

APPENDIX THREE

Statement of Intent 2014-2015 Karori Sanctuary Trust

Presented to the Environment Committee
pursuant to Schedule 8 of the Local Government Act (2002)

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1. Introduction

In 1993 a small group of people originated the visionary idea of an urban nature sanctuary. Now, as we are about to reach the 20th anniversary of the Karori Sanctuary Trust's foundation, we can celebrate the powerful results of that vision: a world leading example of restoration, an eco-sanctuary that offers unique conservation science and visitor experiences, and a state of the art building to welcome visitors and tell the conservation story.

Despite those successes, in 2013 our Statement of Intent (SOI) told a challenging story. It set out a plan of action to go beyond conservation success to recovery in the areas of relationships, reputation and revenue.

With the benefit of actions taken in 2013 across the business, and in particular the refresh of our brand, offerings and prices, we now stand on firmer ground to take the sanctuary forward. We have seen significant gains in relationships, revenue and reputation alongside continuing conservation gains. The Wellington City Council's committed support for the three years from 2012/13 has been vital in achieving that turnaround, and the Karori Sanctuary Trust (the Trust) highly values the positive relationship which has grown out of the new partnership arrangement launched in late 2012.

Now it is time to think beyond recovery, and towards strengthening the foundations for a long term sustainable business. Although we celebrate the 2013/14 recovery-focused initiatives and their very positive results, one swallow does not a summer make. Neither does one good summer season guarantee a sustainable business. There is still much work to do in strengthening Zealandia's infrastructure so that the organisation can truly deliver powerfully for Wellington and beyond.

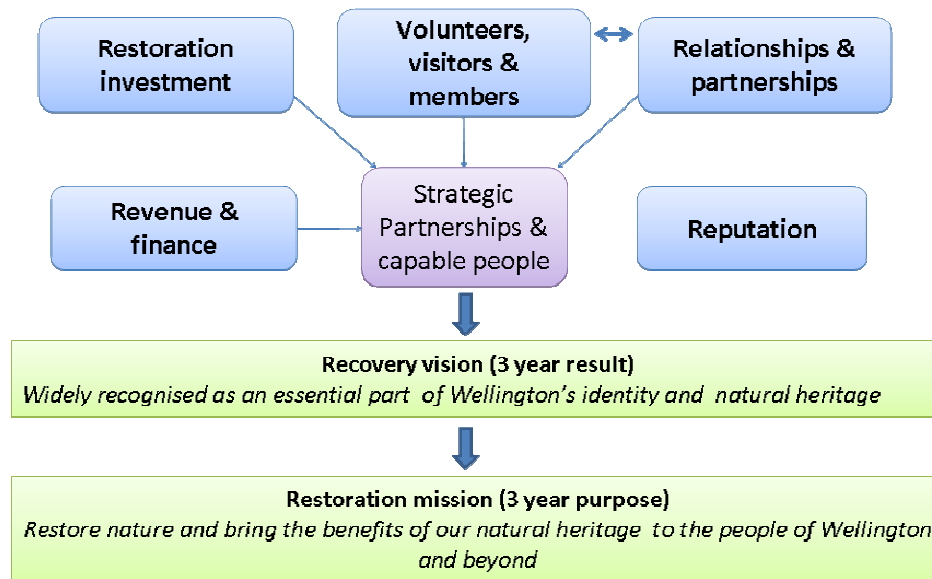
This SOI sets out the Trust's plan for building those foundations and also briefly outlines the longer term aspirations for fully harnessing the benefits and opportunities of the sanctuary. Vital to achieving our strategy is a continuing strong partnership with Wellington City Council (WCC) and with this SOI we set out our initial proposals for how that partnership can be expressed in 2015/16 and beyond.

We believe that Zealandia can over the long run greatly increase its contribution as a vital part of Wellington's natural capital. However, it is important to note that the SOI for 2014/15, and the indicative proposals for our ten year plan to 2025, are based on detailed and conservative analyses of all facets of our business, and the recognition that our future contribution will be based on extensive partnerships. Vital partnerships include those with WCC, Victoria University, and with other Wellington organisations such as Te Papa, Wellington Zoo, Otari Wilton Bush, Department of Conservation, the Tenth's Trust and others.

Enduring partnerships take time to build. Our future business projections must reflect our strong commitment to achieve, alongside practical, realistic plans of action and soundly based expectations about growth.

In 2014/15, our priorities are focusing on achieving the following:

- Continue to enhance Zealandia's reputation using clear communications and messages. Zealandia will be synonymous with integrity – we will build trust, engagement and loyalty with our community.
- Sustain and diversify Zealandia's revenue streams and ensure that resilient financial arrangements are in place.
- Enhance engagement of volunteers, visitors and members and inspire these groups to act as advocates for Zealandia and our conservation messages.
- Secure further restoration investment and ensure our research work is recognised by funders and partners as leading the way in Wellington's environmentally active community.
- Sustain and extend relationships both within New Zealand and internationally that contribute directly to our vision and mission.



By 2018 Zealandia will be:

- A destination that is loved, valued and visited by locals.
- Internationally recognised as a groundbreaking conservation science project and must-do visitor experience.
- An essential part of Wellington’s natural capital.

To realise these goals, we have committed to six strategic projects to get us there. These form the foundations which ensure Zealandia becomes a “vital distinctive contributor” to Wellington’s future economic prosperity. Revenue generation is central in these foundations, as we continue to increase our revenue-generating capacity through new and expanded sources of revenue.

Beyond foundations towards a vital and distinctive contribution

Longer term, our aim is to be a leading centre for conservation research, learning and citizen engagement.

The extraordinary efforts of our founding volunteers restored the valley acre by acre and have created a place where nature is flourishing!

So our efforts will be directed at continuing to manage and maintain the sanctuary while reclaiming our space in the restoration sciences. Our intention is to shift the focus from an exhibition venue, where visitors drop in to view our sanctuary, to a conservation cause which enrolls activists into the race against time to save our natural heritage. Our programmes and activities will actively restore nature and equally ensure human restoration by enriching people’s relationship with nature.

As a focal point for citizen science, we envisage that Zealandia becomes a place where you learn about nature, participate in research projects, travel in the lost ark, grow native plants, monitor native birds and take this learning back out to your communities where you earn your halo by making your world predator-free and call other people to action. We see a growing tribe of citizen scientists who champion and celebrate New Zealand’s natural capital.

We are optimistic and positive about the potential for Zealandia to generate greater benefits for Wellington, and to establish a more sustainable financial position. We will do this by working with others, and in particular with WCC, whose continuing support is vital in creating Zealandia’s sustainable future.

Denise Church, Chair, Karori Sanctuary Trust
Hilary Beaton, Chief Executive Officer, Karori Sanctuary Trust

2. Strategic Direction for 2014/2015

2.1 Core Purpose

Karori Sanctuary Trust is an incorporated society and a charitable trust as well as a not-for profit organisation. As per our Trust Deed, the objects of the Trust are as follows:

- To carry out education and research into all matters pertaining to the conservation and restoration of New Zealand's natural heritage and in particular to restore representative examples of New Zealand's natural heritage.
- To establish and maintain a secure native wildlife sanctuary in the Karori Reservoir in the City of Wellington.
- To restore the reservoir area ecosystem as closely as practicable to its presumed pre-human state but allowing for construction of specific habitats to enhance its diversity and conservation values.
- To provide facilities for recreation and tourism activities.
- To seek and foster community support and participation.
- To manage and manipulate such ecosystems as may be necessary to maintain requisite populations.

Our vision: To be widely recognised as an essential part of Wellington's identity and natural heritage.

Our mission: Restore nature and bring the benefits of our natural heritage to the people of Wellington and beyond.

2.2 Operating Environment

Conservation

There is an increasing awareness nationally and locally of the need to protect our natural environment. Zealandia is playing an important role in the restoration of natural biodiversity in Wellington and will continue to contribute significantly to a number of initiatives over the coming year such as the Living Cities, Nature Connections and Halo projects that expand environmental programmes and enhance visitor experience in the city and greater Wellington region. Ongoing support of other conservation and research programmes will continue and ensure Zealandia's leadership as a model for fenced mainland restoration projects, as well as significantly contributing to conservation of threatened species by successful transfers to the sanctuary and to other sites.

The science of urban ecology is emerging as increasingly influential, and Zealandia is well-placed to help grow momentum for this important work across the Wellington region. Its urban location, education programme, connection to the community, and visible effect upon the city's birdlife is helping to nurture a generation of Wellingtonians that treasure New Zealand's indigenous flora and fauna.

Wellington is uniquely positioned to grow as a nature capital with Zealandia at its heart as a nature destination and a site for urban ecology research and community learning.

Tourism

Wellington is well positioned in the domestic visitor market being identified as a top domestic destination of choice in recent surveys.

