

KARORI WILDLIFE SANCTUARY TRUST

REVIEW OF 2007/08 ANNUAL REPORT

The Sanctuary presents its Annual Report for 2007/08, including audited financial statements.

Highlights for the year

- For the first time in probably several hundred years, Maud Island frogs and tuatara were observed breeding in the wild, on the New Zealand mainland
- In its annual report, the Trust required 4 pages to list its major sponsors, donors and partners who have provided funding, pro bono and other support during the year. This is a staggering endorsement and recognition of the huge support the Sanctuary has from the wider community
- Receipt of the Wellington Airport Regional Community Award in October 2007 and more recently, the prestigious Tourism Industry Award – major category Conservation in Action.

Performance

1. Financial

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

- At 30 June 2008 the Trust had drawn down \$1.275m from the \$6.523m government grant and \$1.692 from the Council non-recourse loan of \$8.0m
- Admissions revenue increased significantly against both the previous year and budget
- The Trust has further strengthened its cash and reserves enabling it to generate significant interest income
- During the year the Trust raised \$400k from appeals, donations and bequests including \$220k towards the Visitor Centre
- The Trust's audit report was qualified due to the auditors assessment that 'control over revenues from contributions and donations prior to being recorded is limited'. This is a standard clause for all not for profit organisations that engage in street appeals and cannot accurately record the level of contribution.

Statement of Financial Performance

\$ '000	FY Actual	FY Budget	2006/07 Actual
Income	4,525	5,373	2,498
Expenditure	1,912	2,214	1,785
Operating Surplus	2,613	3,159	713

Statement of Financial Position

\$ '000	FY Actual	FY Budget	2006/07 Actual
Current assets	3,630	3,482	1,164
Non current assets	4,540	5,760	2,839
Current liabilities	612	367	650
Non current liabilities	2,792	3,562	1,200
Equity	4,766	5,312	2,153
Current ratio	5.9 : 1	9.5 : 1	1.8 : 1
Equity ratio	58%	57%	54%

Statement of Cash Flows

\$ '000	FY Actual	FY Budget	2006/07 Actual
Operating	2,789	3,078	878
Investing	(1,734)	(3,122)	(355)
Financing	1,384	2,362	108
Net	2,438	2,318	631
Closing balance	3,567	3,447	1,129

Note: the Trust has taken advantage of the exemption provided by the Accounting Standard Review Board and the financial statements have not been prepared using NZ IFRS.

2. KPIs

The Trust has only reported two performance measures against annual targets, both of which were achieved with an increase in visitor numbers of 9,641 (16%). Now that the Trust has completed its first SOI for the 2008/09 year (due to the level of Council's financial commitment), it is important that the increased number of measures are audited as part of the annual process.

	Actual	Targets
Visitor numbers	68,553	58,912
Membership numbers	5,561	5,400

3. Operational

Releases into the Sanctuary during the year included 130 tuatara from Stephens Island and 86 giant weta from Matiu-Somes Island. In addition, ten Sanctuary-bred North Island robins were released on Matiu-Somes Island, the first ever transfer out of a species from the Sanctuary.

Planning and design of the Visitor Centre continued during the year, including mobilisation of a full project team. A steering committee and a content advisory committee have also been formed to provide governance and guidance respectively.

Hihi, Kaka and Korimako were successfully bred during the year and 15 species of plants, including 200 Northern rata were planted during the year whilst the felling of (non-native) boundary pine continued.

The Sanctuary's predator defence systems responded well to the incursion of 4 weasels and 3 ship rats during the year and investigation of the impacts of perch removal on algal blooms continued.

Significant asset enhancements during the year included a pontoon walkway, a suspension bridge and a visitor hub at the upper dam as well as further signage and interactive displays throughout the Sanctuary.

4. Governance

The Trustees during the year were:

Richard Bentley (Chair)
Noel Todd
Peter Allport
Andy Foster
Stephen Fuller
Catherine Judd
Peter Love
Dr Colin Miskelly
Prof. Charles Daugherty

5. Key issues going forward

In recent months, the Trust has experienced further delays in the Visitor Centre project – the complex site, with the dam, heritage structures and steep banks continue to impose challenges to designers and consenting authorities. The implications for Council from both an Opex and Capex perspective are noted below.

The estimated capital costs for the project are likely to increase due to largely unforeseen additional costs including addressing the bank instability, increased piling due to the proposed site's proximity to the dam, Waiupu road traffic visibility and heritage issues for the spillway.

Due to the delays referred to above, the opening of the New Visitor centre may now be put back 4 – 6 months from the previously anticipated November 2009 date, meaning that the Trust will miss most of the peak visitor season with the new product offerings – and consequently a large portion of forecast revenue for that year - and in particular the international market which takes a long lead time to market.

Council officers are working with the Trust to try to quantify these amounts and it is likely that in the near future a paper will go to Council requesting additional Opex and Capex funding.

6. Conclusion

The 2007/08 year has been another good year in terms of operations but the key objective of completing the Visitor Centre project on time and on budget continues to provide challenges.