



ANNUAL REPORT 2009



CHAIRMAN'S REPORT

It has been an exciting year for the Trust as we prepare to embark on the next major step in our 500-year journey.

In the five years that I have served on the Karori Sanctuary Trust Board, I have witnessed our organisation evolve and adapt into something truly extraordinary. In the past 12 months alone, not only have we been recognised as one of the top 25 eco-restoration projects in Australasia, but also one of New Zealand's top visitor attractions. These successes and the many others you will read about in this Report are a testament to the foresight and hard work of our members, volunteers, staff and stakeholders as well as my fellow trustees past and present.

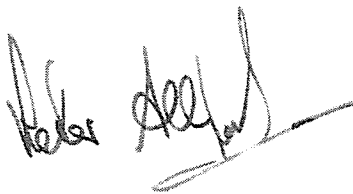
Of course, with such rapid change comes increasing complexity. Our ability to balance our position at the cutting edge of community conservation with managing a major visitor attraction is more important than ever. It also requires a very specific set of skills and experience and I am lucky to be supported by a group of Trustees and Guardians who have that range of abilities. I have every confidence that, with their guidance, the Trust will continue to provide incredible ecological research opportunities; deliver unforgettable visitor experiences and build on its leadership as one of mainland New Zealand's most significant ecological restoration projects. As traditional funding streams become less accessible, it is vital that we become as self-sufficient as possible. Developing our sanctuary experience to attract a wider range of visitors is our key strategy to do this. It isn't just about revenue. Our ability to share our successes, to tell our stories and to showcase what New Zealanders are doing to conserve our unique natural environment is the only way our 500-year vision will be realised. We need to keep the next 25 generations playing an active part in conservation by, at the very least, maintaining our current momentum.

Our successful bid for funding through the Government's Significant Community-based Projects Fund in 2007 was a major breakthrough for the Trust and reflects our growing recognition as a national leader in conservation education. We need to build on this position of leadership. Our new Visitor & Education Centre will be a major part of this. Understandably, this project has continued to dominate staff and board activities over the last 12 months. Final consents were received in July 2008 and civil works commenced shortly after. In November, Wellington City Council agreed to provide an extra loan and transitional funding to cover increased costs as a result of unforeseeable geotechnical problems with the bank behind the building and an unexpected delay in the Council's building consents process. Happily, no further impediments have occurred during this financial year, and the Centre is on schedule to open in April 2010.

In December, Prime Minister John Key unveiled a new brand identity for our total visitor experience - ZEALANDIA: The Karori Sanctuary Experience. Through our new world-class exhibition, we will be showcasing the New Zealand conservation story. The ZEALANDIA brand better reflects this national positioning, whilst still acknowledging our connection at a local level. Importantly, it also enables us to market our unique product to domestic and international visitors far more effectively. This is reflected in the strong support this move has received from Tourism New Zealand, Positively Wellington Tourism and the wider tourism community. Wellington City Council and our business partners have also put their full support behind it as a means of promoting Wellington's biggest tourism development since Te Papa Tongarewa.

As we enter this period of rapid development, significant changes have been made to our board effective as of 25 June 2009. These will strengthen the Trust's governance framework and ensure we have the optimum balance of skills and experience needed to manage the Trust and achieve our objectives. As part of these changes, I have succeeded Richard Bentley as Chairman of the Karori Sanctuary Trust Board. Richard will now chair the newly-created *Guardians of Karori Sanctuary*, whose role will be to appoint trustees and to guard the Trust's vision. I am joined on the Board by Catherine Judd, Prof. Charles Daugherty, Don Huse, Prof. Paul Callaghan, Dr Russell Ballard and Graeme Mitchell. Profiles of our new Trustees and Guardians can be found at the end of this Report.

I would like to acknowledge the hard work and expertise of Richard and his Board - Noel Todd, Andy Foster, Colin Miskelly, Catherine Judd, Stephen Fuller, Peter Love and Charles Daugherty - for their very substantial commitments and contributions and for their ongoing advice and guidance over the last 12 months. Also, I would like to give a big thanks to Chief Executive Nancy McIntosh-Ward and her hard working staff; to the many thousands of individuals and organisations and to the hundreds of volunteers who continue to support us and play an invaluable role in the daily affairs of the Trust.

A handwritten signature in black ink, appearing to read 'Peter Allport', with a long horizontal flourish extending to the right.

Peter Allport
Chairman

CHIEF EXECUTIVE'S REPORT

With our Visitor & Education Centre due to open in April 2010, growing our national and international profile as a leader in ecological restoration and our reputation as a must-see visitor attraction has been a strong driver for us over the past 12 months.

Our conservation work continues to break new ground. In February we discovered mainland New Zealand's first wild-born tuatara in perhaps 200 years and in March we celebrated the second successful year of breeding for our population of Maud Island frogs. For many of our bird species it was another successful breeding season, with kaka fledging a record 59 chicks. This species is now a frequent visitor to parks and gardens throughout Wellington. Our reputation as a leader in eco-restoration continues to grow and our stories and successes are attracting the increasing attention of the world's media. The baby tuatara was reported in daily newspapers around the globe, as was the teenage delinquency exhibited by our juvenile kaka. Various aspects of our conservation work have appeared in publications ranging from the Danish science journal *Illustreret Videnskab* and *BBC Wildlife* magazine through to the UK's *Mail on Sunday*, the USA's *Examiner* and the *International Herald Tribune*.

In August 2008 we were thrilled to be awarded a much-coveted national tourism award - the Tourism Industry Association Award for Conservation in Action. This award recognised 'the leadership, smart thinking and courage required to operate outstanding tourism enterprises.' And in April 2009 we were selected as one of the top 25 ecological restoration projects in Australasia, alongside the Great Barrier Reef and Lord Howe Island, by the Global Restoration Network.

Our local community, through our membership and volunteer programmes, continues to play a significant role in our 500-year journey. We also continue to engage individuals and businesses through a range of donor programmes and sponsorship agreements. The increased profile arising from our new visitor brand has attracted interest from major international companies. In November we officially opened a suspension bridge with a network of tracks thanks to the continuing support of the Keith Taylor Charitable Trust, and in December we had the pleasure of announcing our first principal partner of ZEALANDIA – Mitsubishi Motors NZ. It is also my pleasure to acknowledge New Zealand's premier law firm Russell McVeagh for their most generous provision of *pro bono* legal services to the Trust.

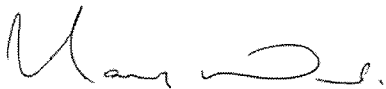
The Visitor & Education Centre is progressing well. Many of you will have seen the hole in the ground take shape as a well-formed building. The exhibitions are under development off site. I would like to make special acknowledgement of the funding we have received from The Holdsworth Charitable Trust for one of the interactive displays.

Developing our local, domestic and international visitor markets has been a major focus for the Sales & Marketing team. The new brand ZEALANDIA: The Karori Sanctuary Experience will be rolled out further at a national and international level as we get closer to the opening of the Visitor & Education Centre. Our unique visitor experiences have been featured in travel articles published in notable publications like Australia's *Melbourne Age*, the UK's *Sunday Times*, and the *Japan Times*.

