

WELLINGTON ZOO TRUST

FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2012

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Independent Auditor's Report

To the readers of Wellington Zoo Trust's financial statements and statement of service performance for the year ended 30 June 2012

The Auditor-General is the auditor of Wellington Zoo Trust (the Trust). The Auditor-General has appointed me, J.R. Smail, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and statement of service performance of the Trust on her behalf.

We have audited:

- the financial statements of the Trust on pages 6 to 29, that comprise the statement of financial position as at 30 June 2012, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the statement of service performance of the Trust on page 30.

Opinion

In our opinion:

- the financial statements of the Trust on pages 6 to 29:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect the Trust's:
 - financial position as at 30 June 2012; and
 - financial performance and cash flows for the year ended on that date; and
- the statement of service performance of the Trust on page 30:
 - complies with generally accepted accounting practice in New Zealand; and
 - fairly reflects the Trust's service performance achievements measured against the performance targets adopted for the year ended 30 June 2012.

Our audit was completed on 10 August 2012. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Trustees and our responsibilities, and we explain our independence.

Basis of opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the financial statements and statement of service performance are free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements and statement of service performance. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements and statement of service performance. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements and statement of service performance, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the preparation of the Trust's financial statements and statement of service performance that fairly reflect the matters to which they relate. We consider internal control in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Trustees;
- the adequacy of all disclosures in the financial statements and statement of service performance; and
- the overall presentation of the financial statements and statement of service performance.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and statement of service performance. We have obtained all the information and explanations we have required and we believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Responsibilities of the Trustees

The Trustees are responsible for preparing financial statements and a statement of service performance that:

- comply with generally accepted accounting practice in New Zealand;
- fairly reflect the Trust's financial position, financial performance and cash flows; and
- fairly reflect its service performance achievements.

The Trustees are also responsible for such internal control as it determines is necessary to enable the preparation of financial statements and a statement of service performance that are free from material misstatement, whether due to fraud or error.

The Trustees responsibilities arise from the Local Government Act 2002 and the Trust Deed.

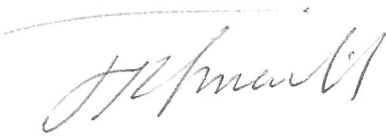
Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the financial statements and statement of service performance and reporting that opinion to you based on our audit. Our responsibility arises from section 15 of the Public Audit Act 2001 and section 69 of the Local Government Act 2002.

Independence

When carrying out the audit we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the New Zealand Institute of Chartered Accountants.

Other than the audit, we have no relationship with or interests in the Trust.



J.R. Smaill
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand

Matters relating to the electronic presentation of the audited financial statements and statement of service performance

This audit report relates to the financial statements and statement of service performance of the Wellington Zoo Trust for the year ended 30 June 2012 included on the Wellington Zoo Trust's website. The Wellington Zoo Trust's Trustees are responsible for the maintenance and integrity of the Wellington Zoo Trust's website. We have not been engaged to report on the integrity of the Wellington Zoo Trust's website. We accept no responsibility for any changes that may have occurred to the financial statements and statement of service performance since they were initially presented on the website.

The audit report refers only to the financial statements and statement of service performance named above. It does not provide an opinion on any other information which may have been hyperlinked to or from the financial statements and statement of service performance. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements and statement of service performance and the related audit report dated 10 August 2012 to confirm the information included in the audited financial statements and statement of service performance presented on this website.

Legislation in New Zealand governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.

Statement of Compliance and Responsibility

For the year ended 30 June 2012

Compliance

The Board and management of the Wellington Zoo Trust confirm that all the statutory requirements of the Local Government Act 2002 regarding financial and operational management have been complied with.

Responsibility

The Board and management of the Wellington Zoo Trust accept responsibility for the preparation of the annual Financial Statements and the judgements used in them.

They also accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of the financial reporting and performance information of the Wellington Zoo Trust.

In the opinion of the Board and management, the annual Financial Statements for the year ended 30 June 2012 fairly reflect the financial position, results of operations and service performance achievements of the Wellington Zoo Trust.



