



2014

**ANNUAL
REPORT**





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AIMS & OBJECTIVES OF THE TRUST

The stimulation of public interest in, and care for, the beauty, history and character of the Otago Peninsula. The preservation of the natural attractions of the Otago Peninsula and protection of its flora and fauna. The development of tourist attractions, public and recreational services on the Otago Peninsula so that the public may obtain the maximum use and enjoyment of the area in a way that will not detract from or destroy its beauty or character.

RECORD OF APPRECIATION

- Members of the Colinswood Bush sub-committee
- Mary Hellyer
- Members of the Fort Taiaroa education and resource sub-committee
- Members of the Pukekura Trust
- Department of Conservation
- Members of the Education Advisory Board
- Otago Polytechnic
- University of Otago
- Otago Herb Society
- Fletcher Trust
- Westpac
- The Community Trust of Otago
- Air New Zealand Kids Restore
- Korako Karetai Trust
- Te Runanga o Otakou
- Shanta McPherson
- Peter Johnson
- John and Pauline Bellamy
- Yellow Eyed Penguin Trust
- Chris Robertson
- Neville Peat
- Chance Family
- Malcam Trust



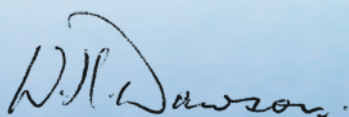
NOTICE OF MEETING

The 47th Annual Meeting of the Otago Peninsula Trust will be held in the 'Chalet at Glenfalloch', Dunedin on Wednesday 26th March 2014 at 6.00pm.

BUSINESS

1. Notice of meeting.
2. Confirmation of the Minutes of the 46th Annual Meeting held on Wednesday the 27th March 2013.
3. To receive, consider and adopt the Report of the Trustees and the Financial Statements for the twelve months ending 30th September 2013.
To elect to the Board trustees for the following year. Mr W H Dawson and Mr S Hibbert retire by rotation and, being eligible, both offer themselves for re-election. Mr Jason Walker a previously co-opted member, being nominated, has offered himself for election.
4. To record the appointment of Auditors and empower the Trustees to fix their remuneration.
5. To consider any other matters which may properly be brought to the meeting.

The Trustees have great pleasure in presenting the 47th Annual Report of the Otago Peninsula Trust for the year ended 30 September 2013.



Trustee: W H Dawson
Secretary



TRUSTEES' REPORT

FINANCIAL PERFORMANCE

The trustees report that for the year ended 30th September 2013, the Trust recorded a deficit of \$112,502 after depreciation of \$125,611. Included in this figure was an expense of \$26,000 relating the Royal Albatross Centre upgrade undertaken in the 2011-12 financial year.

TAIAROA HEAD

The 2012-2013 season saw a drop in visitor numbers through the Royal Albatross Centre but an improvement in the conversion rate of visitors choosing to take a tour, at 34.3% (28,721 people). Previously the conversion rate was 28.2%. A reduction in visitor numbers was predicted, as following the significant upgrade of the Royal Albatross Visitor Centre in 2012 a door charge was implemented. This charge was met with mixed reviews and six months into the season it was modified slightly by introducing a voucher system, allowing the door charge to be redeemed within the Centre. This resulted in an overall reduction in the direct income from the door charge, but increases in both Café and Shop sales and an increase in visitor numbers through the door in the latter part of the year. The total tour income for the Royal Albatross Centre was \$847,926, against \$815,616 the previous year with income from shop at \$183,599 and the Café at \$191,535 respectively.

The viewing opportunities were fantastic with three nests visible within 10 metres of the Richdale Observatory and 26 chicks successfully fledged on the headland.

We had a change of management at the Royal Albatross Centre in this reporting period with Ms Annie Villiers resigning at the end of March 2013. Mr Hoani Langsbury was employed effective 1st April 2013. At the same time the Trust entered into a contract for the management of the Pukekura Trust's 'Blue Penguins Pukekura' Operation. Mr Langsbury's job description as

'Manager of Operations Taiaroa Head' covers the operational management of both businesses. This change allowed for the seamless integration of the guiding operations of both businesses. This has also allowed the Royal Albatross Centre to maximise the opportunity to provide tours into the early evening. To give effect to the later viewing hours, we changed the opening time of the Centre to 11.30am, with the first tour commencing at 12 noon. This has seen our first couple of tours each day being full more often than not. Where necessary, we have added an additional midday tour to accommodate the concentrated patronage at this time. Effectively this has the Royal Albatross Centre open until just after sunset every day.