At a local level, we have continued to deliver a range of public events and promotions aimed at attracting new and repeat visitors. While the economic recession and the building work have certainly affected visitor numbers, causing a slight drop in general admissions from last year, visitor numbers exceeded target and participation in guided tours has increased by 23%.

Education is central to our vision and our education programme continues to go from strength to strength. This year, 5,665 students visited ZEALANDIA or took part in the Trust's outreach programme – slightly below last year's record but well above target.

All of the achievements I have mentioned are a credit to the hard work of trustees, volunteers and staff and the continued support of our members, strategic partners and supporters. I thank all of them for contributing to the success of a critical transitional year for the Trust.



Nancy McIntosh-Ward
Chief Executive



Prime Minister John Key unveils the branded i-Car donated by Mitsubishi Motors NZ (far left)

Members of the Taylor family and the new suspension bridge (left)

THE YEAR'S HIGHLIGHTS

- Being voted one of the top 25 ecological restoration projects in Australasia by the Global Restoration Network in association with the Ecological Society of Australia and the EMR Journal.
- Finding our first baby tuatara - almost certainly the first tuatara to have successfully hatched in the wild on mainland New Zealand for many hundreds of years.
- Winning the Tourism Industry Association of New Zealand award for Conservation in Action.
- Prime Minister John Key launching our new visitor brand: ZEALANDIA.
- Welcoming on board ZEALANDIA's first principal partner – Mitsubishi Motors NZ.
- Hosting UK comedian Stephen Fry and BBC's *Last Chance to See* film crew in December.
- Finding our first New Zealand falcon nest.
- Releasing 89 giant weta – the third of four planned releases and the first from Mana Island.
- Recording ten Maud Island froglets in our frog research area – the second successive year juveniles have been found, and still the only breeding observed outside of captivity.
- Finding black shags nesting for the second year running.
- The most successful breeding season for kaka to date, with 59 fledglings banded.
- Engaging 5,665 students through our education programme – well above target.
- Increasing uptake of guided tours by 23%.
- Making significant enhancements to the visitor experience over the year including a suspension bridge, visible shag roost and a range of interpretative signage.
- Launching a new visitor website www.visitzealandia.com



Our first baby tuatara! Photo: Tom Lynch



Alfie the kaka meets Stephen Fry. Photo: Alan Dicks

CONSERVATION

Key strategic objectives in our conservation management plan are restoring representative flora, fauna, habitats, and re-establishing key natural processes within our 225ha fenced sanctuary with the eventual aim of getting species dispersal and gene flow occurring in the wider ecosystem.

TUATARA

Almost exactly a year after the first confirmation of nesting in March 2008, we were delighted to find our first juvenile tuatara during routine work in the Research Area. This is the first confirmed hatching of a tuatara in the wild on mainland New Zealand in over 200 years. 65% of tuatara released since 2005 have been re-sighted. Measured against the national Tuatara Recovery Group's criterion of at least 30% of released animals being recaptured within three years as a way of establishing translocation success, this survival rate indicates the first ever tuatara transfer to a mainland site has been a success.

MAUD ISLAND FROGS (PAKEKA)

Our annual frog audit to monitor condition and breeding activity was conducted in March. A further ten froglets were discovered – the second consecutive year in which breeding has been observed. This indicates that the first translocation of this species to a mainland site has been successful. Maud Island frogs don't travel far, but at least one sighting of an adult frog has been recorded many metres from the release site by a Night Tour guide, suggesting the population may be dispersing. To minimise disturbance, no frog audit will be carried out in 2009/10.

COOK STRAIT GIANT WETA (WĒTA)

In the third of four planned translocations, 89 giant weta were transferred in February and April – the first to be sourced from Mana Island. Ten animals (six females and four males) were tracked using transmitters (one transmitted animal made the headlines in May when it was swallowed by an eel!) The last of this series of transfers is planned for next year. Initial data from post-release radio tracking undertaken after the first two translocations showed a higher-than-expected survival rate for translocated adults. The study also produced some interesting data on dispersal, with one adult recorded as travelling at least 294m in one night – the equivalent of a human walking over 15km. In spring 2009, research will begin into five potential designs of 'weta hotel' aimed at increasing our ability to detect and monitor giant weta. In the future, these may also provide opportunities for public viewing.

BELLBIRD (KORIMAKO)

At least 88 chicks have fledged from eight known pairs. One pair successfully raised five clutches with at least 16 fledglings, a record for us. Eighty-seven juveniles have been banded (pale green over metal is the cohort colour).

Our bellbird population is still experiencing a serious sex imbalance, with males being a lot more numerous. To help redress the balance, ten females from Kapiti Island were released here in July. An experiment to determine if supplementary food can influence sex ratio of nestlings was undertaken in the 2008/9 breeding season. It will be repeated during the 2009/10 season. Feather samples were taken from all bellbirds handled to allow us to determine the sex ratio of fledglings. Forty-three of 88 bellbird juveniles were female.

A trial in November confirmed the feasibility and safety of attaching transmitters to bellbirds (and hihi) using a leg-hold harness (elastic harness around the legs). Twelve juvenile bellbirds were subsequently fitted with transmitters between January and March to monitor their survival and movements.

KAKA (KĀKĀ)

59 young kaka have been banded this season, the highest number to date. Thirty five were banded before they fledged from nest boxes, while the remainder were caught at the feeders having fledged from natural nests either inside the sanctuary or elsewhere. There was an increase in the number of eggs damaged or abandoned in the nestboxes. This was probably due to interference from juvenile birds (a consequence of too much success!) Monthly feeder surveys by volunteers continue to provide valuable data about the sanctuary's population. Almond treats have been provided since October at midday and at 13:30 in an attempt to increase the visibility of kaka at the feeders.

HIHI (STITCHBIRD)

Fifty-two chicks were banded this season (yellow over metal being the cohort colour), and 12 hihi (six females) were transferred from Pukaha-Mt Bruce to increase population size. In return, one young male was caught and sent to Mt Bruce to be recruited into their captive breeding population. Following a transmitter trial in November when five adult male hihi were successfully fitted with transmitters using a leg-hold harness, nine juvenile hihi were fitted with transmitters between March and April to better enable us to monitor their survival and movements.

Our hihi population is still experiencing a serious sex imbalance, with males being a lot more numerous. The supplementary feeding experiment was also undertaken to see if sex of hihi offspring can be influenced by food quality. Hihi feather and tissue samples have been sent to the UK for sex determination as well as part of a wider study of hihi DNA.

BLACK SHAG (KĀWAU)

Two black shag nests were observed in May, the second year running this species has nested in the sanctuary. We hope these nests will be successful, unlike last year's.

The man-made shag roost on the lower lake has proved popular with the increasing number of pied shags (17 counted in June during the monthly survey by volunteers) and increased visibility of this species.

NEW ZEALAND FALCON (KAREAREA)

In December, the first recorded falcon nest on this side of Wellington Harbour was found – an extremely encouraging sign of falcon recovery in the area. Unfortunately, the nest was later abandoned.

