are to be undertaken in the first 1 – 2 years of this Plan and to form an item in the Appendix 7 with estimated cost to be included as a contingent debt in the Balance Sheet for the years 2 or 3 of this plan or, if secured, as appropriate.

## **8. Compliance**

### **8a. Legal and regulatory and related considerations**

1. The Board will ensure that all aspects of the Maritime Transport Operators Plan are being complied with. Copies of the plan are held by the administrator, the Secretary, and a copy on Board the vessel. Electronic copies are also available.
2. The following compliance and insurance matters should also be regularly attended to namely
  - a. Charities Commission Certification current.
  - b. Annual Accounts filed with The Charities Commission on time.
  - c. Registered for GST
  - d. Registered for Residents Withholding Tax.
3. The following survey items should also be kept current
  - Boiler
  - Radio and EPIRB
  - Radar and other navigation aids
  - First Aid kits

### **8b. Insurance**

1. The Board shall in each of the Society's financial years, review, update or amend cover as appropriate to the ensure cover is both appropriate to the Society's operation and adequate.

## **9. Systems:**

### **9a. Update internal systems**

1. The Board to ensure that the Secretary and treasurer have sufficient hardware and software as will allow for the Society's accounting and secretarial requirements to be met. Provision should also be allowed for streamlined booking and ticketing systems to be carried out on-line. The treasurer's systems should also allow for data and reports that will:
  - a. Comply with modern accounting practice, including GST and invoicing requirements.
  - b. Withstand any reasonable requirement for accounting and transparency.
  - c. Provide the Board with data and reports that will better able it to undertake this Business Plan.
2. The Board will resolve to provide the expense of any training required for or by the Secretary or other personnel responsible for financial management.
3. The Board will ensure that proper systems control and maintenance of souvenir shop for both stock levels and sales.

### **9b. Record routine and major restoration work**

This will be held on a separate file by the Engineering Superintendent in conjunction with the survey company.