The cruise market remains a big part of the business, however, the total number of cruise ships in to Wellington fell this season and this has reflected in the number of cruise visitors to Zealandia. In recent times the majority of cruise travellers have come from/via Australia.

China is now a major growth market for New Zealand, which is maturing into Free Independent Travel beyond just the "golden route" more quickly than expected. This bodes well for visitor attractions such as Zealandia.

There are also positive signs of global long haul travel recovery, particularly growth from Germany, France and the US.

Technology

Online markets present an opportunity for growing our profile audiences, potentially increasing visitation and revenue generation. Social media presents a new way of engaging with communities – fostering dialogue and advocacy.

Wi-fi and use of smart phone technology and QR codes can enhance visitor experience and accessibility of our interpretation. In February 2014, Wellywifi was installed in our Visitor Centre. While it is too early to gauge the impact of this on our business, early figures show there has already been good uptake of the service. We are looking at options for extending this access into the valley, which would improve both visitor experience and research functions.

The use of leading edge technology will significantly enhance conservation management. Being at the forefront of developing apps specifically for use in sanctuaries and education programmes is also on our agenda.

Our Positioning

Our Spring Relaunch in October 2013 is showing positive signs of success. Our refreshed brand and lower prices have resulted in improved visitor numbers and increased membership. We continue to work to review and refresh our product offering and enhance our visitor experience.

Importantly, 2014/15 is less about a period of recovery and much more about building foundations for our future and ensuring a solid platform for our long term success. The increase in our membership means we now have an engaged audience with which to extend our conservation messages and learning.

The fundraising environment is very competitive and also increasingly dynamic with the onset of digital, online and social media. With the appointment of a dedicated Fundraising Coordinator, Zealandia has expanded its fundraising capabilities to strategically grow future support.

Initially commencing work in early October, our new Fundraising Coordinator has focused on donor care and organising and prioritising potential initiatives. A formalised fundraising strategic plan is under development and will be completed mid-2014.

2.3 Strategic Framework

Wellington towards 2040: Smart Capital
Priority One: an inclusive place where talent wants to live



Mission:

Restore nature and bring the benefits of our natural heritage to the people of Wellington and beyond

Vision:

Widely recognised as an essential part of Wellington's identity and natural heritage



Our Goals



Our Key Strategies

2.4 Goals

The following five goals have been identified as priorities for 2014/2015:

- Continue to enhance Zealandia's reputation using clear communications and messages. Zealandia will be synonymous with integrity – we will build trust, engagement and loyalty with our community.
- Sustain and diversify Zealandia's revenue streams and ensure that resilient financial arrangements are in place.
- Enhance engagement of volunteers, visitors and members and inspire these groups to act as advocates for Zealandia.
- Secure further restoration investment and ensure our research work is recognised by funders and partners as leading the way in Wellington's environmentally active community.
- Sustain and extend relationships both within New Zealand and internationally that contribute directly to our vision and mission.

2.5 Key Strategies

Six key strategies have been developed in order to achieve the priority goals for 2014/2015.

Strategy 1: People and Place

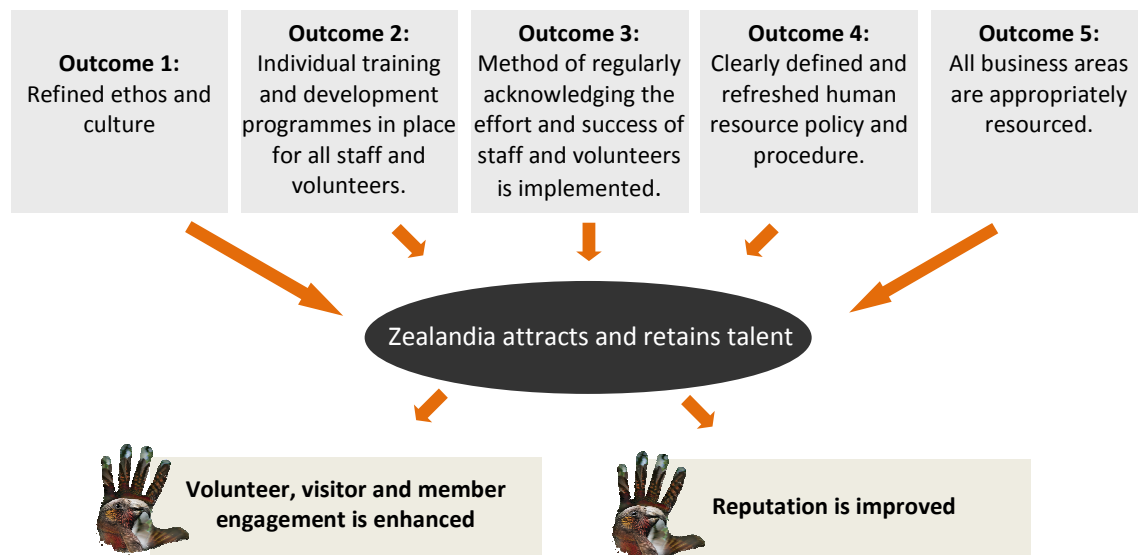
People are integral to the Zealandia vision. Ensuring that we attract the right people and are able to retain them is crucial to the ongoing success of the organisation.

If we are to attract the right people, it is important that we have a strong sense of ourselves as an organisation. The rebranding in 2013 was the first step in this process. Looking forward, we will continue to build on the success of the relaunch and refine the definition of our ethos and culture - the 'Zealandia Way'. With a clear picture of who we are, what we do and how we do it, we will attract the people best suited to achieve our unique vision.

Once we have the right people, we need to keep them. Central to this is the refined ethos and culture - the embedding of a culture that people are proud of and want to be a part of. We will also ensure that our staff and volunteers receive appropriate recognition, training and development so that they are rewarded with challenge and career progression.

A review of our human resources policy and procedures will also be completed. This project will ensure we have resourcing in the right areas and that Zealandia follows New Zealand legislation and best practice guidelines.

Refining our 'Zealandia Way' and the ongoing development of our people will flow on to greatly enhance the visitor experience we provide and continue to improve the perception of Zealandia as a destination.



Strategy 2: Organisational Intelligence

Our systems and procedures are key to ensuring the efficiency of our business and the quality of the services we provide. Work in this area has already begun with the recent IT upgrade, installation of WiFi at the Rata Café, a review of our finance systems and the integration of our payroll with WCC.

In 2014/15 we will continue this work and undertake projects in several areas of our business that will add the greatest value to our organisation.

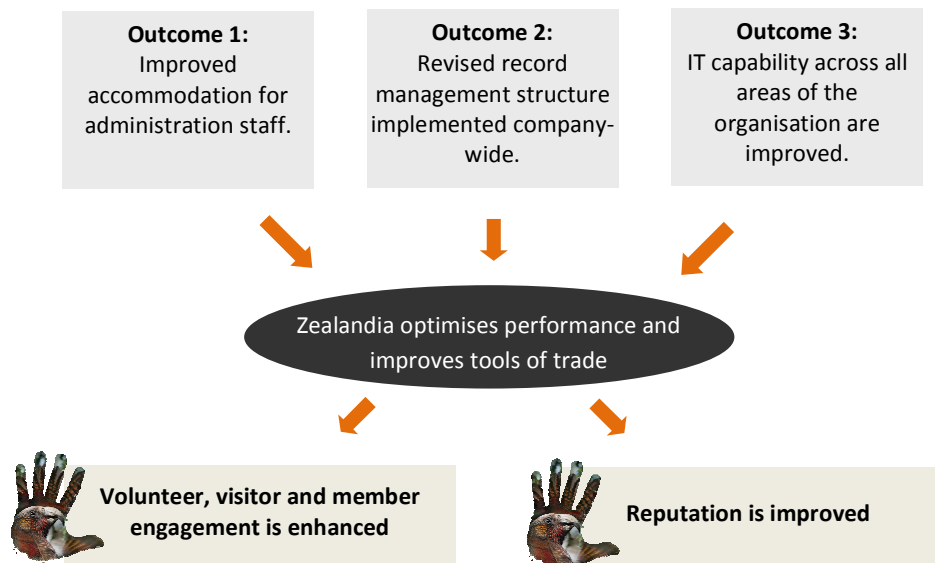
We will undertake a project to improve accommodation for administration staff. The building that currently houses the administration team is not fit for purpose and is poorly utilised. In addition, poor insulation and the presence of mould mean it is not a healthy work environment for staff, particularly during the winter.

With improvements to the accommodation we can provide a healthy working environment, utilise the space more effectively and present a more professional image to visitors.

We will also review our record management structure. The current system has developed over time and has become unwieldy and difficult to work within. A reclassification of the system will be undertaken with guidelines for use and naming conventions developed. We aim to create a paperless office as much as possible, which fits with our aims of both financial and environmental sustainability.