WELLINGTON GREEN GECKO & FOREST GECKO (MOKOMOKO)

Seven green geckos, living here in a specially built enclosure until they reached a year old, were released onto Mātīu/Somes Island with eight others as part of an annual translocation programme. They have been replaced with 14 juvenile green geckos and four juvenile forest geckos.

OTHER SPECIES

North Island robins were resurveyed and the population has increased from 0.7 robins/ha in 2003 to 2.6 robins/ha in 2008. A re-survey of saddlebacks confirm they are widespread with numbers estimated at around 100 birds. Little spotted kiwi continued to be monitored by volunteers between January and March, with a steady upward trend in call rates recorded. Other species released here such as whitehead, weka, saddleback, pateke, and scaup are not now systematically monitored, but are regularly seen.



NZ falcon, nesting for the first time.
Photo: Tom Lynch



Juvenile Wellington green gecko.
Photo: Tom Lynch

FLORA

Almost 750 plants of 13 species were planted in 2008/9 period. Two hundred Northern rata were planted epiphytically on pine, hinau and rewarewa hosts. This was the second part of a joint experiment with Landcare Research and Wellington City Council to determine the best strategy of establishing rata epiphytically. Despite the severe drought that affected the survival rate of the young rata planted the year before, many survived, particularly those on the less exposed hinau.

In an attempt to improve survival of the young bellbirds and hihi we have planted *Banksia* adjacent to tracks. Although they are not native, they are very attractive to nectar feeding birds. They flower for an extended period during autumn and winter when we experience most losses of these birds. We hope that they will reduce dispersal out of the sanctuary to feed on nectar elsewhere.

BIODIVERSITY

Central to our 500-year vision are the control and eventual eradication of all pest species and the restoration of the indigenous character of the valley.

ANIMAL PEST MANAGEMENT

A pest audit was undertaken in February, earlier than in previous years, to increase our surveillance at a time when weasel and rat have been detected (2008). A second audit was undertaken in April 2009 as usual, prior to mouse control in winter. The annual mouse control took place in July 2008 with the entire sanctuary baited on a 25 x 50m grid. Mice were detected in the Research Area in March 2009, two and a half years since the last mouse was detected and caught there (October 2006). Trapping was immediately undertaken and the mice have now been removed.

For the third year running, electric fishing and netting was undertaken by scientists from Waikato University to remove redfin perch from the lower lake. Fishing was done in March as usual, but also in November to see what effect that would have. The removal of perch appears to have truncated the cyanobacteria blooms, supporting earlier research.

PLANT PEST MANAGEMENT

Weed management saw 43 exotic plant species worked on in summer 2008/9. The removal of pest species like honeysuckle and Mexican daisy from the steep banks along Lake Road has made a noticeable difference. The felling of priority boundary pine trees continues.

RESEARCH

Through ZEALANDIA: The Karori Sanctuary Experience, the Trust provides an easily accessible 'living laboratory' where students and scientists can study our plants, animals and ecosystems in the context of a groundbreaking conservation project.

In 2008/9, we hosted eight research projects undertaken by leaders in their field. We also assisted two PhD projects; five MSc projects, three fourth year projects, ten undergraduate projects and a Royal Society teaching fellow. Research was also undertaken by Trust staff.

MAJOR RESEARCH PROJECTS

Bruce Burns and Trust staff	Landcare Research and Karori Sanctuary Trust	Feasibility of establishing rata epiphytically on hinau, rewarewa and pine in several locations
Angela Moles	Victoria University of Wellington	Effect of climate change on herbivory
Stéphane Gautier and Adam Dunford	NIWA	Acoustic survey of perch in the Lower Lake
David Hamilton, Brendan Hicks, Susie Wood and Trust staff	Waikato University, Cawthron Institute and Karori Sanctuary Trust	Effects of perch on cyanobacteria in the Lower Lake
Bruno David, David West and Trust staff	Department of Conservation and Karori Sanctuary Trust	Feasibility of fish repellent trials for fish eradication
Trent Bell	Landcare Research	Gecko monitoring using closed cell foam ACOs on trees
Corinne Watts and Trust staff	Landcare Research and Karori Sanctuary Trust	Survival and dispersal of giant weta following release at ZEALANDIA
Jason Low	Victoria University of Wellington	Addition and subtraction in robins

PhD RESEARCH PROJECTS

Alexis Garland	Victoria University of Wellington	Year to year differences in numerical and spatial cognitive abilities in robins
Joseph Azar	Victoria University of Wellington	Spatial and temporal aspects of song variation in the forest bird community

MSc RESEARCH PROJECTS

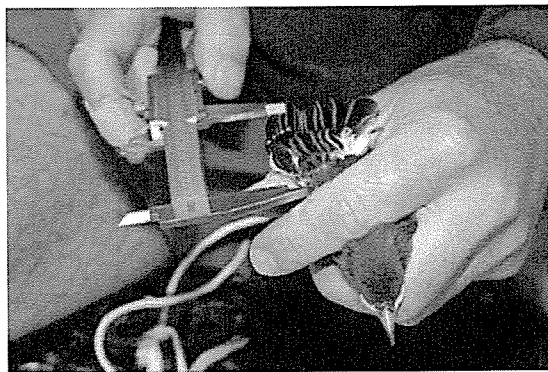
Kerri Lukis	Victoria University of Wellington	Maud Island frogs – survival after release at the ZEALANDIA
Hilary Cresko	Victoria University of Wellington	Factors affecting survival of hihi and bellbird juveniles
Rosemary Rippon	Victoria University of Wellington	Disease issues affecting survival of hihi chicks
Ellen Schoener	Victoria University of Wellington	Parasite infection of hihi and bellbirds
Ignatius Menzies	Victoria University of Wellington	Robin food-caching experiments

3RD AND 4TH YEAR UNIVERSITY RESEARCH PROJECTS

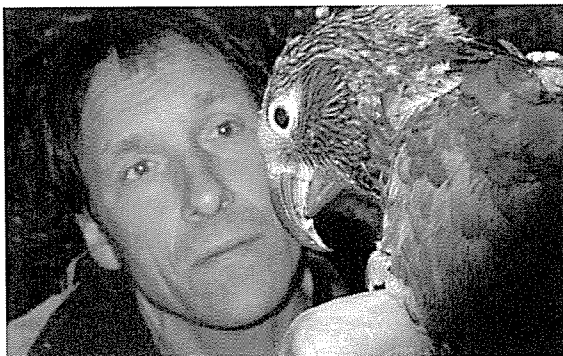
We also supported seven third year projects for a BSc at Victoria University, two third year projects for a BSc at University of New England (NSW), one fourth year project through Massey University, and two fourth year projects (including one BSc Hons project) through Victoria University. One project was also undertaken by a teacher with a Royal Society Fellowship hosted by Victoria University, and a summer research project was undertaken by an undergraduate student supported by Victoria University.



