



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
- Members of the Fort Taiaroa education and resource sub-committee
- Members of the Pukekura Trust
- Department of Conservation
- Members of the Education Advisory Board
- Ben Fentiman and Otago Polytechnic arboricultural students
- Otago Polytechnic Innovation Workspace
- University of Otago
- DCC Community Fund
- Alexander McMillan Trust
- Bendigo Valley Sports & Charity Foundation
- Lion Foundation
- Bunny Rathbone and the Otago Herb Society
- Fletcher Trust
- Westpac
- The Community Trust of Otago
- Air New Zealand Kids Restore
- Ruud Kleinpaste
- Mary Hellyer
- Korako Kareta Trust
- Te Runanga o Otakou
- Shanta McPherson
- Peter Johnson
- John and Pauline Bellamy
- Yellow Eyed Penguin Trust
- Neville Peat
- Malcam Trust



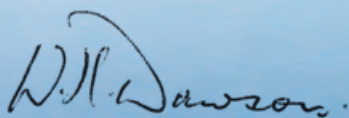
## NOTICE OF MEETING

The 48th Annual Meeting of the Otago Peninsula Trust will be held in the Chalet restaurant at Glenfalloch, Dunedin on Wednesday 25th March 2015 at 6.00pm. Light refreshments will be served prior to the meeting at 5.30pm.

## BUSINESS

1. Notice of meeting.
2. Confirmation of the Minutes of the 47th Annual Meeting held on Wednesday the 26th March 2014.
3. To receive, consider and adopt the Report of the Trustees and the Financial Statements for the twelve months ending 30th September 2014. To elect to the Board trustees for the following year. Mr John Jillett and Mrs Judy Bell retire by rotation and, being eligible, both offer themselves for re-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 48th Annual Report of the Otago Peninsula Trust for the year ended 30 September 2014.



**Trustee: W H Dawson**  
Secretary





## TRUSTEES' REPORT

### FINANCIAL PERFORMANCE

The trustees report that for the year ended 30th September 2014, the Trust recorded a deficit of \$293,000 after depreciation of \$142,522. The deficit was significantly greater than budgeted which was mainly due to the Trust, at very short notice, taking over responsibility for operating the Glenfalloch restaurant and the subsequent need to significantly refurbish the Chalet. This event cost the Trust \$110,000 in the 2014 financial year. The restaurant is now trading profitably and the expectation is that a large portion of the refurbishment costs will be recovered in the 2015 financial year.

### TAIAROA HEAD

The 2013-14 season saw an increase in visitor activity both at the Royal Albatross Centre and Blue Penguins Pukekura. As was reported in the last financial year, the Blue Penguins Pukekura has continued to be managed by the Otago Peninsula Trust under contract from the Pukekura Trust. There are great synergies between these two businesses with the draw from one providing visitor exposure to the other.

The viewing opportunities in this financial year were fantastic with several nests visible from the Richdale observatory. With 28 chicks successfully fledged on the headland, it was the second best season on record. This contributed to increased visitor numbers, which also improved both café and shop sales. A review of the café's operation (with input into presentation and menus from local food and lifestyle personality Judith Cullen) also contributed significantly to the café's success this year.

Total tour income for the Royal Albatross Centre was \$880,455, against \$847,926 the previous year with income from shop at \$239,259 (\$183,599 last year) and the Café at \$293,341 (\$191,535 last year) respectively

The conversion rate of visitors choosing to take a tour was 27.5% (27,819 people) compared with 34.3% (28,721 people) the previous year. While the conversion rate was lower, with the voucher system and subsequent removal of the entry fee completely, there was an increase of approximately 30% in numbers through the Centre, reflected in the increased sales in the café and shop

The Royal Albatross Centre revised their winter and summer hours to maximise the opportunity with having Blue Penguins Pukekura operating from the centre. The centre is now open until dusk (when the Blue Penguin Tour commences) all year, offering Albatross tours as late as 7.30pm some evenings.

We undertook several projects in the fort firstly in preparation for receipt of the of Mechanical Engineers' Heritage Award (see below) and also to improve the sound proofing of the Observation Post and tunnels. Double glazing was also installed in the OP which improved the viewing experience and contributed significantly to minimising sound leak from fort.