GLENFALLOCH GARDEN

The garden team had another busy year, the 2013 summer was very dry and sprinklers were in frequent use. A major revamp of the area in front of the Homestead has been a significant improvement. The new lawn improves the appearance of the Homestead, adding a simple elegance to the area, with the newly planted red roses still providing a hint of formality. Glenfalloch was re-assessed for New Zealand Garden Trust status in November 2012. The garden is reassessed every three years and we were once again successful in achieving the endorsement of 'Garden of National Significance'.

The sun shone on Glenfalloch's Spring Festival of Art in October. Sculptors and painters supported the festival, making the Garden a very interesting destination for over 180 attendees. The 'Tea and Pearls'

exhibition in the Homestead was popular. The theme was based around Rod Eales 'Tea Collection' of paintings plus tea cosies and handmade pearl jewellery from The Gallery created especially for the event. Other points of interest were the painted butterflies and caterpillars hung in the trees that were created by the Otago Peninsula school children, music by the wonderful Cantores Choir, the Gnaughty Gnome Hunt and Broad Bay China selling exquisite china, linen and other floral treasures.

In the July school holidays the Gnaughty Gnome Hunt, held in conjunction with Dunedin's Cadbury Chocolate Carnival, and the Kids' Dog Show broke another record





for attendance. With the weather definitely on our side, the Garden had 1300 children visit over the week long event. The charge for the Gnome Hunt is \$2 per child and the takings for the week were \$2376. A huge jump from the previous year's takings which were \$1030. We get very positive feedback from both events.

Sadly, the Otago Peninsula Potters' Group disbanded in June 2013 and vacated the 'Potters Cottage' after 35 years working from the Glenfalloch site. There was a wake to commemorate the disbanding at Bellamys Gallery on Friday 6 September.. A nice but sombre evening, with past and recent members of the potters' group in attendance and everyone recalling memories of their time at the Cottage. There were also many old photos to see.

GLENFALLOCH PROJECT- THE WAY FORWARD

In June 2013, through a partnership with Innovation Space at Otago Polytechnic, the Trust initiated a feasibility study to research and identify possibilities for the long term enhancement and development of Glenfalloch Woodland Garden. The brief for this project was to "identify opportunities for developing Glenfalloch so that it is recognised as a national treasure which celebrates and enhances its own natural resources, by establishing collaborations with relevant community organisations and businesses to develop the potential for long term, sustainable (including economically sustainable) and resilient use."

The Polytech supported the development of the feasibility study by committing staff time and resources to the equivalent of more than \$15,000. Otago Peninsula Trust's management team worked closely with the Polytech staff. By September 2013 the study was well under way, with the prospect of presentation of a broad proposal to community and interest groups in the 2013/14 year. Further refinement is required to develop a definitive plan from the study. It is hoped that will be progressed when further funding is sourced then developed into a definitive blue print which can be implemented in incremental stages over the next five to seven years.

MEMBERSHIP

As at September 2013 the Trust had 332 members. We thank those members for their support.

FLETCHER HOUSE

The Otago Peninsula Trust continues to manage Fletcher House on behalf of the Fletcher Trust. Visitor numbers for Fletcher House have been tracking similarly to the previous year, showing 546 visitors for the 2012/13 financial year.

Decorators have recently completed the exterior painting of the house in heritage colours which complement its era style.

EDUCATION PROGRAMME: FLIGHT, FEATHERS AND FIELDWORK

The Trust's Education Programme continues to go from strength to strength and the addition of the Blue Penguin viewing facilities has provided new opportunities for student involvement. School programmes are delivered with the support of a Ministry of Education Learning Experience Outside the Classroom (LEOTC) contract which was extended from July 2013 to June 2014. The Air NZ Environment Trust provided a Kids Restore New Zealand grant for an environmental action project.