Finally, we will continue to progress the Geographical Information System (GIS) proposal that NZ GIS in Conservation (GIC) and Zealandia staff developed in 2013 for use in the sanctuary. The GIS system will be of significant value to Zealandia, allowing us to map the sanctuary in detail for asset management purposes as well as recording live bird sightings, pest animal-catches and bait take. The system will also assist with planning and recording of plant establishment, weed mapping and control, fauna and flora observations as well as keeping the community involved and up to date with what’s happening in the sanctuary.

These projects will greatly improve the efficiency of the organisation and improve the perception of Zealandia as a professional, well run organisation.



Strategy 3: Supporter Engagement

The Trust acknowledges the importance of non-council donations and funding and is continuing to develop strategies to secure this income.

Central to this is the development of a philanthropic and donor conversion programme. This programme will encourage local business and the community to become regular financial contributors to the sanctuary. This sustained, committed funding is crucial to our long term planning.

Work will also continue to enhance membership services, making membership desirable to our visitors. Growing our membership and ensuring those members are passionate about and engaged with the sanctuary is key to our sustainable future.

While it is encouraging to see a significant increase in membership numbers following the relaunch, in order for that membership to work for us, we need our members to be advocates for Zealandia. A strategy will be developed to encourage members to promote Zealandia within their communities, to continue to introduce their family and friends to the sanctuary and to continue spending at events, the café and retail area.

A Stakeholder Management Plan will also be developed, ensuring that we are regularly contacting our stakeholders and that they are well informed of the work and events happening at Zealandia.



Strategy 4: Annual Programme

As a predominantly outdoor attraction, Zealandia’s peak season is over the warmer months of the year, with visitor numbers typically declining over winter. The creation of a year-round programme of activities that is located in the Visitor Centre is integral to changing the perception of Zealandia as a summer only destination and ensuring our ongoing financial sustainability.

An annual programme of visitor experiences and activities will be developed to attract visitors to the sanctuary, whatever the season, whatever the weather. The programme will include daily activities, exhibitions, monthly focus topics, seasonal signature events and holiday/youth programmes. These activities will be aligned with Zealandia’s conservation messaging and call to action to enjoy and restore our natural heritage.

The annual programme, and associated initiatives to enhance the experience of our visitors, also forms a key part of our follow up to our 2013 rebranding and repricing initiatives, and a significant foundation for our long term commitment to growing Zealandia based revenue.

A strategy will also be developed to increase our commercial activities, such as private functions, conferences and other corporate events.



Impact of the work on Visitor Experience funded by the Wellington Regional Amenities Fund

Nature Connections is a Wellington Regional Amenities Fund (WRAF) pilot project aimed at identifying and improving the interpretive connections between similar eco-tourism destinations in Wellington region.

The project commenced in October 2013 with a market research survey of each site aimed at identifying visitor’s understanding of each site and what, if any connections were identified by visitors between the Nature Connections partner organisations. Since the survey was completed, a series of workshops have been completed by the Nature Connections team aimed at:

- Identifying the Unique Selling Point (USP) of Wellington region’s eco-tourist organisations.
- Identifying potential interpretive techniques to promote Nature Connections across the region at each organisation’s site.
- Developing a training toolkit for staff and volunteers in interpretive presentation using the POWER model developed by John Pastorelli.

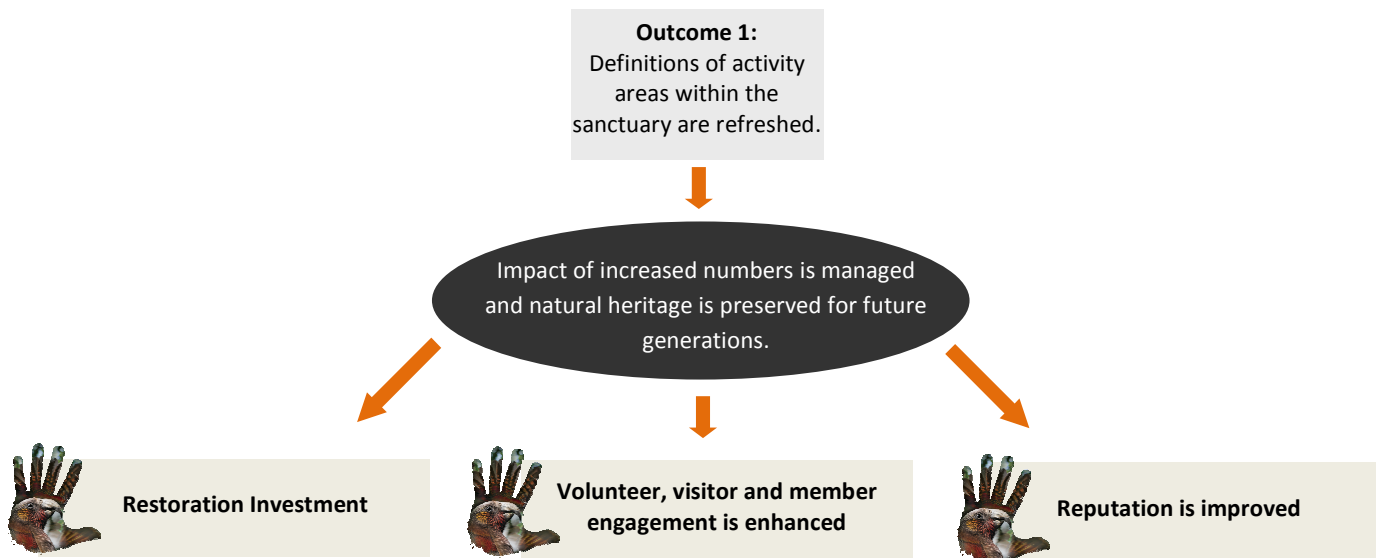
In the next 12 month period, the Nature Connections brand will be launched. Each organisation will develop interpretive tools onsite highlighting why the region is inspirational and what the connections are between the partner organisations. Furthermore, Zealandia will have four staff members trained as ‘trainers’ in presentation delivery (using the POWER model). These trainers will subsequently provide a series of professional development training sessions for staff and volunteers aimed at improving presentation skill sets and improving the quality of the visitor experience at Zealandia.

Zealandia staff members have taken the opportunity provided by Nature Connections to visit each partner organisation’s site to gain a greater understanding of their visitor experience and interpretation techniques. Nature Connections has provided excellent opportunities for Zealandia to build relationships with other partner organisations that we hope to continue fostering over the next 12 months of the pilot project.

Strategy 5: Sanctuary Blueprint

As visitor numbers increase, so too does the impact that we have on the sanctuary. To achieve our 500 year vision to return the sanctuary to its pre-human state, this increase in visitors needs to be carefully managed.

A project will be undertaken to refresh the definitions of activity areas within the sanctuary. These revised activity areas will enable us to manage increased demand and enhance the quality of our visitor experiences and also continue dedicated research and education efforts while minimising our impact on the environment, ensuring the natural heritage is preserved for future generations.