Victoria University student Sean Crossland monitoring tuatara. Photo: Sean Crossland



Hihi being measured and banded
Photo: Tom Lynch



Conservation Officer Matu Booth banding juvenile kaka. Photo: Matt Robertson



Victoria University student Kerri Lukis monitoring Maud Island frogs. Photo: Dave Hansford

EDUCATION

Education is a key objective of the Trust, and is critical to our success. Through ZEALANDIA: The Karori Sanctuary Experience, the Trust provides an easily accessible 'open-air classroom' where students and visitors can gain an understanding and appreciation of our natural heritage and the need for conservation.

2008/9 was another strong year for our LEOTC (Learning Outside of the Classroom) education programme. Bad weather during peak seasons and winter's swine flu outbreak affected our bookings. Even so, 5,665 students visited ZEALANDIA this year or took part in the Trust's outreach programme – slightly below last year's record but well above target. Of particular significance was the participation of a record 23 high schools – 230% above target. The growth in visits from smaller rural schools outside the Wellington region was also encouraging. Teacher evaluation of the Trust's education programme continues to improve, with 97.3% of teachers rating the quality of the programme as excellent or very good.

Our resources continue to be adapted and updated as required. In this period we engaged Lift Education to develop an outline and structure for a new supporting resource. Planning commenced with respect to integrating our new Visitor & Education Centre into our existing programmes.

Contact Energy's support for our education programme concluded in November after seven years' involvement with the Trust. We are most grateful for all the support we have received from them over the years. We also acknowledge Mitsubishi Motors NZ, which, towards the end of this period, sponsored educational visits by around 500 students from schools who had not previously visited ZEALANDIA.



Engaging the next generation of conservationists in our open-air classroom. Photo: Paul Ramos Little



Showing primary school students our 'living dinosaurs' Photo: Paul Ramos Little

FACILITIES & ATTRACTIONS

A number of significant enhancements were made to the visitor experience over the year to make ZEALANDIA more accessible and appealing to all visitor types.

SUSPENSION BRIDGE AND NEW ACCESS TRACKS

The suspension bridge spanning the Beech Track was completed in November. Three link tracks have been cut, linking the bridge with Tui Terrace and the Valley View Track and providing greater public access to the eastern slopes. We are grateful to the Keith Taylor Charitable Trust for financing this project.

VISITOR HUB AT THE UPPER DAM

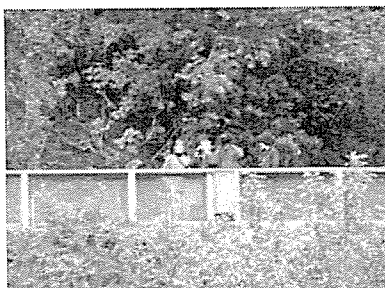
Seating, a shade sail and interpretive signage about forest regeneration and points of interest in the upper dam area have been installed around the viewing platform at the western end of the upper dam.

'SHAG ISLAND' AND VANTAGE POINT

A floating shag roost was installed near to existing roost sites on the eastern banks of the lower lake. It is now a popular roosting site, providing great visibility for visitors. Binoculars and interpretation have been provided at a vantage point above the roost.

SIGNAGE AND DISPLAYS

A range of destination and information signs and interactive displays have been installed to further enhance our visitors' experience. These include a forest gecko enclosure; two looping video displays and associated interpretation about Maud Island frogs and kaka; shag and duck signage; and rotating 'nest cams'.



Visitors enjoy the new vantage point above 'shag island' (far left)

Visitors enjoy the canopy view from the new suspension bridge (left)

RECREATION & TOURISM

The unique visitor experiences we offer are a major asset for the Trust. Developing our sanctuary as a world-class visitor destination is a key element of our vision.

With a major new visitor experience opening next year, developing our domestic and international visitor markets has been an increasingly important focus for the Sales & Marketing team. We worked closely with both Positively Wellington Tourism (PWT) and Tourism New Zealand (TNZ), hosting journalists through the International Media Programme, and attending trade and in-bound tourism events like TRENZ (Tourism Rendezvous New Zealand). In August we accompanied PWT along with other Wellington operators to the UK to present our product to the lucrative European market, and in March we visited Australia. We have also started working more closely with inbound tour operators, cruise ship companies and representatives from the meetings and incentives markets. In September we recruited a full-time Business Development Manager for Tourism to grow these markets.

The new visitor experience has generated a huge amount of interest among existing and new tour operators. Along with the ZEALANDIA brand, this has been a major advance in our ability to sell the complete sanctuary experience to the domestic and international markets. Feedback from the tourism community has been extremely positive and we are already seeing an increase in our products being 'brochured' (e.g. Flight Centre in Australia). The new brand has been rolled out gradually, but already the name and logo appear on and around the Visitor Centre. In February we began to advertise under the new brand. In June we launched our new ZEALANDIA website – www.visitzealandia.com.

Overall, tours have seen a 22.8% increase on last year, with a 28.9% increase in tailored tours. Night tours continue to be popular, particularly with local and international visitors. In August 2008 we received a highly-regarded Tourism Industry Association Award – a significant achievement for a relative newcomer like us. Our unique visitor experiences have been featured in travel articles published in notable publications like the *Financial Times* of London, Australia's *Melbourne Age*, the UK's *Sunday Times*, Air New Zealand's in-flight magazine *Kia Ora* and the *Japan Times*. Our promotional partnership with the *Dominion Post* has given us good visibility in Wellington and the lower North Island.

While both the recession and less favourable weather have affected visitor numbers and caused a slight drop in general admissions, visitor numbers exceeded target. Overall revenue from admissions was still up on last year.

COMMUNITY INVOLVEMENT

Our relationship with the wider community and our ability to effect positive change will underpin the success of our 500-year vision.

Volunteering and membership are central to our successful engagement with our local community. They enable us to directly involve the community in our work and, over time, become our ambassadors. Our 450-plus volunteers have committed a total of over 25,000 hours this year, and have supported us in over 25 different functions from office administration to delivering our visitor experiences. Membership continues to be a popular option for people who have less time to offer but still want to get involved. We saw a slight decrease of 261 member units this year, but numbers are still strong with 5,300 memberships recorded as at the end of the financial year. We are extremely grateful to all volunteers and members for their continued support.

Public events also play an important part in engaging the community in our vision. We have continued to deliver a range of educational events, such as Behind the Scenes Day and Lizard Day, as well as more family-focused activities like storytelling, art and craft workshops and nature trails that enable us to grow our audience base. For the first time this year we supported Earth Hour, a worldwide environmental awareness event hosted by Wellington City. We also supported national initiatives such as Children's Day, Conservation Week and Arbor Day.

To support those people with less disposable income, targeted concessions aimed at card-carrying seniors and students have been launched during this period. Free weekend Ranger Talks, first introduced in September, have proved extremely popular. They not only add value to a general admission, but also provide us with a valuable new way to directly engage visitors.

Engaging people outside the sanctuary is important to growing our support base. In this period we took part in a range of activities around Wellington including running stalls at the Karori Karnival and Out in the Square and participation in the Johnsonville and Farmers' Christmas Parades. We have also sponsored more than 30 local schools, kindergartens and local fundraising initiatives through the donation of passes and other prizes.