Schools from throughout Otago, Southland and South Canterbury visited Taiaroa Head to participate in a variety of science and social science programmes designed to meet the curriculum requirements for both primary and secondary level. Over 1473 students (registered at a NZ school) plus over 100 teachers and parents from 63 schools took part from July 1, 2012 to June 30, 2013 as reported to the Ministry of Education. (Note, the actual number of people involved in the education programme is higher as teachers and parents, home school groups, international students and tertiary groups are not included in that total). Flight, courtship behaviour and conservation management were just a few of the science topics covered. Tracking research has added a new angle to the education programme with PhD student Junichi Sugishita working closely with the educators to develop resources and activities to explain his research on the foraging strategies of Northern Royal Albatross at Taiaroa Head and the scientific process. Nineteen intermediate students from six different schools spent two days learning about research techniques and helping Jun to analyse his data. Schools in Dunedin on school camp have been excited to add penguin viewing to their programme.

The Peninsula's Macandrew Bay School students added a feather to their cap when they were presented with the Toroa Conservation Award for Coastal Otago Schools for their project titled Survive and Thrive : Oceans and Waterways. The award is supported by the Otago Peninsula Trust and the Department of Conservation. Over two terms the children explored their local marine and freshwater environment, undertaking measures to protect and enhance it. Teachers and students recorded the species on their local beach, cleaned up the beach and promoted reusable lunch

wrappers. With Keep Dunedin Beautiful and Taskforce Green they painted a fabulous sea themed mural. They have also investigated their local stream and are advocating with school neighbours to support a stream restoration project. 2013 was the fourth year the award was presented. The other two finalists were Kate Higham from Tahuna Intermediate with her project Plastic Fantastic Tragic and Thomas Cross from Portobello School with his Possum Bait project. All finalists received a visit from a DoC ranger to support the development of their project. The winner holds the Toroa award for a year and received a \$200 contribution towards materials for their project.

Funding was received from the Kids Restore Air New Zealand Environmental Trust, designed to involve students and Dunedin schools in a habitat restoration project associated with the development of the Blue Penguin viewing at Pilot's Beach. The funding contributed toward staff and bus costs to bring 10 primary schools to Taiaroa Head for a day to participate in an education programme and help with the planting project. We also received funding to run a two day workshop for selected Year 9 students from various Dunedin secondary schools to help with the restoration of the habitat for penguins. There has also been considerable weeding and clearing of the area, over 2800 grasses, shrubs and trees planted and over 50 penguin boxes dug into the ground. The change in the site is significant and the students have had a unique learning experience. An interpretive sign has been installed to highlight the schools' involvement in the restoration project.

FORT TAIAROA EDUCATION & RESOURCE COMMITTEE

Six members of the committee met regularly on Tuesdays and Fridays throughout the year to continue the work of sorting, listing and filing the immense collection of information, records

and artifacts relating to Fort Taiaroa and Coastal Defence. One major task, among several, this year was to organise, digitally scan and enter in the database almost a thousand photographic negatives and transparencies which were passed on to the group by retired photographer, Lindsay McLeod. Work continues on the sorting and entering of photographic prints and enlargements which are part of the same collection. There are now more than 11,000 entries on our database. It is the aim of the committee to finish this work by the end of 2014 and then place one set of the material in the Hocken Library, retaining a second set for the use of the Otago Peninsula Trust. Storing and safely housing the collection remains a problem. Funding is needed for a steel artifacts cabinet and several metal four-drawer filing cabinets.

In addition to work on the archive, members of the committee have been involved with the maintenance and upgrading of the tunnel complex, holding two working bees over the year, to carry out painting and work on the displays. In April the committee applied to the Institute of Mechanical Engineers (U.K.) for recognition by the Institute of the Armstrong Gun restoration; an application that was to later have a very successful outcome.

Sadly we record the death in May 2013 of Dick Skinner who has, over the years, been greatly involved with, and made a significant contribution to, the work of the committee.

COLINSWOOD BUSH

Nigel McPherson's retirement in 2013 from the Colinswood Bush project was met with sadness. However this was tempered by his recognition at the 2013 Conservation awards, for his achievements at Colinswood.

Local ecologist Paul Pope has kindly stepped into the role of convenor of the Colinswood Bush group. Nigel's will be big boots to fill.

With the loss, through changes in government spending, of the Conservation Corps, an important labour force for the project has been lost. Many of our volunteers have aged or moved and the organisation is working on ways to continue with the site's restoration and management. However, some work on weed eradication has been continued and the group has a series of



working bees planned for the coming year. Future planning remains a major focus for the group. This will involve seeking additional funding to ensure the area remains an important Peninsula restoration site. During the 2012/13 year the Macandrew Bay Enviro Group was hosted on the site and Paul addressed the school on “How to thrive and survive in your community” with a focus on simple things that we can do in our community to help biodiversity and conservation.