### FORT TAIAROA EDUCATION & RESOURCE COMMITTEE

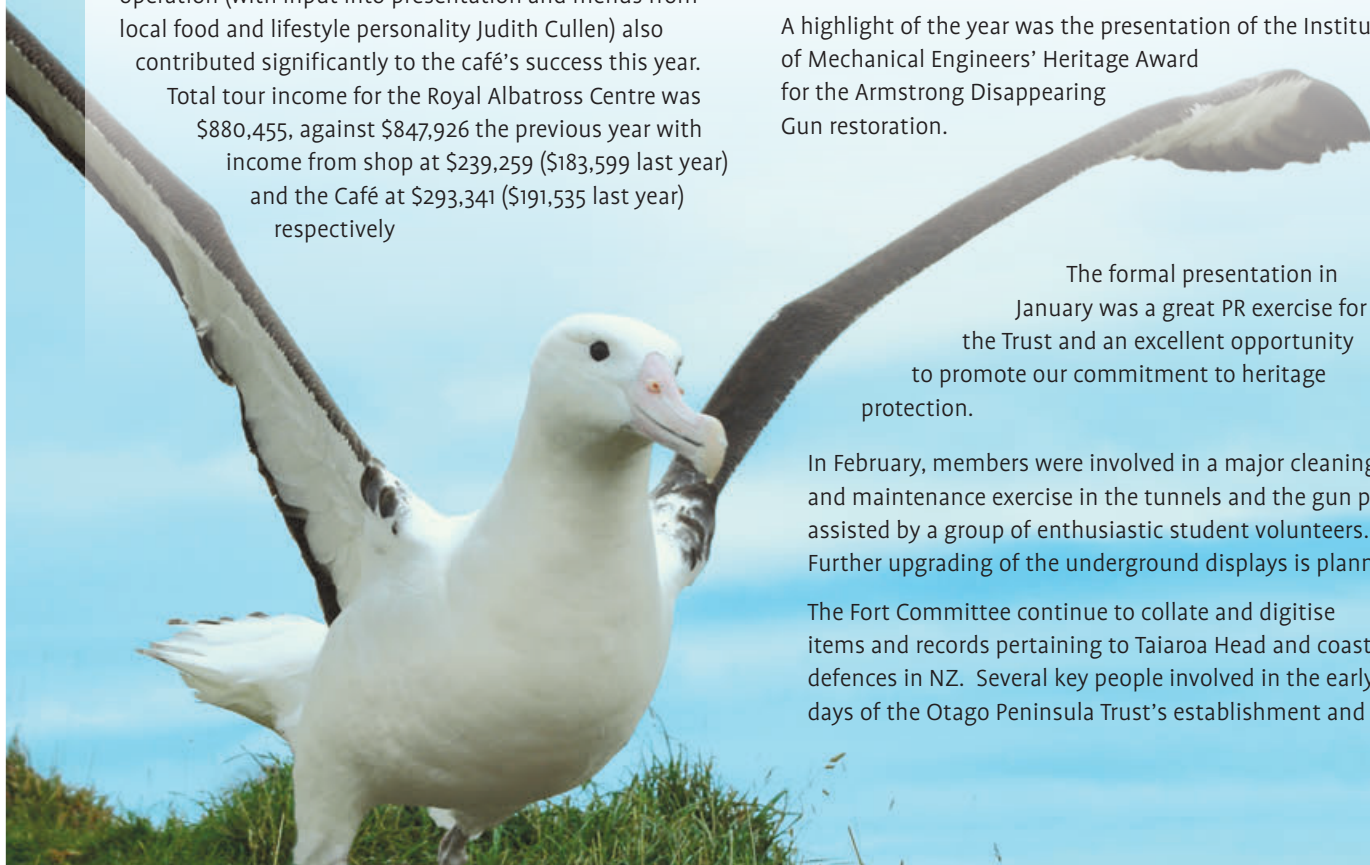
The year was a notable one for the Fort Committee, starting with a relocation of the Resource Centre from the Athenaeum building in the Octagon to the Allied Press building in Stuart Street. There is now more space and a well lit, centrally heated area at no cost to the Trust.

A highlight of the year was the presentation of the Institute of Mechanical Engineers' Heritage Award for the Armstrong Disappearing Gun restoration.

The formal presentation in January was a great PR exercise for the Trust and an excellent opportunity to promote our commitment to heritage protection.

In February, members were involved in a major cleaning and maintenance exercise in the tunnels and the gun pit, assisted by a group of enthusiastic student volunteers. Further upgrading of the underground displays is planned.

The Fort Committee continue to collate and digitise items and records pertaining to Taiaroa Head and coastal defences in NZ. Several key people involved in the early days of the Otago Peninsula Trust's establishment and the





development of the Armstrong Gun complex have passed away in recent years and many of their files and records have been placed with the committee which increases the volume to be processed but is also a valuable resource.