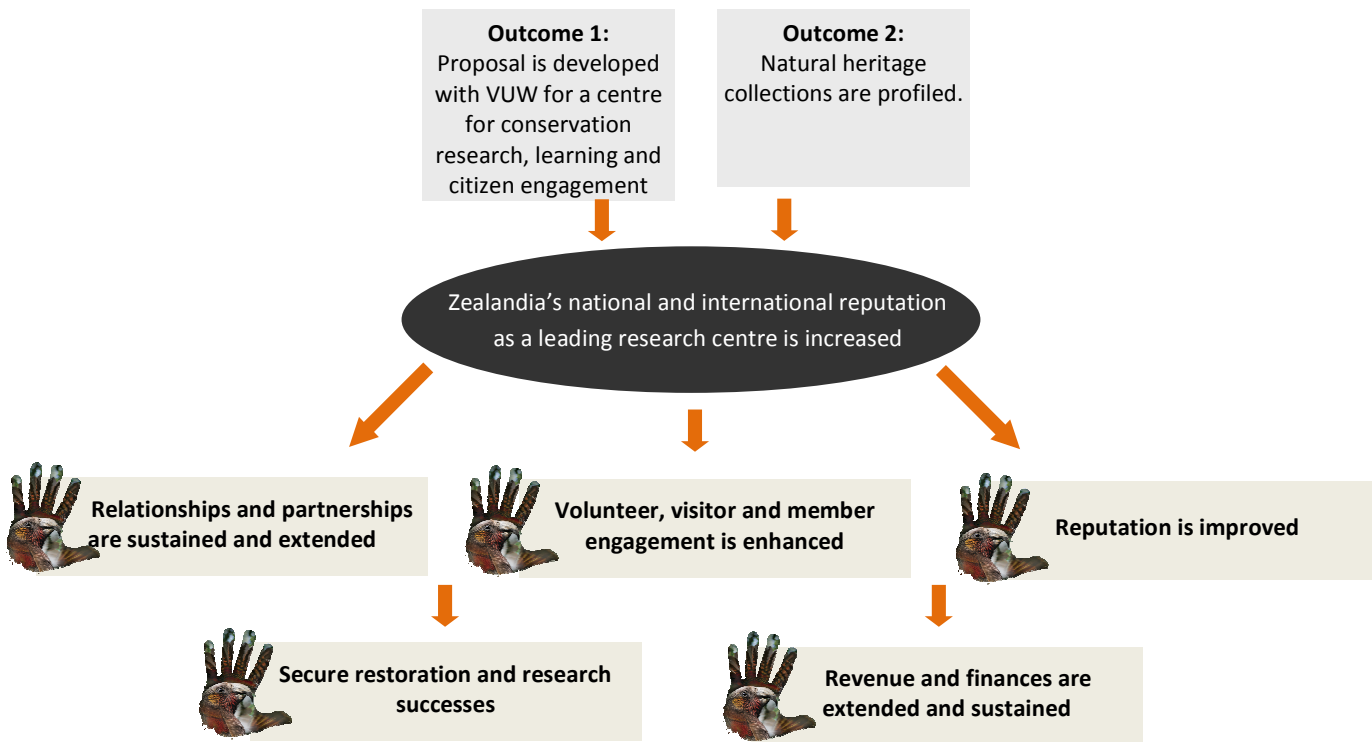
Strategy 6: Research Partnerships

Zealandia’s research partnerships are vital to furthering our position as a world leading conservation research centre and work is continuing to develop and strengthen these relationships.

Discussions are underway with Victoria University regarding the establishment of a leading centre for conservation research, learning and citizen engagement based at Zealandia. We are working together to develop a sound proposal for this venture. Our aim is to have the first practical expressions of this enhanced relationship visible and active in 2014.

Our partnership with Victoria University is increasing capacity and capability in research in this area – developing Zealandia as a ‘living laboratory’ resource for study as well as a centre for Citizen Science engagement that will benefit both the research community and Wellington’s citizens.

Developing our relationship with Te Papa is also a factor in our strategy and focus this year. Initial discussions have already been held regarding the possibility of sharing knowledge and resources around our nation’s natural heritage collection. This is an exciting opportunity that could see a regularly refreshed programme of talks and/or exhibitions that would attract visitors to the sanctuary.



3. Ten Year Outlook

3.1 Background

2014/2015 is the final year of currently agreed WCC funding in the Long Term Plan. This section of the SOI addresses how the Trust is responding to WCC's request for the SOI to outline the Trust's thinking in terms of longer term council funding that may be required.

In 2013/14, the Karori Sanctuary Trust Board sought to fully understand the existing long term business model for the sanctuary. We found the existing operating structure was not efficiently productive, with 10 accounting divisions and no regular detailed review and examination process of financial results and no long term sustainability framework. The balance sheet includes a \$10 million loan from WCC which clearly cannot be serviced or repaid at all.

3.2 Development of a Sustainable Business Model

To tackle these challenges, in late 2013 the Board started development of a comprehensive sustainable business model. This will deliver information based on reasonable, achievable targets over a 10 year period. The model will help us to pursue and track the level of sustainability of the business as a whole and within four key units. These comprise two profit centres, namely:

- Admissions, subscriptions and tours
- Café and retail

And two cost centres, namely:

- Operations, and
- Conservation and maintenance.

Factors recognised in development of the business model include:

- The imperative to grow Zealandia generated revenue to reduce relative dependence on support from WCC.
- A partnership with Victoria University is contemplated to establish a centre for conservation science, learning and citizen engagement, providing additional income over time.
- Enhanced visitor experiences and citizen engagement will strengthen the membership base but a conservative and cautious approach will be taken in terms of projection of growth in visitor numbers.
- A number of foundation investments in people, systems and resources, as outlined earlier in the SOI, will be required to establish a robust platform for sustainable business success. This includes addressing the current inadequate state of staff accommodation and substantial investment in the short term and the medium term will be required to remedy this.
- As the balance sheet cannot service its loan obligation, actions will need to be taken to strengthen the balance sheet.

This model will form the basis for a comprehensive long term business plan for discussion with Council after May 2014.

3.3 Progress

The board addressed the situation on two levels, namely the:

- Balance Sheet, and
- Financial performance.

The Board has entered into discussions with WCC on options for strengthening the balance sheet.

To address the financial performance, it was clear that the reputation of Zealandia was continuing to be damaged by the pricing structure and associated marketing messages and needed urgent repair. The Board therefore commissioned an evidenced based review of these elements with a view to refreshing the brand image and pricing structure for Zealandia. The aim was to position the pricing structure on the “efficient frontier”, that point where a function of volumes and price would produce the optimal revenue. In October, the Board took the bold step of substantially reducing and simplifying the pricing structure while improving benefits and for members and visitors alike. The café was supported with more efficient heating and wifi and the Point of Sale system and terminals were upgraded along with the data communications capacity.

The assistance from WCC’s technical experts was of great assistance and we record our appreciation for their enormous help in this task.

From a financial viewpoint, this strategy had risks, as the aim was to generate more revenue from reduced prices. Visitor volumes had to increase by around 13% to recover the forecast revenue forgone. However, it was clear to the Board that the ongoing success of the business critically depended on wider community respect, repeat visitation and a broader foundation of “nature, conservation, research and education” rather than just a “walk in the bush”.

Since the launch of the new pricing and marketing, the results have been very encouraging. Revenues have increased beyond that needed to make up for the lower prices and the café has become a destination in itself, widening its offering and increasing its number of functions. We note that the impact of the new pricing is as yet untested during the winter months. However, we have confidence that the numbers will hold up, particularly, with the introduction of a winter VE programme.

The new CEO is in place and generating a more positive approach to sustaining the business, focusing on every touch point with the community being a positive experience.

Work is underway in the 2013/14 year to establish and progress a number of the initiatives which are critical elements of the long term business model. These include the foundation investments (systems, processes and people capability) which address significant gaps in the Trust’s infrastructure.

It also includes discussions with Victoria University on the establishment of a long term partnership which allows the University and Zealandia’s interests in conservation, citizen science, and natural capital learning and engagement to be expressed in a powerful way.

We have had a number of meetings with representatives from Victoria University. An option is for VUW to place students, post graduates and some senior staff on site to establish over time a biodiversity focused group which would carry out research within the sanctuary as a part of furthering study and understanding of our ecosystem. This would be done in a way which enhances the depth of visitor engagement, so that active participation in citizen science becomes part of the Zealandia experience.

The Trust’s initial thinking is that some citizen science and related activities can be accommodated in the existing visitor building. Full expression of the VUW partnership will require investigation of other accommodation options, which could also accommodate Zealandia’s staff from the inadequate staff accommodation currently being used. A feasibility study will be progressed through mid 2014 and we will be considering a number of funding alternatives.

3.4 Long term Business Model and Plan

Our aim is to bring an in depth understanding of the business model and clear definition of value enhancing actions and direction together in one holistic sustainable plan and seek a committed level of support from WCC within which Zealandia would manage its finances without the need to revisit Council’s level of support over the planning period.

As noted above, a fundamental driving the business model is that Zealandia must develop long term resilient revenue streams which enable the Trust over time to reduce its relative dependence on support from WCC. This development will be on a prudent and stepwise basis accommodating modest projections for growth in areas such as visitor numbers and revenue, fundraising and donors, memberships, and partner based activities.

Informed by the business model, the Trust's initial conclusion is that for sustainable business outcomes to be achieved, WCC support would:

- Be maintained at broadly the current level over the planning period.
- Become a reducing proportion of a growing revenue stream over the planning period of 10 years, since the Trust would be fully focused on creating and growing other revenue streams.
- Reflect a reducing level of support per visitor over the planning period, also reflecting conservative but over time significant increases in visitor numbers and engagement.
- Reflect a level of support consistent with comparable businesses.
- Enable a satisfactory economic return to the City in terms of multiple contributions to Wellington's status as a great place to live, work and visit.

From initial runs of the business model, it does appear, at this stage, that these elements can be met while providing a sustainable future for Zealandia.

3.5 Next Steps

We will use the business model to provide detailed input to our 10 year sustainable business plan, which we aim to complete for discussion with WCC after May 2014.

In the Ten Year Business Plan, we will outline our plans for developing all aspects of our business, and will describe in more detail the nature and level of support sought from WCC over the planning period. We seek WCC's concurrence with this direction of travel and invite any comments in the meantime.