BLUE PENGUIN JOINT VENTURE – (OTAGO PENINSULA TRUST AND KORAKO KARETAI TRUST)

The Trust is a 50% partner in The Pukekura Trust which operates the Blue Penguins Pukekura visitor experience at Pilot’s Beach; the newest Ecotourism Operation on the Otago Peninsula. The 2012/13 was the first year of the commercial viewing operation with 6928 tour visitors. The Otago Peninsula Trust was contracted to do the accounting and administration of the Blue Penguins for the 2012/13 financial year and on 1 April 2013 the Trust also took on a management contract. At this time the Director of Operations for Blue Penguins Pukekura, Hoani Langsbury, also took on the role of Manager of Operations Taiaaroa Head, with responsibility for managing both the Royal Albatross Centre and Blue Penguins Pukekura. The controlled visitor experience and conservation efforts of the Pukekura Trust are already showing positive outcomes, with an increase

in penguin numbers enhancement of the reserve.

NOTE OF THANKS

I would like to thank my fellow trustees for their support and commitment to the governance of the Otago Peninsula Trust. The board is also enormously appreciative of the efforts of the members of our various sub-committees who freely volunteer their time and expertise to support the activities of the Trust. In this reporting year the management and staff have implemented some significant changes and in addition taken on the management contract for the ‘Pukekura Blue Penguin’ operation. I thank them for their dedication and enthusiasm.

We sincerely thank all who have supported us throughout the 2012/2013 year.



Ross Smith

Chair, Otago Peninsula Trust



STATEMENT OF FINANCIAL RESPONSIBILITY

FOR THE YEAR ENDED 30 SEPTEMBER 2013

The Trustees are responsible for preparing the financial statements and ensuring that they comply with generally accepted accounting practice in New Zealand, and fairly reflect the financial position of the Trust as at 30 September 2013 and the results of its operations and cash flows for the year ended on that date.

The Trustees consider that the financial statements of the Trust have been prepared using appropriate accounting policies, consistently applied and supported by reasonable judgements and estimates and that all relevant financial reporting and accounting standards have been followed.

The Trustees believe that proper accounting records have been kept which enable, with reasonable accuracy, the determination of the financial position of the Trust and facilitate compliance with generally accepted accounting practice in New Zealand.

The Trustees consider that they have taken adequate steps to safeguard the assets of the Trust, and to prevent and detect fraud and other irregularities. Internal control procedures are also considered to be sufficient to provide a reasonable assurance as to the integrity and reliability of the financial statements.

The Trustees are pleased to present the financial statements of the Otago Peninsula Trust for the year ended 30 September 2013.

For and on behalf of the Trustees:



Trustee: W H Dawson
24 February 2014



Trustee: Ross Smith
24 February 2014

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 30 SEPTEMBER 2013



	Note	2013 \$	2012 \$
INCOME			
Taiaroa Head		1,278,305	1,303,591
Glenfalloch		88,789	78,989
		1,367,094	1,382,580
LESS DIRECT COSTS			
Taiaroa Head		1,082,483	1,222,926
Glenfalloch		138,747	176,439
		1,221,230	1,399,365
OPERATING SURPLUS / (DEFICIT)		145,864	(16,785)
LESS ADMINISTRATION EXPENSES			
Trust administration		228,897	206,900
Audit fees		7,511	8,264
Depreciation	2	125,611	130,109
Glenfalloch roading project		2,939	204,938
Ministry of Education expenses		37,607	32,993
		402,565	583,204
OPERATING DEFICIT BEFORE SUNDRY INCOME AND INTEREST		(256,701)	(599,989)
ADD SUNDRY INCOME			
Ministry of Education grants received		20,000	20,000
Income brought forward		-	12,153
Income in advance		-	(5,729)
School programmes		17,607	6,569
Interest received		12,174	27,471
Members' subscriptions		7,466	7,550
Other revenue		83,405	15,202
Other donations		1,570	1,576
Other grants		1,977	435
TOTAL SUNDRY INCOME		144,199	85,226
NET (DEFICIT) FOR THE YEAR		(112,502)	(514,763)

STATEMENT OF MOVEMENTS IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2013