Frances Russell
Acting Chairperson and Acting Chairperson Finance,
Audit and Risk Committee

10 August 2012



Karen Fifield
Chief Executive

10 August 2012

Statement of Comprehensive Income

For the year ended 30 June 2012

	Note	Actual 2012 \$000	Actual 2011 \$000
INCOME			
Income	1	5,705	5,376
Finance Income	4	75	62
Operating Income		5,780	5,438
Capital Grants and Donations	1	692	943
TOTAL INCOME		6,472	6,381
EXPENDITURE			
Operating Expenditure	2	5,741	5,394
Depreciation	6	16	14
Operating Expenditure		5,757	5,408
Vesting of Capital Grants and Donations	3	414	1,093
TOTAL EXPENDITURE		6,171	6,501
NET SURPLUS/(DEFICIT) before taxation	5	301	(120)
Income Tax Expense	11	-	-
NET SURPLUS/(DEFICIT) for the year		301	(120)
Other Comprehensive Income		-	-
TOTAL COMPREHENSIVE INCOME		301	(120)

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the year ended 30 June 2012

	Note	2012 \$000	2011 \$000
Equity Opening Balances			
Accumulated Funds and retained earnings		282	252
Restricted Funds		140	290
Total Equity-Opening Balance		<u>422</u>	<u>542</u>
Changes in Equity			
Retained Earnings			
Transfers from Retained Earnings	15	(750)	(943)
Transfers to Retained Earnings	15	454	1,093
Restricted Funds			
Transfers from restricted funds	15	(454)	(1,093)
Transfers to restricted funds	15	750	943
Net Income recognised directly in equity		-	-
Comprehensive Income			
Surplus/(deficit) for the year to retained earnings		301	(120)
Other comprehensive income		-	-
Total comprehensive income		<u>301</u>	<u>(120)</u>
Total changes in equity		<u>301</u>	<u>(120)</u>
Equity Closing Balances			
Accumulated Funds and retained earnings		287	282
Restricted Funds		436	140
Total Equity-Closing Balance		<u>723</u>	<u>422</u>

The accompanying notes form part of these financial statements.

Statement of Financial Position

as at 30 June 2012

	Note	2012 \$000	2011 \$000
ASSETS			
Current Assets			
Cash and cash equivalents	7	1,342	1,357
Trade and other receivables	8	672	111
Prepayments	8	-	9
GST Receivable	8	68	147
Inventories	9	62	62
		<u>2,144</u>	<u>1,686</u>
Non-Current Assets			
Property, Plant and Equipment	10	98	102
Work in Progress	10	-	-
		<u>98</u>	<u>102</u>
TOTAL ASSETS		<u>2,242</u>	<u>1,788</u>
LIABILITIES			
Current Liabilities			
Trade and other payables	12	903	866
Income in Advance	12	71	66
Monies held in Trust	12	163	100
Employee Benefits	13	332	286
		<u>1,469</u>	<u>1,318</u>
Non-Current Liabilities			
Employee Benefits	13	50	48
		<u>50</u>	<u>48</u>
TOTAL LIABILITIES		<u>1,519</u>	<u>1,366</u>
NET ASSETS		<u>723</u>	<u>422</u>
EQUITY			
Retained Earnings	14	287	282
Restricted Funds	15	436	140
TOTAL EQUITY		<u>723</u>	<u>422</u>

The accompanying notes form part of these financial statements.

Statement of Cash Flows

For the year ended 30 June 2012

	Note	2012 \$000	2011 \$000
Cash flows from operating activities			
Cash was provided from:			
Operating Revenue		5,913	6,768
Interest Received	4	75	62
Net GST Received		79	-
Cash was applied to:			
Payments to Suppliers and employees		(6,071)	(6,572)
Net GST Paid		-	(127)
Net cash inflow from operating activities	16	<u>(4)</u>	<u>131</u>
Cash flows from investing activities			
Cash was applied to:			
Receipts from sale of property, plant and equipment		-	-
Purchase of Fixed Assets		(11)	-
Net cash (outflow) from investing activities		<u>(11)</u>	<u>-</u>
Cash flows from financing activities			
Net cash (outflow) from financing activities		<u>-</u>	<u>-</u>
Net Increase/(Decrease) in Cash and cash equivalents held		(15)	131
Cash and Cash equivalents at beginning of year		1,357	1,226
Cash and cash equivalents at end of year	7	<u>1,342</u>	<u>1,357</u>
Made up of:			
Cash and bank balances		155	275
Current Investments		1,187	1,082
Closing Cash Balance		<u>1,342</u>	<u>1,357</u>

The accompanying notes form part of these financial statements.