### **GLENFALLOCH GARDEN**

The 2013/14 year saw a great improvement in the lower garden with a commitment from the gardeners to maintaining them in top condition. This commitment took the focus off the upper garden for a few months however the lower garden is now functioning well, enabling the focus to turn to the upper garden. We have been fortunate to have input from the Otago Polytechnic personal trainer course students and the Malcam Trust who have helped with weeding and clearing of paths round the area toward the matai tree which is now looking very attractive and much more accessible. We also made use of the quiet time at the Royal Albatross centre to employ some of their staff in the garden over the winter. The paths in the lower garden were also re-surfaced over the winter.

A new barrier fence and building up of the rock walls at the top of the drive has improved the Glenfalloch entranceway.

The 'Night Garden' promotion in October/November generated enthusiastic comments from visitors. This event could become a very special regular feature for the garden in the future.

### **GLENFALLOCH CHALET RESTAURANT**

In May, the Trust resumed control of the Glenfalloch Chalet restaurant when the lessees' business was placed in liquidation. This was a decision that needed to be made quickly and a commitment to upgrading the space and reviewing the whole operation was made accordingly. We were pleased to have the expertise of Miller Studios available at short notice as well as input from Judith Cullen and florist Peter Johnstone which resulted in a major revamp of the space. While the focus for many years has been on the weddings and private functions market, the refurbishment was seen as an opportunity to develop a lunch menu for casual dining. This refurbishment was an unbudgeted item in the annual accounts but has created an income stream to compensate for the loss of rent for the restaurant operation.

### **GLENFALLOCH PROJECT**

The Glenfalloch Project stalled somewhat in August when the significant funding application prepared for a Lotteries Environment and Heritage grant (to complete the feasibility study) was pulled because the Department of Internal Affairs indicated that the committee would only fund a feasibility study undertaken by a recognised project management

consultancy firm.

This was deeply frustrating because we believe we have the necessary expertise inhouse to complete this project ourselves. However, rather than have the application declined, it was held over for the next funding round. (This has subsequently been resubmitted.)

In the meantime, an approach was received from the University of Otago Business School MBA students programme to request that the Glenfalloch Project be a case study for their students. They subsequently researched and prepared presentations, and some useful observations and ideas were presented. These will be submitted with other information to complete the feasibility study.

### **GLENFALLOCH GREEN BIKES**

The Glenfalloch Green electric bike hire initiative was launched in December 2013. The bikes are available for hire from Glenfalloch Garden with the option of half a day bike hire or a full day hire.

This got off to a slow start, largely due to the inclement summer weather, and was quiet over the winter, however the spring saw a surge in interest and very positive feedback from customers. We are confident this venture will continue to generate interest and grow, particularly when the Peninsula cycleway is completed.

### **PHOTO COMPETITION**

In early 2014, the Trust initiated a photo competition for images of the Otago Peninsula, submitted on our website. The first round generated an excellent response with prizes awarded during Conservation Week. Category prizes (three) are sponsored by the Royal Albatross Centre and the premium prize of a weekend on the Peninsula is sponsored by the Royal Albatross Centre, Blue Penguins Pukekura, Monarch Wildlife Tours and Portobello Motels. We are most grateful to these Peninsula businesses for their generous support of this venture. It is hoped that this competition will become an annual event.

### **MEMBERSHIP**

As at September 2014 the Trust had 335 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 for this year were slightly up on last year at 546.



In July, we were approached by an international film crew about the possibility of using Fletcher House as a location for a production due to commence filming in late 2014. A confidential agreement was negotiated (including payment for the General Manager and Administration Manager's time spent on the project, use of the house and a site fee and associated for use of the precinct.) The greatest value in this initiative will be realised when the film is released world wide (due for release in late 2015) and the ensuing publicity it will bring to Fletcher House and the various other locations that were used on the Peninsula.

### EDUCATION PROGRAMME

The OPT Education Programme continues to grow and develop with the extension of the **Ministry of Education Learning Experience Outside the Classroom** (LEOTC) contract to June 2017. This funding has provided the programme with some stability for the next three years.

Schools from across Otago, Southland and South Canterbury visited Taiaroa Head during the year to participate in a variety of science and social studies programmes designed to meet the curriculum requirements for both primary and secondary level. Over 1500 students from 61 schools took part from July 1, 2013 to June 30, 2014. In addition, a significant number of teachers, parents, home school groups, international students and tertiary groups also took part in the programmes.