3.6 Ten Year Outlook in Summary

Background	
1	In 2013/14, the Karori Sanctuary Trust Board sought to fully understand the existing long term business model for the sanctuary. The following issues were identified: <ul style="list-style-type: none"> ▪ Existing operating structure was unproductive with no regular review of financial results. ▪ No long term sustainability framework. ▪ Balance sheet includes a \$10M loan from WCC which cannot be serviced or repaid at all.
2	We acknowledge that in the past we have been unrealistic in our forecasting.
3	In October 2013, the Board substantially reduced and simplified the pricing structure while improving benefits and for members and visitors.
Progress	
4	Visitor volumes had to increase by around 13% to recover the forecast revenue forgone. Since the launch of the new pricing and marketing, the results have been very encouraging. Revenues have increased beyond that needed to make up for the lower prices and the café has become a destination in itself.
5	We note that the impact of the new pricing is as yet untested during the winter months, however we have confidence that the numbers will hold up, particularly with the introduction of our winter programme.
6	The new CEO is in place and generating a more positive approach to sustaining the business, focusing on every touch point with the community being a positive experience
7	A business model has been developed based around two revenue and two cost centres.
Sustainable Future	
8	Our sustainable future involves more than just ‘a walk in the park’ but broadens the foundation of our brand to education, conservation and research.
9	Sustainability begins with the balance sheet. The fundamental problem with our current balance sheet is that it contains liabilities that we can’t service. We are working with WCC to develop actions to resolve this.
Long Term Business Plan	
10	The purpose of the long term business plan is to move ZEALANDIA from a well-meaning community driven enterprise to a well-delivered sustainable social enterprise.
11	Our business model projections are conservative. We have sought to open up margins a little each year over 10 years, resulting in a more efficient operation deriving increased returns to the bottom line each year.
12	The structural reorganisation creates efficiency and lowers costs from their previous trajectory.
13	Visitor numbers and revenue will be increased while costs will be lowered. We will do this by: <ul style="list-style-type: none"> ▪ Fresh programming & new product. ▪ Cost management & organisation restructure
14	Strategic alliances will be a key feature of our business plan, broadening and sustaining existing revenues.
15	We will only increase prices as we develop improved offerings.
16	The subsidy from WCC per visitor will steadily decrease over the 10 years.
17	The level of subsidy from WCC will be compare favourably to that provided to other Wellington organisations.
18	We will continually monitor our performance to ensure adherence to the plan.
19	Financial performance since the relaunch gives us great confidence that the plan can be achieved and ZEALANDIA can provide the city with a valuable social and economic asset.

4. Nature and Scope of Activities

4.1 Core Business

- Undertake conservation activities to restore the valley's ecosystems and processes as closely as practicable to their presumed pre-human condition, assuming the dams blocking the stream are representative of natural stochastic events that may have had the same effect. Integral to this is to increase natural biodiversity representative of the Wellington Ecological District in the sanctuary and beyond the perimeter fence, as well as to support national species recovery programmes and restoration work elsewhere where possible.
- Undertake and support research that will increase our understanding about the flora, fauna, and their habitats and ecological processes that threaten or sustain them, and that can inform and benefit restoration initiatives elsewhere in New Zealand. The use of the sanctuary as a place of learning and research is encouraged.
- Contribute to conservation through our work at Zealandia, advocacy and through our engagement with the community. We seek and foster community support and participation.
- Maintain a secure native wildlife sanctuary in the City of Wellington.
- Provide visitor experience and education programmes to increase their understanding of New Zealand's natural heritage, and the conservation challenges and successes here and elsewhere.
- Provide facilities for engaging visitor experience and recreation.

4.2 Contributions to the City

Wellington towards 2040
 Priority 1: Wellington – An Inclusive Place where Talent Wants to Live



5. Performance Measurements

5.1 Non-financial Performance Measures

	2013-14 Target	2014-15	2015-16	2016-17
Visitation ¹	89,366	91,400	92,500 ²	93,600
Members (Individuals) ³	9,800	10,000	10,200	10,400
Volunteers	>400	>400	>400	>400
Percentage of Satisfied Visitors	90%	92%	93%	93%
City-residents' awareness	85%	86%	87%	88%

¹ The increase in visitor numbers is based on projections following the reduction in entry fees. Work is ongoing with a number of initiatives that aim to continue growth in visitors.

² As 2015/16 is a year where Sirocco will be at Zealandia, we anticipate visitor numbers will be in excess of this figure.

³ We have changed the membership KPI for 2014/15 onwards to reflect individual members, rather than memberships which contain multiple people.

Conservation Programme	Pre-2000	2013-14 Target	2014-15	2015-16	2016-17
Total native plant species in the sanctuary	132	176	177	177	177
Total adventives (exotic) plant species	111	212	215	215	215
% Flora Native	54%	46%	46%	46%	46%
Total native fauna species in the sanctuary (all vertebrates and mega invertebrates)	20	43	45	46	47
Number of new native fauna species released (not previously present)		1	2	1	1
Total exotic fauna	34	17	17	15	15
% Fauna Native	37%	72%	73%	75%	76%

Quarter target	Q1	Q2	Q3	Q4	2014-15
Visitation	19,560	25,135	27,786	18,919	91,400
Education visits (LEOTC, tertiary, early childhood, school holiday programme)	2,730	2,669	1,142	1,809	8,350

5.2 Financial Performance Measures

Measure	2013-14 Target	2014-15	2015-16	2016-17
Full cost per visitor (including WCC costs) ¹	N/A			
Average subsidy per visit (total WCC operating grant/all visitors)	\$ 9.79	\$ 9.57	\$ 9.46 ²	\$9.35
Average revenue per visit (excludes Council & Government grants)	\$ 28.40	\$27.46 ³	\$ 27.59	\$28.99
Non-Council Donations/Funding	\$123k	\$150k	\$150k	\$150k

¹ This KPI will be added once we have received the necessary information from WCC.

² As 2015/16 is a year where Sirocco will be at Zealandia, we anticipate the average subsidy will be lower than this estimate.

³ The drop in average revenue per visit over the next two financial years is due to the entry price reduction. By 2016/17 the average revenue target is at a similar level to that prior to the price reduction.

6. Board’s Approach to Governance

The Karori Sanctuary Trust is governed by a Trust Deed, first executed in 1995 and most recently updated in December 2012.

6.1 Relationship with Council

The Board of the Karori Sanctuary Trust has two Council appointed members (including Chair) and three members appointed by the Guardians of the Trust.

The Wellington City Council is a strategic partner, trustee appointee, a major funder and landlord of the Karori Sanctuary Trust. As part of the strengthened partnership model a new governance structure for Zealandia that clarifies the relative roles of the Council, the Guardians and Trust board was implemented in December 2012.

The existing Funding Deed between the Council and the Trust sets out WCC’s reporting and monitoring regime and the conditions for major transactions requiring WCC approval. The Trust will report quarterly to WCC through the Environment Committee on the agreed measures, which will include a Statement of Financial Performance, Statement of Financial Position and Cash Flow Statement.

The Trust’s audited accounts will be presented to WCC by due date. The Trust will continue to recognise the Council as a principle funder.

The principles governing the relationship between the Trust and WCC are:

- Council will be provided with access to information it requests.
- A “no surprises” approach.
- Work in a collaborative and constructive manner recognising each other's viewpoints and respecting differences.
- Act towards each other honestly and always in good faith.
- Communicate with each other openly, promptly and in a clear and timely manner.
- Recognise the accountabilities that each have to the other and to those for the benefit of whom services are provide.

6.2 Board Membership

The members of the Karori Sanctuary Trust are as follows.

Trustee	Term Expires
Denise Church (Chair) Appointed by Council	January 2016
Phillip Meyer Appointed by Council	January 2016
Charles Daugherty Appointed by Guardians	January 2016
Pam Fuller Appointed by Guardians	January 2016
Steven Thompson Appointed by Guardians	January 2016

The KST Trust Deed, that outlines the roles of the Trust and the Guardians was updated and signed in December 2012. All trustees may receive an honorarium set by the Council and Guardians.

The Trust Board shall meet no less frequently than eight times a year.

The Chief Executive attends all meetings accompanied by her/his management team as required.

Under the terms of the Trust Deed, the Board is required to have an Audit and Risk Committee. Members of the Audit and Risk Committee are Denise Church, Phillip Meyer and Iain Craig.

In 2013 the Board set up a number of working groups to address the critical strategic issues required for organisational turn around in the 2013/14 period. With a number of significant initiatives completed, the working groups' work is complete. At this point the Board does not see the need for further formal committees of the Board to be created. However, Trustees will contribute knowledge and skills across a range of work areas over the 2014/15 year and may from time to time contribute to working groups established by the Chief Executive.

6.3 Board Performance

The Chair and the Board as a whole will participate in an annual review of their performance as follows:

- the Board as a whole by the Board;
- Individual Board members by the Board, through the Chair; and
- the Chair by the Board.

The method/standards used to assess the performance will be based on the standards as issued by the NZ Institute of Directors adapted for the Karori Sanctuary Trust. From these reviews, development needs and any other actions required to ensure best practice governance and performance standards will be determined and implemented.

A report will be provided to WCC Chief Executive outlining the form the review took and the outcomes. The review will be completed by 30 September 2014.

The Board will undertake an annual review of the Chief Executive's performance.