Statement of Accounting Policies

For the year ended 30 June 2012

Reporting Entity

The Wellington Zoo Trust (the Trust) is a charitable trust registered under the Charitable Trusts Act 1957 domiciled in New Zealand and is also a council-controlled organisation as defined under Section 6, Part 1 of the Local Government Act 2002, by virtue of the Council's right to appoint the Board of Trustees. The Trust was established on 1 July 2003 by the Wellington City Council.

The financial statements have been prepared in accordance with the requirements of the Charitable Trusts Act 1957 and section 69 of the Local Government Act 2002.

The Trust is reliant on the Wellington City Council (the Council) for the majority of its income and operates under a Contract for Services with the Council. The Contract for Services has been negotiated for a period of 3 years to 30 June 2012. This contract has been extended for a further year to 30 June 2013. Ongoing funding for the Trust has been approved in the 2012/2022 Long Term Plan.

The primary objective of the Trust is to manage, administer, plan, develop, maintain, operate and promote the Wellington Zoo for the benefits of the inhabitants of Wellington and as an attraction to visitors to Wellington, not to make a financial return. Accordingly, the Trust has designated itself as a public benefit entity for the purposes of New Zealand Equivalents to International Financial Reporting Standards (NZIFRS).

The reporting period for these financial statements is for the year ended 30 June 2012. The financial statements were authorised for issue for the Board of Trustees on 10 August 2012.

Statement of Compliance with International Financial Reporting Standard

The financial statements have been prepared in accordance with New Zealand generally accepted accounting practice. They comply with New Zealand equivalents to IFRS (NZ IFRS) and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

Measurement Base

The measurement base applied is historical cost. The accrual basis of accounting has been used unless otherwise stated.

Functional and Presentation Currency

These financial statements are presented in New Zealand dollars rounded to the nearest thousand, unless otherwise stated.

Significant Accounting Policies

Critical Accounting estimates and assumptions

In preparing these financial statements, the Trust has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Grants

Grants received from the Wellington City Council are the primary source of funding to the Trust and are restricted for the purposes of the Trust meeting its objectives as specified in the trust deed. The Trust also receives other assistance for specific purposes, and these grants usually contain restrictions on their use.

Grants are recognised as income when they become receivable unless there is an obligation to return the funds if the conditions of the grant are not met. If there is such an obligation the grants are initially recorded as grants received in advance, and recognised as income when the conditions of the grant are satisfied.

Sales

Products held for sale are recognised when a product is sold to the customer.

Donated, subsidised or vested assets

Where a physical asset is acquired for nil or nominal consideration, the fair value of the asset received is recognised as income. Such income is recognised when control over the asset is obtained.

Interest

Interest income is recognised using the effective interest rate method.

Volunteer Services Recognition

The Trust benefits from the service of dedicated volunteers in the delivery of its activities. Due to the difficulty in determining the value of these donated services with sufficient reliability, donated services are not recognised in these financial statements.

Taxation

The Trust is registered as a Charitable Trust and is exempt from income tax under the Income Tax Act 2004. The Trust is not exempt from indirect tax legislation such as Goods and Services Tax and accordingly is required to comply with these regulations.

Goods and Services Tax (GST)

All items in the financial statements are exclusive of GST, with the exception of receivables and payables, which are stated as GST inclusive. Where GST is not recoverable as an input tax, it is recognised as part of the related asset or expense.

Debtors and other receivables

Debtor and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months.

Creditors and other payables

Creditors and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

Inventory

Inventories are recorded at the lower of cost (determined on a first-in first-out basis) or net realisable value. This valuation includes allowances for slow moving and obsolete stock. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

Property, Plant and Equipment

Recognition

Property, plant and equipment consists primarily of operational assets. Expenditure is capitalised when it creates a new asset or increases the economic benefits over the total life of an existing asset. Costs that do not meet criteria for capitalisation are expensed.