At a strategic level, we operate within a strong national network to share our learning, seek assistance if required and inspire others. We continue to work collaboratively with organisations like Forest & Bird, The Ornithological Society of New Zealand, The Combined Rotary Clubs of Wellington, and the Lions.

FUNDRAISING

Income from appeals, donations and bequests will always be vital to the success of the Trust's vision. Over the year \$223,974 was generated through appeals, donations and bequests. Last year we raised \$185,292 (excluding \$213,650 for capital fundraising toward the Visitor & Education Centre), an increase of 20.9 per cent over the previous year. Major operational fundraising activities in this period included the annual appeal week and street collection; the annual quiz night and auction; and the 'Adopt-a-Hectare' scheme. This year our appeal and quiz recorded our best results ever, raising more than \$26,500 and \$16,500 respectively in donations and in-kind services. We are sincerely grateful to the many thousands of donors who have given very generously.

FINANCE

Total revenue at \$3,884,364 was \$640,263 down on last year's \$4,524,627. Excluding government grant for the Visitor & Education Centre, revenue at \$2,202,590 was lower than last year of \$3,249,874. This was primarily due to the variability of Council funding from year to year. However, small increases were still seen in membership subscriptions and admissions.

Total expenditure at \$2,193,085 was \$281,100 higher than last year of \$1,911,985. Apart from general cost escalations, the increase was due to costs relating to the development of visitor experiences and displays, various marketing activities including the redevelopment of the web site, branding, market research, and other costs associated in the development of infrastructure in preparation for the opening of the Visitor & Education Centre.

For the year ended 30 June 2009, the Trust recorded an operating surplus of \$1,691,279 as compared with last year's surplus of \$2,612,642. Excluding government grants, the surplus was \$9,505 as compared with last year surplus of \$1,337,889. As discussed above, the variation in surplus from year to year is primarily due to the variability of Council funding.

As at 30 June 2009, net assets stood at \$6,457,326 as against \$4,766,047 last year. Fixed assets at \$10,941,712 were significantly increased from last year due mainly to the costs of the Visitor & Education Centre. Cash at bank was \$4,840,999 with outstanding creditors of \$800,111; \$100,000 grants in advance; and \$108,333 of the current portion of The Community Trust loan payable. The cash balance is required to provide for transitional funding for the next couple of years and for the Visitor & Education Centre Project. Capital commitment as at balance date was \$6,630,000, primarily related to contracts let to the Visitor & Education Centre Project.

ACKNOWLEDGEMENTS

The ongoing support of individuals and organisations through grants, donations, sponsorships, subscriptions, technical advice and in-kind support remains absolutely critical to the Trust's ongoing viability. We sincerely thank the following for their support in 2008/9.

STRATEGIC PARTNERS

We gratefully acknowledge the ongoing support of our six strategic partners:

Wellington City Council	Te Ati Awa Tenth Trust
Department of Conservation	Community Trust of Wellington
Victoria University of Wellington	Greater Wellington Regional Council

PRINCIPAL SPONSORS & PARTNERS

The Trust would like to thank our major sponsors and partners for their support:

Mitsubishi Motors New Zealand	<i>A principal partner of ZEALANDIA</i>
Keith Taylor Charitable Trust	<i>Keith Taylor Wetland Trail and the Suspension Bridge</i>
The Todd Corporation & The Todd Foundation	<i>Charles & Mary Todd Heritage Trail</i>
The Fletcher Trust	<i>Fletcher Trust Kiwi Trail</i>
Wellington City Council	<i>Interest-free loan of up to \$10.38m committed to the new Visitor & Education Centre; operations grant.</i>
New Zealand Government – Significant Community-Based Projects Fund	<i>\$6.523m grant towards the Visitor & Education Centre</i>
Contact Energy Ltd	<i>Principal sponsor of our education programme</i>
The Holdsworth Charitable Trust	<i>Interactive exhibition in the new Visitor Centre</i>

OTHER FUNDERS

The Trust especially thanks the following people and organisations for their generous grants, donations and sponsorships over the previous 12 months:

Dorothy L Newman Charitable Trust	<i>Kaka and Maud Island Frog Interpretative Displays</i>
Lottery Environment & Heritage	<i>Funding for boat shed and valve tower restoration and pontoon walkway</i>
Ministry of Education	<i>Learning Experiences Outside the Classroom funding</i>
Ron Greenwood Environmental Trust	<i>Dissolved Oxygen Meter</i>
Lions Clubs of Wellington Region	<i>Wetland planting maintenance</i>
Mainland Foundation	<i>Bellbird & Hihi research</i>
Trusts Charitable Foundation	<i>Lizard Display Enclosure</i>
Pelorus Trust	<i>Scientific Instruments</i>
Southern Trust	<i>Two-way Radios</i>
TechSoup / Microsoft	<i>Computer Software</i>
ESRI	<i>Global Positioning Software</i>
WWF	<i>Bellbird & Hihi Research</i>
Woolyarns Ltd.	<i>Annual donation</i>
Cadbury Freddo	<i>Donation to frog work in lieu of event hosting fees</i>
Dominion Post	<i>Promotional partnership</i>
The Fisher Family	<i>Donations through the Adopt an Acre programme</i>

PRO BONO & OTHER SUPPORT

The Trust is grateful to the following people and organisations that have provided us with pro bono services and other support this year:

Russell McVeagh	<i>All legal services</i>
Go Wellington	<i>Two branded buses</i>
Designworks	<i>Design partners</i>
Charles Daugherty, George Gibbs, Jim Lynch, Murray Williams, John Dawson, Colin Miskelly, Stephen Fuller	<i>Exhibitions content committee</i>
Department of Conservation	<i>Support and advice for conservation programme and translocations from Matiu-Somes, Kapiti and Mana Islands and Pukaha-Mt Bruce</i>
Te Ati Awa, Wellington Tenth Trust & Ngati Toa	<i>Support for various translocations</i>
Victoria University, Massey University, Waikato University, NIWA, Landcare Research, Cawthron Institute & Wellington Zoo	<i>Support for conservation & research</i>
Beca Carter Hollings & Ferner	<i>Engineering advice</i>
Bivouac and Mountain Designs	<i>Discounts on abseil equipment for weed team</i>
Wellington City Council	<i>Weed and vegetation removal, tree felling and mulching, supply of rata and aborist's support for epiphytic trials and vegetation mowing</i>
Steve Douché – Transmission Productions	<i>Filming</i>
TNT Express	<i>Courier service for conservation samples</i>
Peter Daniel, Paul Ramos Little, Peter Reese, Chris Moore & Russell Potts	<i>Donation of photographs</i>
NIWA	<i>Loan of weather recording instruments for evaluating power generation in the valley</i>
Allied Telesyn	<i>Infrastructure equipment</i>
PricewaterhouseCoopers	<i>Audit</i>

Forest & Bird	<i>Plant supply and nursery management</i>
A. J. Wills	<i>Computer and internet support</i>
Grant Nalder and Ollie Muller	<i>Technical advice and training for Ara Kawanui</i>
Intergen	<i>System analysis, project management and advice</i>
TSB Bank and Wellington City Council	<i>Mobility scooter for visitors</i>
Wellington Botanical Society	<i>Botanical advice and support for conservation</i>