The Council is a strategic partner and major funder of the Karori Sanctuary Trust. The Funding Deed between the Council and the Trust sets out the Council's reporting and monitoring regime and the conditions for major transactions requiring Council approval.

The Trust will report quarterly to the Council through the Environment Committee on the agreed measures which will include a Statement of Financial Performance, Statement of Financial Position, Cash Flow Statement and Cash Flow Reconciliation Statement.

6.4 Annual General Meeting

As per established practice the Karori Sanctuary Trust holds an Annual General Meeting (AGM) each year of members to discuss the Annual Report and current strategies. The Board establishes a date for the AGM in consultation with the Guardians. In 2013 the AGM was held on 24th November in conjunction with a well attended Members Day which included informative presentations and short tours. It is envisaged that this approach will also be followed for an AGM/Members Day in November 2014.

7. Organisational Health, Capability and Risk Assessment

7.1 Organisation Health and Capability

Our aim is deliver our work by attracting and retaining talented and capable staff and through strategic partnerships.

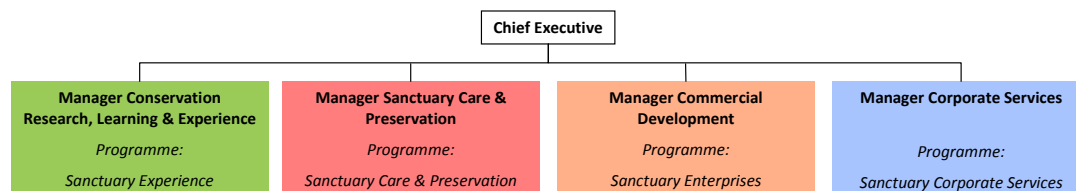
Critical to our success is having experienced and motivated staff. Training and professional development for staff will continue to be a priority for 2014/2015, using a limited resource.

We will continue to work closely with Victoria University, WCC (e.g. shared services initiative) and other partners to enable to build the capability and credibility of the organisation.

7.2 Executive Team

Hilary Beaton	Chief Executive Officer
Clayton Wiki	Finance & Administration Manager
Raewyn Empson	Conservation Manager
Russell Drewry	Facilities Manager

Going forward and in keeping with the business model based on the two revenue and cost centres as outlined in Section 3 of this document, it is envisaged the structure of the Executive Team will be as depicted below:



7.3 Environmental Practices

The Karori Sanctuary Trust is committed to and incorporates sustainable practices. Zealandia is awarded the Qualmark's Enviro Gold accreditation.

7.4 Asset Management Plan

The Karori Sanctuary Trust is focused on ongoing, prudent asset management. In 2014/15 we will undertake a review of all our assets and develop a robust Asset Management Plan. This plan will fully account for all ongoing costs associated with the management of our assets and further inform our future planning.

7.5 Risk Management

The Karori Sanctuary Trust has a robust risk management process which is monitored by an Audit and Risk committee. This committee reports to the Board. The Karori Sanctuary Trust has robust fit-for-purpose systems and processes and financial delegations.

The Karori Sanctuary Trust has insurance policies for Material Damage, Business Interruption, Combined Liability (Public, Employer, Statutory, Fidelity Guarantee and Lawsafe) and Trustee Liability.

The Trust has a detailed Emergency Procedure Action Plan.

The Trust divides its risk management matrix into the following categories:

- Visitor & Education Centre capital works
- Conservation
- Natural disasters
- Health and safety
- Financial and
- Reputation.

Zealandia regularly reviews all known and potential risks using standard risk methodology. Zealandia has robust health and safety systems in place as confirmed in a recent review. The Trust considers addressing the current health and safety issues as one of its priorities for 2014/15.

For medium and high risks, control systems and management strategies are established, as appropriate. The objective is to reduce the residual risk to the point where all cost-effective mitigations have been put in place. The Audit and Risk committee is responsible for reviewing these strategies. The Trust’s management is responsible for their implementation. There are four response types, depending on the risk assessment and cost effectiveness considerations. These are:

		Impact			
		Minor(1)	Moderate(2)	Major(3)	Catastrophic(4)
Likelihood	Highly likely (4)	Low (4)	Medium (8)	High (12)	High (16)
	Likely (3)	Low (3)	Medium (6)	Medium (9)	High (12)
	Possible (2)	Low (2)	Low (4)	Medium (6)	Medium (8)
	Unlikely (1)	Low (1)	Low (2)	Low (3)	Low (4)

- Avoidance: To eliminate the conditions that allow the risk to be present at all, often by changing or stopping the activity.
- Acceptance: To acknowledge the risk’s existence, but to take no pre-emptive action to resolve it, except for the possible development of contingency plans should the risk event come to pass.
- Mitigation: To minimize the probability of a risk’s occurrence or the impact of the risk should it occur.
- Deflection: To transfer the risk (in whole or part) to another organisation, individual, or entity – such as through insurance.

This section of identified risks and their ratings relate to the performance of 2014/2015 financial year.

Risks	Likelihood ratings	Impact ratings	Overall ratings	Control system/mitigation strategies	Residual Risk
FINANCIAL/OPERATIONAL					
Failure to break even	Likely	Moderate	High	<ul style="list-style-type: none"> Realistic/achievable targets Service level review Budget control; regular reviews New revenue streams developed 	
Commercial revenues not achieved (membership, admission, retail, cafe/functions etc) Grants target not achieved	Likely	Moderate	High	<ul style="list-style-type: none"> Careful planning based on analysis of current trends and actual performance etc Regular review (weekly) Addressing early signs immediately; risk plans in place for all projects Fundraising plan in place, and resource allocated 	
Loss of key staff	Possible	Moderate	Low	<ul style="list-style-type: none"> Staff personal development plans in place Remuneration strategy 	
Staff fraud	Unlikely	Major	Low	<ul style="list-style-type: none"> Policy and procedures in place that cover delegations, signatures, cash handling etc Code of Conduct in place Audit 	
Policy and procedural failure	Unlikely	Moderate	Low	<ul style="list-style-type: none"> Policies in place and reviewed yearly (or/and when relevant) Align with legislation 	
IT infrastructure loss and failure	Possible	Major	Medium	<ul style="list-style-type: none"> Back up provided WCC back up 	
CONSERVATION					
Failure to maintain its position as a leading fenced sanctuary resulting in: - lack of credibility - reduced visitor numbers	Possible	Severe	Medium	<ul style="list-style-type: none"> Ensure competent staff Ensure conservation work is not compromised Proactively maintaining a wide network of experts and partners Relationship with stakeholders 	
Failure to develop self sustaining populations of wildlife resulting in: - reduced fauna visibility - reduced visitor numbers	Possible	Major	Medium	<ul style="list-style-type: none"> Ensure competent staff Ensure conservation work is not compromised Proactively maintain a wide network of experts and partners to assist 	

NATURAL DISASTERS/BIOSECURITY					
Biosecurity breach, ecoterrorism resulting in significant loss of wildlife, unexpected costs and loss of credibility	Possible	Major	Medium	<ul style="list-style-type: none"> • Ensure robust biosecurity strategy and programme • Proactively maintain a wide network of experts and partners to assist 	
Fire, earthquake, illnesses , resulting in significant loss of wildlife, unexpected costs, closure for long period	Unlikely	Severe	Low	<ul style="list-style-type: none"> • Emergency plan in place to deal with natural disaster • Business continuity plan will be developed • Proactively maintaining a wide network of experts and partners to assist • Ensure adequate insurance cover 	
HEALTH & SAFETY					
Significant site incident causing harm or death to staff or visitors	Unlikely	Severe	Low	<ul style="list-style-type: none"> • A comprehensive health and safety plan is in place and regularly reviewed • Clear communication to visitors of safety rules • Clear communication to staff and volunteer • Event management process 	
Staff experience health and safety issues due to current accommodation	Possible	Major	Medium	<ul style="list-style-type: none"> • Plan to address current conditions by mitigating, or relocating staff as appropriate 	
Potential legal issues which may affect the Trust's reputation and generate additional costs	Possible	Major	Medium	<ul style="list-style-type: none"> • A comprehensive health and safety plan is in place and regularly reviewed and action taken 	
REPUTATION					
Failure to maintain relationships with key stakeholders <ul style="list-style-type: none"> • Loss of credibility • Loss of support 	Possible	Major	Medium	<ul style="list-style-type: none"> • Ensure strong stakeholder engagement and plan of action in place • Membership/donors communication plan in place and reviewed regularly 	
Failure to successfully implement proposed changes	Possible	Major	Medium	<ul style="list-style-type: none"> • Communication plan delivered in time and to 100% • Messages clear • Market research undertaken 	

8. Additional Information

8.1 Response to other specific Letter of Expectation matters (if applicable)

Discuss plans to build on the market repositioning and pricing work undertaken this year.

- Refer Section 2.5: Key Strategies and Section 3.3: Progress.

