

WELLINGTON ZOO TRUST

REVIEW OF 2006/07 ANNUAL REPORT

1. Introduction

The Wellington Zoo Trust (WZT) has submitted its audited annual report for the year to 30 June 2007.

2. Key Issues

- In the 2006/07 year, Council approved the Zoo Capital Plan (ZCP) whereby Council will undertake to provide capital funding to the Zoo of \$15.6 million subject to the Zoo achieving external sponsorship funding of \$5.2 million
- The Zoo achieved an operating surplus of \$109k for the year
- Karen Fifield was appointed CEO of the Zoo, starting in September 2006.

3. Performance

a. Financial

A review of the Zoo's financial statements highlights the following points:

- A reported deficit of \$225k equates to an operating surplus of \$109k after eliminating asset vesting expenditure (this is normally a timing difference only, relating to external sponsorship received by the Zoo being spent on Zoo assets owned by Council by virtue of their being on town belt land)
- The operating surplus, which has considerably strengthened the Zoo's reserves position, was largely derived through savings on unfilled staffing vacancies, unbudgeted operational grants and events income, and interest on its external sponsorship donations
- During the year the Zoo received a total of \$343k in grants and donations, including \$200k from the NZ Community Trust, of which \$274k was for ZCP capital projects
- During the year, the liability for staff holiday leave has increased from \$152k to \$165k
- The strong cash position of the Zoo reflects its achievement of ZCP funding targets to date – during the year the Zoo achieved its 2006/07 funding target of \$472k as well as an additional \$286k towards its 2007/08 target of \$716k

Statement of Financial Performance

\$ '000	FY Actual	FY Budget	2005/06 Actual
Income	5,028	4,742	4,830
Expenditure	5,253	5,129	4,164
Surplus	(225)	(387)	666
Operating surplus	109	-	(1)

Statement of Financial Position

\$ '000	FY Actual	FY Budget	2005/06 Actual
Current assets	1,712	163	1,077
Non current assets	72	283	70
Current liabilities	1,421	213	557
Non current liabilities	57	-	59
Equity	306	56	531
Current ratio	1.2 : 1	0.4 : 1	1.9 : 1
Equity ratio	17%	13%	46%

Statement of Cash Flows

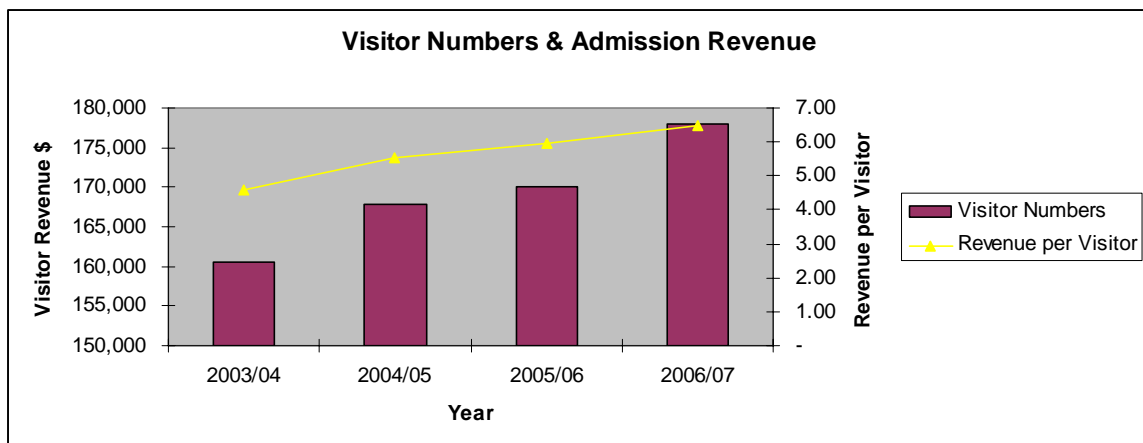
\$ '000	FY Actual	FY Budget	2005/06 Actual
Operating	570	(517)	759
Investing	(21)	-	(25)
Financing	-	-	-
Net	549	(517)	734
Closing balance	1,414	38	865

Note: the Trust's financial statements have been prepared using NZ IFRS and comparatives for the previous year have been restated to NZ IFRS accordingly.