BUSINESS GOES BUSH & CORPORATE MEMBERS

The Trust gratefully acknowledges the support of the following businesses for their financial support this year through our corporate engagement programmes:

Bolton Hotel (Business Goes Bush)	Label & Litho Ltd (Business Goes Bush)
Fraser Brown & Stratmore Ltd (Business Goes Bush)	Kenex Knowledge Systems Ltd (Corporate Member)
Greater Wellington Regional Council (Business Goes Bush)	Regional Wines & Spirits Ltd (Business Goes Bush)
Griffin Savage & Co (Business Goes Bush)	Trade Me (Business Goes Bush)
Intergen (Business Goes Bush)	YAF Consulting Ltd (Corporate Member)
Youth Hostel Association of NZ Inc. (Corporate Member)	

HUMAN RESOURCES

This year we said farewell to Visitor Centre Supervisors Megan Brownlie and Samwell Warren and tour guides Ben Smith and Claire Pascoe. Both Conservation Officer Matt Robertson and Retail Development Coordinator Karryn Baudet took parental leave.

Richard Fewtrell joined the team as Business Development Manager – Tourism; with Amanda Macek as Retail Coordinator. Allison McPherson, Alex Revell, Tracey Dearlove, Claire Powell, Liz Willoughby-Martin and Kathy Luke joined us as casual visitor centre supervisors and tour guides.

Karori Reservoir Wildlife Sanctuary Trust (Inc.)

Financial Statements

For the year ended 30 June 2009

TRUSTEE PROFILES

Peter Allport - Chair	Peter is an experienced businessman, holding CEO/Board positions in many organisations. He was Chairman of Tourism New Zealand and the Commerce Commission and is the Honorary Consul of Mongolia. Peter joined the Board of Trustees in 2004 and was appointed to the Chair in 2009.
Catherine Judd	Catherine is Managing Director of Awaroa Partners Ltd, a company specialising in strategic communications and marketing, and a consultant for the New Zealand Business Roundtable and other corporate clients. She has many years experience in senior communications roles and directorships in the public, private and not-for-profit sector. She joined the Board of Trustees in 2006.
Don Huse	Don is a company director. He has had senior roles in a range of enterprises, including Auckland, Sydney and Wellington Airports and WWF - New Zealand. He was an advisory trustee of the Karori Sanctuary Trust in 1996/97 and joined the Board of Trustees in 2009.
Professor Charles Daugherty	Charles is Assistant Vice-Chancellor (Research) at Victoria University. His research interests focus on evolutionary and population biology of vertebrates, conservation genetics, and ecological restoration. He joined the Board of Trustees in 2007.
Graeme Mitchell	Graeme has a finance background. He is a chartered accountant, recently retired from Deloitte, Wellington, where he was an Audit and Assurance partner for over 28 years. He is a Member of Council of Victoria University of Wellington, a Director of Barnados New Zealand and Honorary Consul General for Norway. He joined the Board of Trustees in 2009.
Professor Paul Callaghan	Paul is the Alan MacDiarmid Professor of Physical Sciences at Victoria University and the founding Director of the MacDiarmid Institute for Advanced Materials and Nanotechnology. He has published around 240 articles in scientific journals and is a regular speaker on science matters.
Dr Russell Ballard	Russell holds several Board appointments and was recently elected Chancellor of Massey University. He has over 60 articles published in various science journals and books, and was made a Companion of the New Zealand Order of Merit in 1994.

GUARDIANS

Richard Bentley, CMNZ	Richard has held senior management roles in industry and is now a professional company director, serving on boards in both the private and public sector and chairing many of them. He became involved with the Trust in 1997 and joined the Board in 1998. From July 2002 to June 2009, he held the position of Chair. In June 2009 he was appointed a Guardian.
Stephen Fuller	Stephen has been involved with the Trust since its inception, first as Project Manager and then as General Manager. From November 2002 - June 2009 he sat on the Trust Board. He was appointed a Guardian in June 2009. He currently works for an environmental consultancy firm.
Dr. Colin Miskelly	Colin trained as an ecologist and is now working at Department of Conservation. He was a member of the Trust's original steering committee in 1993-5 and was a Trustee from 1999 to 2007. He has published over 70 scientific papers and books on topics including threatened species management, pest eradication and ecological restoration. Colin also organised the Ornithological Society bird counts in the sanctuary. He was appointed a Guardian in June 2009.
Peter Love	Peter is a Manager/Trustee of the Wellington Tenth Trust, which represents the Te Atiawa iwi (mana whenua) of Wellington. In 2000 he joined the Board of Trustees, and became a Guardian in June 2009.
Jim Lynch QSM	Jim was the originator of the sanctuary concept and founder of the Trust in the early 1990s. He is a self-employed designer of large scale management systems and training programmes for major organisations and has wide experience of ecology and conservation management at a national level. In 2001 he was awarded the QSM for services to conservation in Wellington. In November 2007 he was appointed Founder-Vice Patron of Karori Sanctuary Trust and in June 2009, appointed as a Guardian.
Michael Morris ONZM	Michael is a chartered accountant by profession who has held senior directorship roles in many industries and has served on many boards in the private and community sector, chairing many of them. He was Chairman of the Karori Sanctuary Trust from 1995-2002 and since then has been Vice-Patron. In 1997 Michael received the award of Officer of the New Zealand Order of Merit for his services to business and the community. He was appointed a Guardian in June 2009.
Andy Foster	Andy Foster is a Wellington City Council Councillor, a founding trustee and was a representative for the Wellington City Council on the Karori Sanctuary Trust Board for many years. Andy is an active volunteer of the Trust and has been involved with the Trust since its inception.

DIRECTORY

Patron and Vice-Patron

Sir Michael Hardie Boys (Patron)
Michael Morris (Vice-Patron)
James Lynch (Founder Vice-Patron)

Trustees (until 25 June 09)

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

Trustees (varying from 1 - 25 June 09)

Peter Allport, Chairman
Catherine Judd
Prof. Charles Daugherty
Don Huse
Dr Russell Ballard
Prof. Paul Callaghan
Graeme Mitchell

Advisory Trustee

Ben Hippolite

Guardians

Richard Bentley
Jim Lynch
Michael Morris
Andy Foster
Stephen Fuller
Peter Love
Dr Colin Miskelly

Management

Nancy McIntosh-Ward, Chief Executive
Diana Dobbinson, Sales & Marketing Manager
Ken Drayton, Office Manager
Neil Anderson, Facilities & Operations Manager
Raewyn Empson, Conservation Manager

Office

31 Waiapu Road, Karori
PO Box 9267
Wellington
Phone: (04) 920-9200
Facsimile: (04) 920-9000
Email: info@sanctuary.org.nz
Website: www.sanctuary.org.nz

Honorary Solicitors

Russell McVeagh

Bankers

Westpac

Auditors

PricewaterhouseCoopers

Karori Sanctuary Trust (Inc.)
Statement of Financial Performance
For the year ended 30 June 2009