Acknowledge the importance of non-council donations and funding and provide a measure (or measures) with the Trust's KPIs that highlight the performance of the Trust in this area.

- Refer Section 2.5: Key Strategies (Strategy 3) and the addition of a financial performance measure for Non-Council Funding/Donation in Section: 5.2.

Report on the status of delivering on a strategic partnership with VU.

- Refer Section 2.5: Key Strategies (Strategy 6) and Section 3.3: Progress.

Outline the impact of work on visitor experience funded by the regional amenities fund.

- Refer Section 2.5: Key Strategies (Strategy 4).

Reflecting on the fact that 2014/2015 is the final year of currently agreed Council funding in the LTP, the SOI should outline the trust's thinking in terms of longer term council funding that may be required.

- Refer Section 3: Ten Year Plan.

Acknowledge the importance of non-council donations and funding and provide a measure (or measures) with the trusts KPIs that highlight the performance of the trust in this area. Measure needs to be developed.

- Refer Section 5.2: Financial Performance Measures.

8.2 Ratio of Shareholders Funds to Total Assets

Please refer to the Balance Sheet included in the Accounting policies.

8.3 Estimate of Amount Intended for Distribution

The Karori Sanctuary Trust is a not-for-profit organisation and registered charity and does not make a distribution to the Settler.

8.4 Acquisition Procedures

The Trustees have no intention of subscribing for, purchasing or otherwise acquiring shares in any other company or any organisation.

8.5 Activities for which the Board seeks Compensation from a Local Authority

In the Long Term Plan 2012-22, WCC has allocated funding \$700k for 2014/15 along with an additional \$175k, making total funding for the year \$875k.

The development of the Trust's 10 year sustainable business plan will enable WCC and KST to be in a well informed position to determine what would be the most appropriate level of support required in the longer term.

8.6 Estimate of Commercial Value of Shareholders Investment

Not applicable.

Appendix A: Accounting Policies

BASIS OF REPORTING

a) Basis of Reporting

The financial statements presented here are for the reporting entity, the Karori Sanctuary Trust. The Trust is a charitable trust registered under the Charities Act 2005, established to develop a secure native wildlife sanctuary in the Karori Reservoir valley in the city of Wellington.

The Trust is a qualifying entity within the differential reporting framework issued by the New Zealand Institute of Chartered Accountants. The Trust qualifies on the basis that it has no public accountability (that is: not an issuer as defined under the Financial Reporting Act 1993 nor does it have coercive power to tax, rate or levy to obtain public funds) and is not considered large as defined by the framework. The Trust has taken advantage of all differential reporting concessions available to it except for FRS10 Statement of Cash Flows.

The financial statements have been prepared in accordance with generally accepted accounting practice. The Trust has chosen not to adopt the NZ equivalent to International Financial Reporting Standards (NZ IFRS). The decision not to adopt is consistent with the exemption provided by the Accounting Standard Review Board ("ASRB") Release 9, issued September 2007. ASRB Release 9 provides a choice to certain qualifying entities to either adopt NZ IFRS or to continue to apply NZ Financial Reporting Standards (NZ FRS).

The measurement base adopted is that of historical cost.

Reliance is placed on the assumption that the Trust continues to receive sufficient income to fund ongoing operations.

b) Recognition of Income

Grants are recognised as income when the requirements under the grant agreement have been met. Any grants for which the requirements under the grant agreement have not been completed are carried as liabilities until all the conditions have been fulfilled.

Income received from membership subscriptions is allocated proportionally over the period to which they relate. The unearned portion of subscriptions is shown under current liabilities. Prepaid visits are also treated as current liabilities.

Other income is accounted for on a cash basis.

In the accounts, there is no financial recognition of support given in the form of donated labour and materials.

c) Fixed Assets

Fixed Assets are recorded at cost less accumulated depreciation.

d) Depreciation

Depreciation of fixed assets is calculated on a straight-line basis so as to allocate the cost of the assets over their useful lives as follows:

Predator Fence	25 years
Buildings/Infrastructure	10 - 50 years
Leasehold Improvements	10 - 50 years
Fixtures Plant and Equipment	3 -5 years
Boat	15 years
Vehicles	5 -10 years
Other Assets	3 -5 years

e) Receivables

Receivables are stated at anticipated realisable value.

f) Retail Stock on Hand

Retail stock on hand is stated at the lower of cost and net realisable value. Cost is determined on a first in, first out basis.

g) Goods and Services Tax

The financial statements have been prepared so that all components are stated exclusive of GST with the exception of receivables and payables that include GST invoiced.

h) Income Tax

The Trust being a charitable organisation is income tax exempt under the Income Tax Act 2007.

i) Changes in Accounting Policies

There have been no changes in accounting policies. All policies have been applied on a basis consistent with the prior year.

Appendix B: Zealandia Three-Year Budget

Growth in the general economy is expected to be buoyant over the period of the statement. Indeed, some commentators are looking for growth of over 4% this year alone.

At Zealandia, we plan to capture growth in line with the broader economy and build on our new attractive personality and pricing to drive additional revenue while containing costs through a more efficient structure and investing in areas which will lead to new revenue. The table attached describes our major targets.

In general, the Board and management are taking robust action to bring the operating performance of the business to surplus in the current year. There are early signs that our pricing and market positioning initiatives are bearing fruit. The structure is currently being addressed with a view to achieving an efficient management team which is able to contain management costs and set the business on a long term sustainable path. The Board is confident of delivering a surplus at the operating level before depreciation this year.

Building on this effort will require sustained performance and the Board and management will be using analytical tools to quickly identify and address any signs of deterioration in financial performance which might emerge.

Turning now to planned targets, revenue is planned to broadly follow projected growth in the general economy, supplemented with initiatives and promotions which will help improve visitor numbers, engagement and spend per visitor.

On the cost side, the Board and management will not allow operating costs to exceed general cost inflation, thereby opening up a steady operating improvement arising from the higher revenue growth rate.

Investment is anticipated over time to open up new lines of revenue, for example, with our planned partnership with Victoria University which is well described elsewhere. This investment will come from the balance sheet and cash flows are included in the forecasts.

APPENDIX THREE

Karori Sanctuary Trust

Estimate 30-Jun-14	EARNINGS STATEMENT	Qtr to 30-Sep-14	Qtr to 31-Dec-14	Qtr to 31-Mar-15	Qtr to 30-Jun-15	Total YE 30-Jun-15	Total YE 30-Jun-16	Total YE 30-Jun-17
	Revenue							
2,227,316	Trading Income	376,941	704,985	799,944	429,784	2,311,654	2,370,028	2,429,875
216,047	Sponsorships, Grants and Donations	67,946	67,946	67,946	67,946	271,784	271,784	271,784
875,000	WCC Grants	218,748	218,750	218,751	218,751	875,000	875,000	875,000
19,235	Interest Income	4,500	9,000	4,500	9,000	27,000	27,000	27,000
6,643	Other Income	-	-	-	-	-	-	-
3,344,241	Total Revenue	668,135	1,000,681	1,091,141	725,481	3,485,438	3,543,812	3,603,659
	Expenditure							
1,803,180	Employee Costs	450,693	469,270	473,686	436,242	1,829,891	1,870,792	1,912,607
1,354,013	Other Operating Expenses	327,261	384,539	367,933	370,995	1,450,728	1,484,064	1,518,146
38,503	Interest Expense	10,777	10,434	9,874	9,649	40,734	40,735	40,735
						-		-
3,195,696	Total Expenditure	788,731	864,243	851,493	816,886	3,321,353	3,395,591	3,471,488
148,545	Net Surplus/(Deficit) before Depreciation and Tax	- 120,596	136,438	239,648	- 91,405	164,085	148,220	132,171
926,753	Depreciation	356,871	356,871	356,871	356,871	1,427,484	1,427,484	1,427,484
-	Taxation Expense	-	-	-	-	-	-	-
- 778,208	Net Surplus/(Deficit)	- 477,467	- 220,433	- 117,223	- 448,276	- 1,263,399	- 1,279,264	- 1,295,313
4%	Operating Margin	-18%	14%	22%	-13%	5%	4%	4%