	2013 \$	2012 \$
Net (Deficit) for the year	(112,502)	(514,763)
TOTAL RECOGNISED REVENUES AND EXPENSES	(112,502)	(514,763)
EQUITY AT BEGINNING OF YEAR	1,987,336	2,502,099
EQUITY AT END OF YEAR	1,874,834	1,987,336

STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2013

	Note	2013 \$	2012 \$
EQUITY		1,874,834	1,987,336
Represented by:			
CURRENT ASSETS			
Cash on hand		3,483	3,483
Bank		361,625	518,910
Debtors and prepayments		93,146	46,367
Inventory		48,206	67,635
GST refund		18,466	40,483
		524,926	676,878
CURRENT LIABILITIES			
Trade creditors		221,268	360,326
Employee entitlements		58,723	39,853
Education programme grant		8,992	5,729
		288,983	405,908
WORKING CAPITAL		235,943	270,970
NON CURRENT ASSETS			
Advance receivable - The Pukekura Trust	8	155,650	120,885
Property, Plant and Equipment			
Glenfalloch	2	454,677	500,811
Taiaaroa Head	2	1,028,564	1,094,670
		1,638,891	1,716,366
NET ASSETS		1,874,834	1,987,336
Approved for and on behalf of the Trust by:			

Trustee: W H Dawson
24 February 2014

Trustee: Ross Smith
24 February 2014

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2013



	Note	2013 \$	2012 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash was provided from:			
Receipts visitors & customers		1,320,315	1,410,455
Membership subscriptions		7,466	7,550
Grants		1,977	435
Donations		1,570	1,576
School programme funding		37,607	32,993
Other revenue		83,405	15,202
		1,452,340	1,468,211
Cash was applied to:			
Payments to suppliers and employees		(1,570,724)	(1,822,645)
		(1,570,724)	(1,822,645)
NET CASH (OUTFLOWS) FROM OPERATING ACTIVITIES	3	(118,384)	(354,434)
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash was applied to:			
Purchase of Property, Plant and Equipment		(16,310)	(60,268)
Pukekura Trust		(34,765)	(52,327)
Interest income		12,174	27,471
NET CASH OUTFLOWS FROM INVESTING ACTIVITIES		(38,901)	(85,124)
NET CASH FLOWS FROM FINANCING ACTIVITIES			
Cash flows from financing activities		-	-
NET (DECREASE) INCREASE IN CASH HELD		(157,285)	(439,558)
OPENING CASH BROUGHT FORWARD		522,393	961,951
CLOSING CASH		365,108	522,393
REPRESENTED BY:			
CASH ON HAND		3,483	3,483
BANK		361,625	518,910
		365,108	522,393

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2013

1. STATEMENT OF ACCOUNTING POLICIES

The entity reporting is the Otago Peninsula Trust. The financial statements have been prepared in accordance with generally accepted accounting practice. The Otago Peninsula Trust is a Charitable Trust incorporated under the Charitable Trusts Act 1957.

MEASUREMENT BASE

The financial statements have been prepared on the basis of historical cost.

SPECIFIC ACCOUNTING POLICIES

The following specific accounting policies which materially affect the statement of financial performance and position have been adopted:

DEBTORS

Debtors are stated at expected realisable value.

INVENTORIES

Inventories are stated at the lower of cost and net realisable value, using a first-in, first-out basis.

PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION

Property, Plant and Equipment is stated at cost less accumulated depreciation. Depreciation has been calculated using the following rates:

Buildings	2.5 - 20%	straight line
Plant & Equipment	10 - 40%	straight line/diminishing value
Cafeteria plant	10 - 33%	straight line/diminishing value
Furniture & fittings	10 - 20%	diminishing value
Admin office equipment	20 - 40%	straight line/diminishing value

Permanent displays	10 - 33%	straight line/diminishing value
Gun complex	10%	diminishing value
Vehicles	20%	diminishing value
Closed circuit television	12.5 - 33%	straight line/diminishing value

Gains and losses on disposal of plant and equipment are included in the statement of financial performance in the year disposed.

INCOME TAX

The Trust is registered with the Charities Commission and is therefore exempt from Income Tax.

GOODS AND SERVICES TAX

The financial statements have been prepared using GST exclusive figures, except for Accounts Receivable and Accounts Payable, which have been stated at their GST inclusive value.

SUBSCRIPTIONS

Subscriptions revenues are accounted for on a cash basis.

DIFFERENTIAL REPORTING

The Trust qualifies for differential reporting exemptions as it is not considered large, nor is it publicly accountable in terms of the Framework for Differential Reporting.