The Trust also manages the construction and development of buildings, structures and enclosures on behalf of the Council. These assets are not recorded in the Trust's financial statements as ownership vests in the Council.

Measurement

Property, plant and equipment are valued at historical cost less accumulated depreciation and impairment losses.

The initial cost of property, plant and equipment includes the purchase consideration, and those costs that are directly attributable to bringing the asset into the location and condition necessary for its intended purpose. Subsequent expenditure that extends or expands the asset's service potential is capitalised.

Impairment

The carrying amounts of property, plant and equipment are reviewed at least annually to determine if there is any indication of impairment. Where an asset's recoverable amount is less than its carrying amount, it will be reported at its recoverable amount and an impairment loss will be recognised. The recoverable amount is the higher of an item's fair value less costs to sell and value in use.

Disposal

Realised gains and losses arising from the disposal of property, plant and equipment are recognised in the Statement of Comprehensive Income in the period in which the transaction occurs.

Depreciation

Depreciation is provided on all assets owned by the Trust excluding assets under construction (work in progress). Depreciation is calculated on a straight line basis, to allocate the cost or value of the asset (less any residual value) over its useful life. The estimated useful lives of the assets are as follows:

Plant

Audio Visual Equipment	3 years
Projector	5 years
Shade Sail	10 years
Hospital Equipment	10 years
Garden Furniture	10 years
Living Room Furniture	15 years
Endoscope	8 years

Furniture and Equipment

Composter	10 years
CCTV	3 years
Incubators	12.5 years

Work in Progress

The cost of projects within work in progress is transferred to the relevant asset class when the project is completed and then depreciated.

Employee Benefits

A provision for employee benefits (holiday leave, long service leave, and retirement gratuities) is recognised as a liability when benefits are earned but not paid. The Trust recognises a liability and an expense for a one off payment where contractually obliged or where there is a past practice that has created a constructive obligation.

Holiday Leave

Holiday leave (annual leave, long service leave qualified for and time off in lieu) is calculated on an actual entitlement basis at the greater of the average or current hourly earnings in accordance with sections 16(2) & 16(4) of the Holidays Act 2003.

Long Service Leave and Retirement Gratuities

Long-service leave (not yet qualified for) and retirement gratuities have been calculated on an actuarial basis based on the likely future entitlements accruing to staff, after taking into account years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and other contractual entitlements information. The present value of the estimated future cash flows has been calculated using an inflation factor and a discount rate. The inflation rate used is the annual Consumer Price Index to 31 March prior to year end.

Other Contractual Entitlements

Other contractual entitlements include termination benefits. Termination benefits are recognised in the Statement of Financial Performance only when there is a demonstrable commitment to either terminate employment prior to normal retirement date or to provide such benefits as a result of an offer to encourage voluntary redundancy. Termination benefits settled within 12 months are reported at the amount expected to be paid, otherwise they are reported as the present value of the estimated future cash outflows.

Provisions

The Trust recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are not recognised for future operating losses. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as a finance cost.

Other Liabilities and Provisions

Other liabilities and provisions are recorded at the best estimate of the expenditure required to settle the obligation. Liabilities and provisions to be settled beyond 12 months are recorded at their present value.

Contingent Assets and Liabilities

Contingent liabilities and contingent assets are disclosed in the notes to the financial statements. Contingent liabilities are disclosed if the possibility that they will crystallise is not remote. Contingent assets are disclosed if it is probable that the benefits will be realised.

Equity

Equity is the residual interest in the Trust and is measured as the difference between total assets and total liabilities. The components of equity are retained earnings and restricted funds (special funds, trusts and bequests).

Restricted funds are those reserves that are subject to specific conditions of use whether under statute or accepted as binding by the Trust because of the specific reason for which the funds were provided.

Transfers from these reserves may be made only for specified purposes or when certain specified conditions are met.

Statement of Cash Flows

The statement of cash flows is prepared using the direct approach. Operating activities include cash received from all income sources of the Trust and record the cash payments made for the supply of goods and services. Investing activities relate to the acquisition and disposal of assets. Financing activities relate to transactions that change the equity and debt capital structure of the Trust.