b. KPI's

Measure	Target 2006/07	Result 2006/07	
City Outcome Measures			
Number of Visitors per year	172,000	178,053	This is an increase of 4.7% on the previous year's result (170,116) and exceeds our annual target (172,000). Almost half of Wellingtonians surveyed by the Council reported visiting the Zoo during the year.
Number of school visits (students)	14,000	14,137	This is 3.9% below the previous year's result (14,714 students) and 1.0% above this year's target. Satisfaction surveys completed by teachers associated with these groups report 100% met or exceeded the learning outcomes aimed for.
Number of Sleepovers (participants)	3,700	3,482	This is a 3.5% decrease on the previous year's result (3,606) and 5.9% below our annual target of 3,700.
Number of learning programmes contributed to (other than LEOTC)	3	1	Kereru Discovery Project
Number of research programmes	2	2	
Conservation Programme Managed Species (% total of collection)	38%	35%	The Zoo continues to work closely with Australasian regional zoos to manage genetically sustainable populations of a range of native and exotic species
Animal Wellbeing – Compliance with Animal Welfare Act requirements	Requirements met	Requirements met	
Learning outcomes - effectiveness	>97% teachers agree learning was effective	100% teachers agree learning was effective	
Participation in <i>in situ</i> conservation projects	2	2	Kereru Discovery Project Green Corridor Project
Reduction of ecological footprint	2005/06 year volumes will form baseline Water 5% Electricity 5% Solid Waste 40%	Water usage reduced by 11%	Water usage reduced by 11% on 2005/06 volumes. Unable to measure baseline movements for electricity and solid waste

c. Trends



Most notable in the analysis of the Zoo's 2006/07 KPI's is the strong result for visitor numbers of 178,013 against a target of 172,000. Importantly the Zoo has achieved an increase in per revenue visitor in tandem with the increase in visitor numbers, as shown in the graph.

4. Key items from the year

- Significant project progress with regards to the Mixed African Exhibit (Giraffe House) and the Wild Theatre (the new amphitheatre), as well as the long awaited completion of the new Chimps enclosure
- Significant work has been undertaken by both the Council and the Zoo to minimise the risk exposure to Council arising from Zoo capital projects. The standard engagement contracts have been tightened by Council's lawyers, Phillips Fox, and the Zoo has established a project control group and a project steering committee to ensure the integrity of project budgets and designs
- The birth of a rare Malaysian sun bear cub – the only zoo in Australasia to successfully undertake this
- Successfully hosting the annual ARAZPA (Australasian Regional Association of Zoological Parks and Aquaria) conference at Te Papa
- Celebrating the Zoo's centenary during the 06/07 year

5. Governance

With effect from 1 January 2007, Neale Pitches stood down as Chair (and as a Trustee) of the Zoo, and was replaced by Denise Church. On 1 July 2007, Ross Martin was appointed as a Trustee of the Zoo.

The Trustees during the year were:

Neale Pitches
Denise Church
Philip Meyer
Frances Russell
Lee Parkinson
Celia Wade-Brown

6. Comments Regarding Council

The Zoo acknowledges and appreciates the ongoing support of Council, particularly in relation to the approval of the ZCP funding programme. Council continues to enjoy strong and collegial relationships with the Zoo trustees and staff.

7. Future Plans / Issues

Council officers will continue to work closely with the Zoo as they continue to implement the ZCP. Whilst there have been very positive indications so far with

regard to the Zoo's external sponsorship targets, the reality is that for Council to not release their annual ZCP funding, and thus not allow ZCP projects to start until the annual sponsorship target has been achieved would be very restrictive.

The Zoo needs the commitment from Council, and the momentum of the project development to maximise its chances of gaining sponsorship. Accordingly, Council officers are working with the Zoo to achieve a flexible approach to the release of ZCP funds to ensure maximum sponsorship opportunities whilst also minimising risk to Council.

The next ZCP project is the hospital, possibly the largest of all the ZCP projects. The Zoo is currently revisiting the scope of the proposed hospital to ensure that their funding targets remain achievable, as Council's commitment will not increase over and above the agreed \$15.6 million. The Zoo is also taking this opportunity to confirm the scope of the remaining ZCP to ensure that it still delivers on its primary objectives of animal welfare and health and safety and, secondly, visitor experience.

8. Conclusion

2006/07 has been a very positive year for the Zoo with a significant increase in project momentum and visitation. The Zoo will look to build on this in the coming year.