*Save our Seabirds*, *Toroa at Taiaroa*, *Flight and Feathers* are some of the programmes available to primary schools while secondary programmes link closely with the biology curriculum including bird behaviour, conservation management and human impact. The albatross and penguin monitoring and albatross tracking research provide excellent opportunities to address the Nature of Science strand in the curriculum.

*Photographing Albatross...and all things natural*, was a new initiative in 2014. This two-day photography course for intermediate level students was a big success thanks to the expertise of Gregor Richards, David Jaquiere and Rod Morris. Twenty-seven students from 14 different schools took part and everyone was impressed with the interest and creativity of the students. Many of these students subsequently entered the OPT photography contest with one student gaining the 'People's Choice' award.

Tahuna Intermediate School was this year's winner of the **Toroa Conservation Award** for their project investigating the water quality at Tomahawk Lagoon on Otago Peninsula. This award, sponsored by the Otago Peninsula Trust, acknowledges the work youth are doing for conservation. Other finalists included Portobello School (for their replanting of Pikao at Allan's Beach) and Weston School, who have built a safe haven for skinks in their school grounds. All finalists received a visit from a DOC ranger to support the development of their projects. The winner also received the Toroa Trophy for the year and \$500 contribution towards materials for their project.

The 2013 **Planting for Penguins Programme** was very successful thanks to Kids Restore New Zealand (a programme initiated by the Air New Zealand Environment Trust). More than 450 students and over 80 adults planted a large number of plants in the Pilots Beach Reserve and took part in the associated education programme. Ten primary schools spent the day at Pilots Beach and although the restoration of the habitat was a large component of the day, the students were also involved in learning about the plants, the biology and ecology of Blue Penguins and how the restoration project would be helpful to



them. The schools linked the programme with classroom studies and teachers expressed appreciation for the opportunities provided to students through the OPT education programmes.

#### **COLINSWOOD BUSH**

2014 saw the Colinswood Bush area consolidate somewhat. The need to source new volunteers to reenergise the project proved difficult but a small and dedicated team lead primarily by Mike Hazel has continued to undertake weed, possum and other control works on the site.

#### **PUKEKURA 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 Pilots Beach. This project has continued to grow in popularity with many evenings, particularly over the summer season, at capacity visitor numbers. The penguin numbers also continue to increase and the joint venture has proven to be a win-win for all parties, and in particular the wildlife.

#### **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 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 and to the management and staff of the Trust, who now number more than 60. There have been significant challenges over the year, in particular with the decision to take on the control and management of the restaurant and function centre. I am especially grateful to the staff who committed to ensuring this was achieved in a seamless and timely manner to maintain the quality of our product.

We extend our sincere thanks to all who have supported us throughout the 2013/14 year.



**Ross Smith**

*Chair, Otago Peninsula Trust*





# STATEMENT OF FINANCIAL RESPONSIBILITY

FOR THE YEAR ENDED 30 SEPTEMBER 2014

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 2014 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 2014.

For and on behalf of the Trustees:



Trustee: W H Dawson  
24 February 2015



Trustee: Ross Smith  
24 February 2015



# STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 30 SEPTEMBER 2014



	Note	2014 \$	2013 \$
<b>INCOME</b>			
Taiaroa Heads		1,479,688	1,278,305
Glenfalloch Gardens		86,366	88,789
Glenfalloch Restaurant		35,598	
		1,601,652	1,367,094
<b>LESS DIRECT COSTS</b>			
Taiaroa Heads		1,262,619	1,082,483
Glenfalloch Gardens		246,330	138,747
Glenfalloch Restaurant		74,159	
		1,583,108	1,221,230
<b>OPERATING SURPLUS</b>		18,544	145,864
<b>LESS ADMINISTRATION EXPENSES</b>			
Trust administration		327,627	228,897
Audit fees		7,562	7,511
Depreciation	2	142,522	125,611
Glenfalloch roading project		3,054	2,939
Ministry of Education expenses		36,493	37,607
		517,257	402,565
<b>OPERATING DEFICIT BEFORE SUNDRY INCOME AND INTEREST</b>		(498,713)	(256,701)
<b>ADD SUNDRY INCOME</b>			
Ministry of Education grants received		19,999	20,000
Schools programmes		16,493	17,607
Interest received		11,112	12,174
Members' subscriptions		7,598	7,466
Other revenue		130,397	83,405
Other donations		1,605	1,570
Other grants		18,510	1,977
<b>TOTAL SUNDRY INCOME</b>		205,715	144,199
<b>NET DEFICIT FOR THE YEAR</b>		(292,998)	(112,502)