Related Parties

Related parties arise where one entity has the ability to affect the financial and operating policies of another through the presence of control or significant influence. Related parties include Wellington City Council, Group, key management personnel and the governing body (Trust Board).

Directors' remuneration is any money, consideration or benefit received, receivable or otherwise made available, directly or indirectly, to a director during the reporting period. The disclosures for the Trust include the remuneration of the Trustee board as they occupy the position of a member of the governing body of the Trust.

Changes in Accounting Policies

There have been no changes in accounting policies. Uniform accounting policies have been applied on a consistent basis during the year.

Standards, amendments, and interpretations issued but not effective that have not been early adopted

Standards, amendments, and interpretations issued but not effective that have not been early adopted, and which are relevant to the Trust, are:

NZ IFRS 9 Financial Instruments will eventually replace NZ IAS 39 Financial Instruments: Recognition and Measurement. NZ IAS 39 is being replaced in 3 phases: Phase 1 Classification and Measurement, Phase 2 Impairment methodology, and Phase 3 Hedge Accounting. Phase 1 has been completed and published in the new financial instrument standard NZ IFRS 9. The new standard is required to be adopted for the year ended 30 June 2016. However as a new accounting standards framework will apply before this date, there is no certainty when an equivalent standard to NZ IFRS 9 will be applied by public benefit entities. The Trust has not yet assessed the effect of the new standard and expects it will not be early adopted

Notes to the Financial Statements

Note 1: Income

	2012	2011
	\$000	\$000
Admissions	2,231	1,935
Sale of Goods	283	262
Other Corporate income	97	89
Contractual Income		
Ministry of Education	82	82
Wellington City Council Operating Grant	2,799	2,799
Total Operating Income	5,492	5,167
Grants and Donations		
Operating Grants and Donations		
Koala Trust	7	7
Classic Hits	10	13
Fonterra Brands	25	25
Brian Whiteacre Trust	5	5
Dominion Post	12	12
Department of Conservation	2	1
Victoria University	37	37
Ministry of Social Development	-	3
TG McCarthy	20	20
Regular Giving	6	3
General Donations	11	-
Holdsworth Trust	40	40
Trade Me	28	30
Bupa Care Services	-	3
Infinity Foundation	10	5
Corporate Memberships	-	5
Total Operating Grants and Donations	213	209
Capital Grants and Donations		
New Zealand Lottery Grants Board	-	370
General Donations	151	226
Pub Charity	500	150
Arataki Honey	-	12
Lion Foundation	10	20
Southern Trust	26	10
Mojo Wellington Zoo Limited	-	28
Big Bite Club	-	30
The Trusts Charitable Foundation (Inc)	5	2
Tourism Facilities Grant Programme	-	50
Stout Trust	-	28
Endeavour Foundation	-	2
Wellington Community Trust	-	15
Total Capital Grants and Donations	692	943
Total Grants and Donations	905	1,152
Total Income	6,397	6,319

Grants and Donations includes grants and bequests received for capital and operational purposes of \$749,811. These grants were received for specific purposes. This income is transferred from Retained Earnings to Restricted Funds until it is needed, refer to Note 15.

Note 2: Expenditure on operating activities

	Note	2012 \$000	2011 \$000
Advertising		371	268
Auditor's remuneration:			
- Audit Services		19	19
Authorised entertainment		8	8
Consumables		380	357
Cost of goods sold		119	113
Direct costs		521	582
Insurance premiums		8	7
Materials and Services		335	258
Personnel costs		3,639	3,470
Trustee's remuneration	21	88	96
Utilities		253	216
Total Operating Expenditure		5,741	5,394

1. Personnel costs include costs such as salaries, wages, leave and other employee earned compensation.
2. Direct costs include expenditure not separately disclosed, such as:
 - professional costs
 - travel
 - administration costs
 - animal collection maintenance
 - vehicle fleet costs
 - contracts

Note 3: Vesting of Capital Grants and Donations

Wellington City Council has approved a capital expenditure budget of \$15.661 million towards the Zoo Capital Plan to be spent over the 10 year period, starting in 2006/07. This funding is contingent on the Trust generating external sponsorship funding of \$5.221 million over the duration of the Zoo Capital Plan.