	Note	2009 \$	2008 \$
Operating Revenue			
Membership Subscriptions		266,137	262,848
Public Donations		223,974	398,942
Grants - Sundry Projects		763,123	1,704,437
Government Grant -Visitor & Education Centre	7	1,681,774	1,274,753
Admissions		554,688	441,695
Retail Sales		142,467	196,935
Interest Received		217,713	186,669
Other		<u>34,488</u>	<u>58,348</u>
Total		3,884,364	4,524,627
Operating Expenses			
Conservation & Operation		104,008	131,600
Facilities Maintenance & Services		77,726	75,375
Community & Visitor		331,514	187,780
Cost of Goods Sold		83,527	142,276
Administration & Management		108,151	95,897
Audit Fees		8,400	8,400
Personnel Costs		1,175,979	988,809
Interest		105,449	91,171
Depreciation	2	<u>198,331</u>	<u>190,677</u>
Total		<u>2,193,085</u>	<u>1,911,985</u>
Operating Surplus		<u><u>1,691,279</u></u>	<u><u>2,612,642</u></u>

The accompanying notes on pages 5 to 10 form an integral part of these financial statements.

Karori Sanctuary Trust (Inc).
Statement of Movements in Equity
For the year ended 30 June 2009

	2009 \$	2008 \$
Accumulated Funds at Beginning of Year	4,766,047	2,153,405
Net Surplus for Year	<u>1,691,279</u>	<u>2,612,642</u>
Total Recognised Revenues and Expenses for the Period	<u>1,691,279</u>	<u>2,612,642</u>
Accumulated Funds at End of Year	<u><u>6,457,326</u></u>	<u><u>4,766,047</u></u>

The accompanying notes on pages 5 to 10 form an integral part of these financial statements.

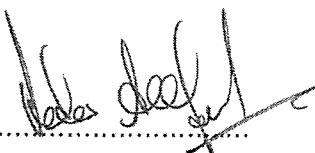
Karori Sanctuary Trust (Inc.)


Statement of Financial Position

As at 30 June 2009

	Note	2009 \$	2008 \$
Equity			
Accumulated Funds		<u>6,457,326</u>	<u>4,766,047</u>
Represented by:			
Current Assets			
Cash and Bank		4,840,999	3,567,299
Accounts Receivable		39,056	39,896
Stock on Hand		<u>23,872</u>	<u>22,826</u>
Total Current Assets		4,903,927	3,630,021
Non Current Assets			
Fixed Assets	5	<u>10,941,712</u>	<u>4,539,543</u>
Total Non Current Assets		<u>10,941,712</u>	<u>4,539,543</u>
Total Assets		<u>15,845,640</u>	<u>8,169,564</u>
Current Liabilities			
Creditors		800,111	272,641
Grants Received in Advance - Sundry		-	78,667
Grants Received in Advance - Visitor & Education Centre	7	100,000	-
Community Trust Loan	6	108,333	108,333
Accrued Holiday Pay		104,994	87,059
Unearned Subscription Income		130,463	123,624
GST to Pay/(Refund)		<u>77,589</u>	<u>(58,571)</u>
Total Current Liabilities		1,321,490	611,753
Term Liabilities			
Community Trust Loan	6	1,000,000	1,100,000
Wellington City Council Loan	7	<u>7,066,823</u>	<u>1,691,764</u>
Total Liabilities		<u>9,388,313</u>	<u>3,403,517</u>
Net Assets		<u>6,457,326</u>	<u>4,766,047</u>

The Board of Trustees authorised the financial statements for issue on 27 August 2009.


 Chairman: Peter Allport


 Trustee: Graeme R. Mitchell

Date:

Date:

The accompanying notes on pages 5 to 10 form an integral part of these financial statements.

Karori Sanctuary Trust (Inc).

Statement of Cashflow

For the year ended 30 June 2009

	Note	2009 \$	2008 \$
Cash Flows from Operating Activities			
Cash was Provided from:			
Membership Subscriptions		271,591	269,487
Donations		224,024	398,892
Sundry Project Grants		698,120	1,537,343
Interest Received		201,135	186,669
Admissions and Other Income		736,731	677,344
		<u>2,131,601</u>	<u>3,069,735</u>
Cash was Applied to:			
Payments to Suppliers and Employees		(2,006,532)	(1,611,959)
Interest Costs		(105,449)	(91,171)
Net GST Paid/(Refund)		136,160	(60,316)
Net Cash Flows from Operating Activities	8	<u>155,780</u>	<u>1,306,289</u>
Cash Flows from Investing Activities			
Cash was Applied to:			
Purchase of Plant, Equipment & Other Assets		(5,938,913)	(1,734,397)
Net Cash Flows from Investing Activities		<u>(5,938,913)</u>	<u>(1,734,397)</u>
Cash Flows from Financing Activities			
Cash was Provided from:			
Loan from Wellington City Council - Visitor & Education Centre	7	5,375,059	1,691,764
Government grant - Visitor & Education Centre	7	1,681,774	1,274,753
Other grant -Visitor & Education Centre	7	100,000	-
Cash was Applied to:			
Repayment of Loan	6	(100,000)	(100,000)
Net Cash Flows from Financing Activities		<u>7,056,833</u>	<u>2,866,517</u>
Net Increase / (Decrease) in Cash		1,273,700	2,438,409
Opening Cash		3,567,299	1,128,890
Closing cash		<u>4,840,999</u>	<u>3,567,299</u>
Cash and Cash Equivalents Comprise			
Cash and Bank Balances		<u>4,840,999</u>	<u>3,567,299</u>

The accompanying notes on pages 5 to 10 form an integral part of these financial statements.

Karori Sanctuary Trust (Inc.)
Notes to the Financial Statements
For the year ended 30 June 2009

1. Statement of Accounting Policies

i. 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.

ii. 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.

iii. Fixed Assets

Fixed Assets are recorded at cost less accumulated depreciation.

iv. 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

v. Receivables

Receivables are stated at anticipated realisable value.

Notes to the Financial Statements
For the year ended 30 June 2009

vi. 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.

vii. 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.

viii. Income Tax

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

ix. 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.

2008 comparative figures have been adjusted where appropriate to be consistent with 2009 categorisation.

2. Depreciation

	2009	2008
	\$	\$
Trust Buildings	50,297	40,512
Leasehold Improvements	15,046	13,827
Predator Fence	92,156	92,156
Fixtures, Plant & Equipment	8,935	15,018
Vehicles	9,357	10,634
Other Assets	<u>22,540</u>	<u>18,530</u>
Total Depreciation	<u>198,331</u>	<u>190,677</u>

Karori Sanctuary Trust (Inc.)
Notes to the Financial Statements
For the year ended 30 June 2009

3. Lease Commitments

i. Sanctuary Land

The Trust is a party to an agreement with the Wellington City Council and Wellington Regional Council for the transfer of the sanctuary Land and its ultimate lease to the Karori Sanctuary Trust. The lease agreement is currently being finalised.

ii. Trust Offices

The Trust leases its office building from the Wellington City Council at an annual rental of \$7,280 (2008 - \$7,280).

iii. Photocopier & Eftpos Terminal

The photocopier is leased from Canon Finance as at 30 June 2009. The commitment for the coming year is \$2,387. The remaining lease payments after that year are \$5,173. The lease is set to expire at 22 August 2012.