All available exemptions have been taken advantage of except for the following:

- FRS 10 Statement of Cashflows
- FRS 19 Accounting for Goods and Services Tax

CHANGES IN ACCOUNTING POLICIES

All policies have been applied on a basis consistent with those used in previous years. Certain comparative balances have been restated to conform to the current year's presentation.

2. PROPERTY, PLANT AND EQUIPMENT

TAIAROA HEAD

2013	Cost \$	Accum Depn \$	Current Depn \$	Book Value 2013 \$
Buildings	1,923,955	1,001,843	57,978	922,112
Plant and equipment	206,052	174,955	7,534	31,097
Cafeteria plant	93,482	66,736	6,188	26,746
Furniture and fittings	27,276	25,465	276	1,811
Permanent displays	599,000	567,549	5,127	31,451
Gun complex	202,101	186,754	1,705	15,347
Vehicles (cart)	5,946	5,946	-	-
Closed circuit television	6,321	6,321	658	-
	3,064,133	2,035,569	79,466	1,028,564

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 SEPTEMBER 2013



GLENFALLOCH

2013	Cost \$	Accum. Depn. \$	Current Depn \$	Book Value 2013 \$
Land	16,720	-	-	16,720
Buildings	750,163	431,976	22,071	318,187
Car park and roading	193,721	134,412	9,206	59,309
Entrance displays	16,163	4,836	698	11,327
Plant & equipment	62,201	56,529	4,628	5,672
Restaurant plant and equipment	129,987	111,054	3,902	18,933
Restaurant furniture & fittings	63,956	45,117	2,748	18,839
Cafe furniture & fittings	7,337	7,287	12	50
Administration office equipment	22,678	17,959	1,829	4,719
Colinswood building and equipment	7,004	6,083	1,051	921
	1,269,930	815,253	46,145	454,677

The latest Government Valuation as at 1 July 2010 for Glenfalloch Land and Improvements is \$670,000 and \$830,000 respectively.

Westpac has registered First Mortgage over the Trust's properties at 430 Portobello Road, Dunedin as well as 55 Sandymount, Otago Peninsula, Dunedin.

TAIAROA HEADS

2012	Cost \$	Accum. Depn. \$	Current Depn \$	Book Value 2012 \$
Buildings	1,962,585	981,880	62,421	980,705
Plant and equipment	203,862	174,989	6,631	28,872
Cafeteria plant	103,013	70,078	6,605	32,935
Furniture and fittings	27,276	25,189	322	2,087
Permanent displays	594,784	562,422	4,870	32,362
Gun complex	202,101	185,050	1,895	17,051
Vehicles (cart)	5,946	5,946	-	-
Closed circuit television	6,321	5,662	1,580	658
	3,105,888	2,011,216	84,324	1,094,670

GLENFALLOCH

2012	Cost \$	Accum. Depn. \$	Current Depn \$	Book Value 2012 \$
Land	16,720	-	-	16,720
Buildings	750,159	409,908	22,071	340,250
Car park and roading	193,721	125,208	10,787	68,513
Entrance displays	16,164	4,140	690	12,024
Plant & equipment	64,884	54,579	4,764	10,306
Restaurant plant & equipment	129,988	107,154	4,018	22,834
Restaurant furniture & fittings	63,955	42,369	3,217	21,586
Cafe furniture and fittings	7,336	7,275	15	61
Administration office equipment	22,681	16,135	1,483	6,546
Colinswood building and equipment	7,004	5,033	1,051	1,971
	1,272,612	771,801	48,096	500,811

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 SEPTEMBER 2013



3. OPERATING CASH FLOW RECONCILIATION TO NET SURPLUS

	2013 \$	2012 \$
Net (Deficit)	(112,502)	(514,763)
Add: Non cash items		
- Income classified as investing activities	(12,174)	(27,471)
- Depreciation	125,611	130,109
- Glenfalloch roading project write-off	2,939	204,938
	(116,376)	(307,576)
Movements in working capital items:		
Debtors & Prepayments	(46,779)	27,875
Inventory	19,429	(14,255)
GST refund	22,017	(10,441)
Restricted Grants	3,263	(6,424)
Creditors	(139,058)	(142,754)
Employee entitlements	18,870	(1,248)
	(122,258)	(147,247)
NET CASH FLOWS FROM OPERATING ACTIVITIES	(118,384)	(354,435)

4. CAPITAL COMMITMENTS

The Trust had no capital commitments as at 30 September 2013 (2012: \$nil).