# STATEMENT OF MOVEMENTS IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2014



	2014 \$	2013 \$
Net (Deficit) for the year	(292,998)	(112,502)
<b>TOTAL RECOGNISED REVENUES AND EXPENSES</b>	(292,998)	(112,502)
<b>EQUITY AT BEGINNING OF YEAR</b>	1,874,834	1,987,336
<b>EQUITY AT END OF YEAR</b>	1,581,836	1,874,834

## STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2013

	Note	2014 \$	2013 \$
<b>EQUITY</b>		1,581,836	1,874,834
Represented by:			
<b>CURRENT ASSETS</b>			
Cash on hand		3,336	3,483
Bank		164,371	361,625
Debtors and prepayments		34,292	93,146
Inventory		61,044	48,206
Goods and services tax		31,604	18,466
		294,647	524,926
<b>CURRENT LIABILITIES</b>			
Trade creditors		192,496	221,268
Income received in advance		2,609	-
Employee entitlements		67,547	58,723
Education programme grant		14,510	8,992
		277,162	288,983
<b>WORKING CAPITAL</b>		17,485	235,943
<b>NON CURRENT ASSETS</b>			
Advance receivable - The Pukekura Trust	9	115,152	155,650
Property, Plant and Equipment			
Glenfalloch	2	469,271	454,677
Taiaroa Heads	2	979,928	1,028,564
		1,564,351	1,638,891
<b>NET ASSETS</b>		1,581,836	1,874,834

Approved for and on behalf of the Trust by:

Trustee: W H Dawson  
24 February 2015

Trustee: Ross Smith  
24 February 2015



# STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2013



	Note	2014 \$	2013 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash was provided from:			
Receipts visitors & customers		1,660,506	1,320,315
Membership subscriptions		7,598	7,466
Grants		18,510	1,977
Donations		1,605	1,570
School programme funding		36,493	37,607
Other revenue		130,397	83,405
		1,855,109	1,452,340
Cash was applied to:			
Payments to suppliers and employees		(1,992,587)	(1,570,724)
		(1,992,587)	(1,570,724)
<b>NET CASH (OUTFLOWS) FROM OPERATING ACTIVITIES</b>	4	(137,478)	(118,384)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Cash was applied to:			
Purchase of Property, Plant and Equipment		(111,533)	(16,310)
Pukekura Trust		40,498	(34,765)
Interest income		11,112	12,174
<b>NET CASH OUTFLOWS FROM INVESTING ACTIVITIES</b>		(59,923)	(38,901)
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Cash flows from financing activities		-	-
<b>NET (DECREASE) IN CASH HELD</b>		(197,401)	(157,285)
<b>OPENING CASH BROUGHT FORWARD</b>		365,108	522,393
<b>CLOSING CASH</b>		167,707	365,108
<b>REPRESENTED BY:</b>			
<b>CASH ON HAND</b>		3,336	3,483
<b>BANK</b>		164,371	361,625
		167,707	365,108

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2013



## 1. STATEMENT OF ACCOUNTING POLICIES

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

### 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

### 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 and methods:

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.

### REVENUE

Revenue comprises amounts received under contract for projects to be completed. Grants received are recognised in the statement of financial performance when the requirements under the grant agreement are met. Any grants for which the requirements under the grant agreement have not been completed are claimed as liabilities until the conditions have been fulfilled.

Revenue also comprises amounts received and receivable for goods and services supplied to customers in the ordinary course of business.

### GOODS AND SERVICES TAX

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

### SUBSCRIPTIONS

Subscriptions revenues are accounted for on a cash basis.

### CHANGES IN ACCOUNTING POLICIES

All policies have been applied on a basis consistent with those used in previous years.