The eftpos terminals are leased from Westpac Finance as at 30 June 2009. The commitment for the coming year is \$1,584. The remaining lease payments after that year are \$1,320. The lease is set to expire on 16 April 2011.

4. Capital Commitments

As at 30 June 2009 the Trust had estimated capital commitments of \$6,630,000 primarily made up of Visitor & Education Centre capital expenditure (2007 \$2,708,000).

Karori Sanctuary Trust (Inc.)
Notes to the Financial Statements
For the year ended 30 June 2009

5. Fixed Assets

	Cost	Accumulated Depreciation	Book Value 2009
	\$	\$	\$
Trust Buildings	1,392,733	282,806	1,109,927
Leasehold Improvements	325,314	130,413	194,901
Predator Fence	2,303,895	849,492	1,454,403
Fixtures, Plant & Equipment	106,605	93,414	13,191
Vehicles	126,096	47,170	78,926
Other Assets	285,260	221,613	63,647
Capital Works in Progress – Visitor & Education Centre	7,990,915	-	7,990,915
Capital Works in Progress – Sundry	35,802	-	35,802
TOTAL	12,566,620	1,624,908	10,941,712

	Cost	Accumulated Depreciation	Book Value 2008
	\$	\$	\$
Trust Buildings	1,061,336	232,509	828,827
Leasehold Improvements	276,542	115,367	161,175
Predator Fence	2,303,895	757,336	1,546,559
Fixtures, Plant & Equipment	100,329	84,479	15,850
Vehicles	121,652	37,814	83,838
Other Assets	264,049	199,073	64,976
Capital Works in Progress - Visitor & Education Centre	1,767,340	-	1,767,340
Capital Works in Progress - Sundry	70,978	-	70,978
TOTAL	5,966,121	1,426,578	4,539,543

Karori Sanctuary Trust (Inc.)
Notes to the Financial Statements
For the year ended 30 June 2009

6. Community Trust Loan

The Trust received a loan of \$1,500,000 in 1999 from the Community Trust of Wellington to fund the construction of the predator fence with the Wellington City Council as a guarantor for this loan. Repayment commenced in 2005/6 over a 15 year period. Interest payments commenced in 2004/5.

The current portion of the term liability as at 30 June 2009 was \$100,000. In addition \$8,333 was accrued being the June repayment payable in July.

7. Visitor & Education Centre

The Visitor & Education Centre is funded through:

Government

In 2007, the Trust received a grant of up to \$6.523m from the Government's Significant Community Based Projects Fund for contribution towards the Visitor & Education Centre Project. The Significant Community Based Projects Fund was established to support major community based projects of regional and national significance.

The amount shown in the financial statements reflects government grant drawn down for the financial year. As at 30 June 2009, \$3.566m has not been drawn down.

Wellington City Council

In 2007, an interest free limited recourse loan agreement of \$8,000,000 was entered into with the Wellington City Council to assist the development of the Visitor & Education Centre Project. This loan facility was further increased during the current financial year to \$10,380,000 subject to the Trust meeting certain conditions. These conditions were satisfied subsequent to balance date, but before the financial statements were authorised for issue.

The amount shown in the financial statements reflects advances drawn down as at 30 June 2009. As at 30 June 2009 \$3.313m has not yet been drawn down. The loan is repayable over 25 years according to the terms of the loan agreement.

Community

A community fundraising programme was launched in 2007. Since then \$307,000 has been raised. Of this \$100,000 was shown as grant in advance as they relate to specific exhibits which will be spent in the new financial year.

Karori Sanctuary Trust (Inc.)
Notes to the Financial Statements
For the year ended 30 June 2009

8. Reconciliation of Cash Flow Statement

Reconciliation of Net Cashflow from Operating Activities with Operating Surplus

	2009	2008
	\$	\$
Net Surplus on Operations	1,691,279	2,612,642
Deduct Transfer to "Cash Flows from Financing Activities"		
Government Grant - Visitor & Education Centre	(1,681,774)	(1,274,753)
 Add / (Deduct) Non Cash Items		
Depreciation	198,331	190,677
Donations Received in Prior Year - Visitor & Education Centre	-	(207,650)
 Add / (Deduct) Movements in Working Capital Items		
Decrease / (Increase) in GST Receivable	136,160	(60,316)
Decrease / (Increase) in Stock on Hand	(1,045)	6,852
Decrease / (Increase) in Accounts Receivable	840	(34,391)
(Decrease) / Increase in Income in Advance	(71,829)	62,822
(Decrease) / Increase in Accounts Payable from Operations	(116,182)	10,406
	<u>(52,056)</u>	<u>(14,627)</u>
 Net Cash Flow from Operating Activities	 <u>155,780</u>	 <u>1,306,289</u>

9. Related Party Transactions

During the year, there have been no material related party transactions.

**Auditors' Report to the Members of
Karori Sanctuary Trust (Inc.)**

We have audited the financial statements on pages 1 to 10. The financial statements provide information about the past financial performance and cash flows of Karori Sanctuary Trust (Inc.) ("the Trust") for the year ended 30 June 2009 and its financial position as at that date. This information is stated in accordance with the accounting policies set out on pages 5 to 6.

Trustees' Responsibilities

The Trustees are responsible for the preparation and presentation of financial statements which present fairly the financial position of the Trust as at 30 June 2009 and its financial performance and cash flows for the year ended on that date.

Auditors' Responsibilities

We are responsible for expressing an independent opinion on the financial statements presented by the Trustees and reporting our opinion to you.

Basis of Opinion

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. It also includes assessing:

- (a) the significant estimates and judgements made by the Trustees in the preparation of the financial statements; and
- (b) whether the accounting policies used and described on pages 5 to 6 are appropriate to the circumstances of the Trust, consistently applied and adequately disclosed.

We have conducted our audit in accordance with generally accepted auditing standards in New Zealand. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

We have no relationship with or interests in the Trust other than in our capacity as auditors.

Qualification

In common with other organisations of a similar nature, control over the revenues from contributions and donations prior to being recorded is limited. It was not practicable to extend our examination of contributions and donations beyond the accounting for amounts received as shown by the accounting records of the Trust, or to determine the effect of the limited control.



Auditors' Report

Karori Sanctuary Trust (Inc.)

Qualified Opinion

In this respect alone we have not obtained all the information and explanations we have required.

In our opinion, except for adjustments, if any, that might have been necessary had we been able to obtain sufficient evidence concerning contributions and donations, the financial statements:

(a) comply with generally accepted accounting practice in New Zealand; and

(b) present fairly the financial position of the Trust as at 30 June 2009 and its financial performance and cash flows for the year ended on that date.

Our audit was completed on 27 August 2009 and our qualified opinion is expressed as at that date.

A handwritten signature in cursive script that reads "Price Waterhouse Coopers".

Chartered Accountants

Wellington