5. CONTINGENT LIABILITIES

There are no contingent liabilities as at 30 September 2013 (2012: \$nil).

6. TAIAROA HEADS LAND

The Trust leases the land at Taiaroa Heads from the Dunedin City Council for a nominal rent. The terms of the leases are for an initial period of 33 years (expires 2024) with two 33 year right of renewals.

The Trust has significant leasehold assets situated on the land (refer note 3) and operates the Royal Albatross Centre from the site.

7. MANAGEMENT AND ADMINISTRATION CONTRACTS

Otago Peninsula Trust is the manager of The Fletcher House for The Fletcher Trust. The Fletcher Trust has paid the Trust a management fee of \$7,800 (2012: \$7,800) for the year.

The Trust had previously agreed to act as the vehicle for the administration of the Lance Richdale Trust biography project. The Trust received grants on behalf of the Lance Richdale Trust, as well as providing administrative services at no cost. The project is nearing completion.

As at balance date the Trust held funds on behalf of these groups as follows:

	2013 \$	2012 \$
Lance Richdale Trust	155	2,938

As these activities are not part of the Trust's business, these amounts are not reported in the Trust's financial statements. Separate

statements are supplied to the respective Committees, and the financial statements of the Fletcher House are supplied to The Fletcher Trust.

8. RELATED PARTY

Simon Hibbert, who is a trustee of the Trust, is a director of CommArc Consulting Limited, which provides administrative and information technology support services to the Trust. These services were provided on a normal arm's length basis.

The Pukekura Trust is a related party due to the Trust's ability to appoint 50% of the trustees. At balance date, the Trust had advanced an unsecured sum of \$155,650 (2012: \$120,885) to the Pukekura Trust. The Trustees of Otago Peninsula Trust have given an undertaking that repayment of this amount will be subordinated in favour of all other creditors of the Pukekura Trust and have undertaken to provide sufficient financial assistance to the Pukekura Trust as is needed to enable the Pukekura Trust to continue its operations and fulfil its financial obligations now and for the next twelve months.

The following amounts were received from Pukekura Trust for services provided by Otago Peninsula Trust:

Admin/Financial Services	13,590
Management Fee	39,000
Commission on Sales	10,596

9. TOTAL REVENUE

Total revenue recognised by the Trust for the year ended 30 June 2013 was \$1,511,293 (2012: \$1,467,806).

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF OTAGO PENINSULA TRUST

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of the Otago Peninsula Trust on pages 7 to 12, which comprise the statement of financial position as at 30 September 2013, the statement of financial performance, and statement of movements in equity and statement of cash flows, for the year then ended, and a summary of significant accounting policies and other explanatory information.

TRUSTEES' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Trustees 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 Trustees 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 audit opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, the Otago Peninsula Trust.

OPINION

In our opinion the financial statements on pages 7 to 12 present fairly, in all material respects, the financial position of the Otago Peninsula Trust as at 30 September 2013 and its financial performance and cash flows for the year then ended, in accordance with generally accepted accounting practice in New Zealand.



Crowe Horwath New Zealand Audit Partnership
CHARTERED ACCOUNTANTS
24 February 2014

DIRECTORY

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TRUSTEES AND MANAGEMENT

TRUSTEES:

Mr Ross Smith	<i>Chairperson effective March 2013</i>
Mr Hoani Langsbury	<i>Chairperson until March 2013</i>
Mr Simon Hibbert	<i>Deputy Chairperson</i>
Mr Bill Dawson	
Mrs Judy Bell	
Dr John Jillett	
Mr David Jaqueiry	<i>Co-opted</i>
Mr Jason Walker	<i>Co-opted April 2013</i>

MANAGEMENT:

Mrs Robyn McDonald	<i>General Manager, Otago Peninsula Trust</i>
Ms Annie Villiers	<i>Manager Royal Albatross Centre resigned 31 March 2013</i>
Mr Hoani Langsbury	<i>Manager Operations Tairaroa Head employed 1 April 2013</i>

AUDITORS:

Crowe Horwath

BANKERS:

Westpac

SOLICITORS:

Anderson Lloyd Lawyers, Chen Palmer

ACCOUNTANTS:

Deloitte