APPENDIX THREE

Actual 30-Jun-14	STATEMENT OF FINANCIAL POSITION	As at 30-Sep-14	As at 31-Dec-14	As at 31-Mar-15	As at 30-Jun-15	As at 30-Jun-16	As at 30-Jun-17
	Shareholder/Trust Funds						
	Share Capital/Settled Funds	5,613,718	5,613,718	5,613,718	5,613,718	4,350,319	3,071,055
	Revaluation Reserves						
	Restricted Funds						
5,613,718	Retained Earnings	- 477,467	- 697,900	- 815,123	- 1,263,399	- 1,279,264	- 1,295,313
5,613,718	Total Shareholder/Trust Funds	5,136,251	4,915,818	4,798,595	4,350,319	3,071,055	1,775,743
	Current Assets						
742,239	Cash and Bank	524,225	725,612	872,374	756,837	663,293	603,035
-	Accounts Receivable	2,651	13,388	16,069	51,000	51,000	51,000
137,489	Other Current Assets	123,766	83,766	53,766	13,766	63,766	63,766
879,728	Total Current Assets	650,642	822,766	942,209	821,603	778,059	717,801
	Investments						
	Deposits on Call						
	Other Investments						
-	Total Investments	-	-	-	-	-	-
	Non-Current Assets						
16,182,777	Fixed Assets	15,825,906	15,532,785	15,175,914	14,847,093	13,549,109	12,218,625
-	Other Non-current Assets	-	-	-	-	-	-
16,182,777	Total Non-current Assets	15,825,906	15,532,785	15,175,914	14,847,093	13,549,109	12,218,625
	Total Assets	16,476,548	16,355,551	16,118,123	15,668,696	14,327,168	12,936,426
	Current Liabilities						
225,672	Accounts Payable and Accruals	160,906	285,342	190,136	213,984	241,805	241,805
97,711	Provisions	178,715	178,715	178,715	178,715	109,718	109,718
278,715	Other Current Liabilities (Incl. Income in Advance)	178,989	178,989	178,989	178,989	257,901	262,471
602,098	Total Current Liabilities	518,610	643,046	547,840	571,688	609,424	613,994
	Non-Current Liabilities						
10,346,689	Loans - WCC	10,346,689	10,346,689	10,346,689	10,346,689	10,346,689	10,346,689
500,000	Loans - Other	474,998	449,998	424,999	400,000	300,000	200,000
	Other Non-Current Liabilities						
10,846,689	Total Non-Current Liabilities	10,821,687	10,796,687	10,771,688	10,746,689	10,646,689	10,546,689
5,613,718	Net Assets	5,136,251	4,915,818	4,798,595	4,350,319	3,071,055	1,775,743
-		-	-	-	-	-	0
1.5	Current Ratio	1.3	1.3	1.7	1.4	1.3	1.2
33%	Equity Ratio	31%	30%	30%	28%	21%	14%

APPENDIX THREE

Actual 30-Jun-14	STATEMENT OF CASH FLOWS	Qtr to 30-Sep-14	Qtr to 31-Dec-14	Qtr to 31-Mar-15	Qtr to 30-Jun-15	Total YE 30-Jun-15	Total YE 30-Jun-16	Total YE 30-Jun-17
	<i>Cash provided from:</i>							
2,227,316	Trading Receipts	376,941	704,985	799,944	429,784	2,311,654	2,370,028	2,429,875
875,000	WCC Grants	218,748	218,750	218,751	218,751	875,000	875,000	875,000
216,047	Sponsorships and Donations	67,946	67,946	67,946	67,946	271,784	271,784	271,784
19,235	Investment Income	4,500	9,000	4,500	9,000	27,000	27,000	27,000
6,643	Other Income	0	0	0	0	0	0	0
3,344,241		668,135	1,000,681	1,091,141	725,481	3,485,438	3,543,812	3,603,659
	<i>Cash applied to:</i>							
1,803,180	Payments to Employees	450,693	469,270	473,686	436,242	1,829,891	1,870,792	1,912,607
1,354,013	Payments to Suppliers	327,261	384,539	367,933	370,995	1,450,728	1,484,064	1,518,146
- 9,560	Net GST Cashflow	72,416	101,449	6,074	33,125	56,084	91,764	45,430
-	Other Operating Costs							
-	Interest Paid							
3,147,633		850,370	752,360	847,693	774,112	3,224,535	3,446,620	3,476,183
196,608	Total Operating Cash Flow	(182,235)	248,321	243,448	(48,631)	260,903	97,191	127,476
	Investing Cash Flow							
	<i>Cash provided from:</i>							
	Sale of Fixed Assets							
0	Other							
0		0	0	0	0	0	0	0
	<i>Cash applied to:</i>							
54,050	Purchase of Fixed Assets	0	11,500	61,813	32,258	105,571	50,000	47,000
	Other							
54,050		0	11,500	61,813	32,258	105,571	50,000	47,000
(54,050)	Total Investing Cash Flow	0	(11,500)	(61,813)	(32,258)	(105,571)	(50,000)	(47,000)

APPENDIX THREE

Actual 30-Jun-14	STATEMENT OF CASH FLOWS (CONT)	Qtr to 30-Sep-14	Qtr to 31-Dec-14	Qtr to 31-Mar-15	Qtr to 30-Jun-15	Total YE 30-Jun-15	Total YE 30-Jun-16	Total YE 30-Jun-17
	Financing Cash Flow							
	<i>Cash provided from:</i>							
	Drawdown of Loans					0		
	Other					0		
0		0	0	0	0	0	0	0
	<i>Cash applied to:</i>							
100,000	Repayment of Loans	25,002	25,000	24,999	24,999	100,000	100,000	100,000
35,203	Interest Paid	10,777	10,434	9,874	9,649	40,734	40,735	40,735
135,203		35,779	35,434	34,873	34,648	140,734	140,735	140,735
(135,203)	Total Financing Cash Flow	(35,779)	(35,434)	(34,873)	(34,648)	(140,734)	(140,735)	(140,735)
7,355	Net Increase/(Decrease) in Cash Held	(218,014)	201,387	146,762	(115,537)	14,598	(93,544)	(60,259)
734,884	Opening Cash Equivalents	742,239	524,225	725,612	872,374	742,239	756,837	663,293
742,239	Closing Cash Equivalents	524,225	725,612	872,374	756,837	756,837	663,293	603,035

APPENDIX THREE

Actual 30-Jun-14	CASH FLOW RECONCILIATION	Qtr to 30-Sep-14	Qtr to 31-Dec-14	Qtr to 31-Mar-15	Qtr to 30-Jun-15	Total YE 30-Jun-15	Total YE 30-Jun-16	Total YE 30-Jun-17
(778,208)	Operating Surplus/(Deficit) for the Year	(477,467)	(220,433)	(117,223)	(448,276)	(1,263,399)	(1,279,264)	(1,295,313)
926,753	Add Non Cash Items							
	Depreciation	356,871	356,871	356,871	356,871	1,427,484	1,427,484	1,427,484
0	Interest paid					0		
148,545		(120,596)	136,438	239,648	(91,405)	164,085	148,220	132,171
	Movements in Working Capital							
13,723	(Increase)/Decrease in Receivables	13,723	(10,737)	(2,681)	(34,931)	(34,626)	0	0
(71,958)	(Increase)/Decrease in Other Current Assets	(92,488)	41,160	30,000	40,000	18,672	(50,000)	0
74,007	Increase/(Decrease) in Accounts Payable	35,848	56,537	(23,519)	37,705	106,571	(3,946)	(2,265)
32,291	Increase/(Decrease) in Other Current Liabilities	(18,722)	24,923			6,201	2,917	(2,430)
48,063		(61,639)	111,883	3,800	42,774	96,818	(51,029)	(4,695)
	Net Gain/(Loss) on Sale:							
	Fixed Assets		0	0	0	0	0	0
	Investments							
0		0	0	0	0	0	0	0
196,608	Net Cash Flow from Operations	(182,235)	248,321	243,448	(48,631)	260,903	97,191	127,476

APPENDIX THREE

Actual 30-Jun-14	STATEMENT OF MOVEMENT IN TRUST FUNDS	Qtr to 30-Sep-14	Qtr to 31-Dec-14	Qtr to 31-Mar-15	Qtr to 30-Jun-15	Total YE 30-Jun-15	Total YE 30-Jun-16	Total YE 30-Jun-17
6,391,928	Trust Funds at beginning of Year	5,613,720	5,136,253	4,915,820	4,798,597	5,613,720	4,350,321	3,071,057
-	778,208 Net Surplus / Deficit - current year	-	477,467	-	220,433	-	117,223	-
5,613,720	Trust Funds at end of Year	5,136,253	4,915,820	4,798,597	4,350,321	4,350,321	3,071,057	1,775,745

Represented by:

5,613,720	Trust- General Operations	5,136,253	4,915,820	4,798,597	4,350,321	4,350,321	3,071,057	1,775,745
		2	2	2	2		2	2

Actual 30-Jun-14	CAPITAL EXPENDITURE	Qtr to 30-Sep-14	Qtr to 31-Dec-14	Qtr to 31-Mar-15	Qtr to 30-Jun-15	Total YE 30-Jun-15	Total YE 30-Jun-16	Total YE 30-Jun-17
-	Property Improvements							
45,000	Computer Equipment			28,750		28,750		
	Other Assets		11,500	33,063	32,258	76,821	18,000	18,000
5,000	Furniture and Fittings and Plant		-				32,000	29,000
50,000	Capital Expenditure	-	11,500	61,813	32,258	105,571	50,000	47,000