## 2. PROPERTY, PLANT AND EQUIPMENT

### TAIAROA HEAD

2014	Cost \$	Accum Depn \$	Current Depn \$	Book Value 2014 \$
Buildings	1,901,504	1,036,650	61,400	864,854
Plant and equipment	233,188	180,684	9,660	52,504
Cafeteria plant	93,483	72,745	6,009	20,738
Furniture and fittings	27,276	25,701	237	1,575
Permanent displays	599,000	572,554	5,005	26,446
Gun complex	202,101	188,290	1,535	13,811
Vehicles (cart)	5,946	5,946	-	-
Closed circuit television	6,321	6,321	-	-
	3,068,819	2,088,891	83,846	979,928



# NOTES TO THE FINANCIAL STATEMENTS CONTINUED

## FOR THE YEAR ENDED 30 SEPTEMBER 2013



### GLENFALLOCH

2014	Cost \$	Accum. Depn. \$	Current Depn \$	Book Value 2014 \$
Land	16,720	-	-	16,720
Buildings	737,605	441,035	21,056	296,570
Car park and roading	193,721	142,287	7,873	51,434
Entrance displays	16,164	5,520	690	10,644
Plant & equipment	52,861	32,435	21,159	20,426
Restaurant plant & equipment	150,835	109,596	3,272	41,239
Restaurant furniture & fittings	26,287	23,129	2,355	3,158
Cafe furniture and fittings	7,336	7,297	10	39
Administration office equipment	49,181	20,010	1,210	29,171
Colinswood building and equipment	7,004	7,134	1,051	-130
	1,257,714	788,443	58,676	469,271

The latest Rateable Valuation as at 1 July 2013 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

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

### 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 & equipment	129,987	111,054	3,902	18,933
Restaurant furniture & fittings	63,956	45,117	2,748	18,839
Cafe furniture and 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

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED

## FOR THE YEAR ENDED 30 SEPTEMBER 2013



### 3. 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.

### 4. OPERATING CASH FLOW RECONCILIATION TO NET SURPLUS

	2014 \$	2013 \$
Net (Deficit)	(296,988)	(112,502)
Add: Non cash items		
- Income classified as investing activities	(11,112)	(12,174)
- Depreciation	142,522	125,611
- Glenfalloch roading project write-off	3,054	2,939
	(134,463)	(116,376)
Movements in working capital items:		
Debtors & Prepayments	58,855	(46,779)
Inventory	(10,052)	19,429
GST refund	(13,138)	22,017
Restricted Grants	5,518	3,263
Creditors	(28,772)	(139,058)
Income received in advance	2,609	
Employee entitlements	10,028	18,870
	25,047	(122,258)
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>(137,478)</b>	<b>(118,384)</b>

### 5. CAPITAL COMMITMENTS

The Trust had no capital commitments as at 30 September 2014 (2013: \$nil).

### 6. 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 (2013: \$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.

As at balance date the Trust held funds on behalf of this group as follows:

	2014 \$	2013 \$
Lance Richdale Trust	-	155

As this activity is not part of the Trust's business, this amount is not reported in the Trust's financial statements. Separate statements are supplied to the respective Committees.

### 7. RELATED PARTY TRANSACTIONS

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 \$115,152 (2013: \$155,650) to the Pukekura Trust (Note 9). 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.

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

Admin/Financial Services	12,000
Management Fee	78,000
Commission on Sales	17,939

### 8. TOTAL REVENUE

Total revenue recognised by the Trust for the year ended 30 June 2014 was \$1,798,219 (2013: \$1,511,293).

### 9. THE PUKEKURA TRUST ADVANCE

In a loan agreement between Pukekura Trust and the Otago Peninsula Trust, \$120,000 was advanced to Pukekura Trust to carry out blue penguin tours. Subsequent to the advance, the Trustees agreed to forgive the loan over a period of 99 years by way of annual charitable donations to the Pukekura Trust in the amount of \$1,212 on 1 September each year beginning on 1 September 2011 and ending on 1 September 2109 (on which date the residual balance outstanding shall be forgiven). If, at any time, the Pukekura Trust ceases to undertake the business purposes for which the advance was made (blue penguin tours), then the Pukekura Trust shall immediately pay the Otago Peninsula Trust the balance of the advance.

### 10. CONTINGENT LIABILITIES

The Otago Peninsula Trust 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 after the financial statements are signed.



## 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 2014, 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 2014 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 2015

## DIRECTORY

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## TRUSTEES AND MANAGEMENT

### TRUSTEES:

Mr Ross Smith	<i>Chairperson</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	

### MANAGEMENT:

Mrs Robyn McDonald	<i>General Manager, Otago Peninsula Trust</i>
Mr Hoani Langsbury	<i>Manager Operations Taiaroa Head employed 1 April 2013</i>

### AUDITORS:

Crowe Horwath Otago

### BANKERS:

Westpac

### SOLICITORS:

Anderson Lloyd Lawyers  
Chen Palmer

### ACCOUNTANTS:

Deloitte