This entry relates to the transfer of these funds to Wellington City Council. In line with the contract for services, this amount is paid on receipt of external sponsorship funding and donations as the Zoo contribution towards the capital plan. Due to the timing differences between the receipt of capital grants and the vesting of the resultant assets in Council, this will cause fluctuations in the reported results.

Note 4: Finance income

	2012 \$000	2011 \$000
Finance Income		
Interest on Term Deposits	75	62
Total Finance Income	<u>75</u>	<u>62</u>

Note 5: Net Surplus

	2012 \$000	2011 \$000
Net surplus/deficit from operations for the year	15 301	(120)
Income received for capital purposes which will be vested to Wellington City Council in the 2010/11 year	15 -	(943)
Income vested to Wellington City Council in the 2010/11 year	15 -	1,093
Income received for animal acquisition purposes in 2011/12 year	15 (35)	-
Income received for capital/operational purposes in 2011/12 year	15 (715)	-
Income received for capital/operational purposes utilised in 2011/12 year	15 40	-
Income vested to Wellington City Council in the 2011/12 year	15 414	-
Normalised Operating Surplus/(Deficit) for the year before taxation	<u>5</u>	<u>30</u>

Due to the timing differences between the receipt of capital grants and the vesting of the resultant assets in Council, there will be fluctuations in the reported results. This note shows, for comparative purposes only, the results without the impact of these transactions.

Note 6: Depreciation

	2012 \$000	2011 \$000
Plant	4	4
Furniture and Equipment	12	10
Total Depreciation	<u>16</u>	<u>14</u>

Note 7: Cash and cash equivalents

	2012 \$000	2011 \$000
Bank Balances	151	272
Cash on hand	4	3
Short Term deposits	1,187	1,082
Total Cash and Cash equivalents	<u>1,342</u>	<u>1,357</u>

Note 8: Trade and other receivables

Further information on the collectability of trade and other receivables is contained in Note 17: Financial Instruments.

Current	Note	2012	2011
		\$000	\$000
Trade Receivables		55	53
Trade Receivables due from Wellington City Council	20	617	58
Less provision for impairment of trade receivables		-	-
Net Trade Receivables		<u>672</u>	<u>111</u>
GST Receivable		68	147
Prepayments		-	9
Total Current Trade and other receivables		<u>68</u>	<u>156</u>
Total Trade and other receivables		<u><u>740</u></u>	<u><u>267</u></u>
Provision for impairment of trade and other receivables			
		2012	2011
		\$000	\$000
Opening Balance		-	-
Additional or increased provision made		-	-
Release of provision		-	-
Provision for impairment of trade and other receivables-closing balance		<u><u>-</u></u>	<u><u>-</u></u>

Note 9: Inventories

	2012	2011
	\$000	\$000
Inventory-Zoo Shop	62	62
Total Inventories	<u><u>62</u></u>	<u><u>62</u></u>

Note 10: Property, Plant and Equipment

	2012 \$000	2011 \$000
Operational Assets		
Plant		
Plant at cost-opening balance	48	43
Accumulated depreciation	(24)	(20)
Total Plant -opening balance	<u>24</u>	<u>23</u>
Additions	-	5
Disposals	-	-
Depreciation Expense	(4)	(4)
Total plant-closing balance	<u>20</u>	<u>24</u>
Furniture and Equipment		
Furniture and Equipment at cost-opening balance	147	118
Accumulated Depreciation	(69)	(59)
Total Furniture and Equipment -opening balance	<u>78</u>	<u>59</u>
Additions	12	29
Disposals	-	-
Depreciation Expense	(12)	(10)
Total Furniture and equipment-closing balance	<u>78</u>	<u>78</u>
Total Operational Assets	<u>98</u>	<u>102</u>
Work in progress		
Work in progress at cost-opening balance	-	36
Additions	12	-
Other	-	(2)
Capitalised to asset classes	(12)	(34)
Work in progress at cost-closing balance	<u>-</u>	<u>-</u>

Projects that will be vested to Wellington City Council are permanent structures or fixtures that are built by the Trust on land owned by the Wellington City Council.

Note 11: Taxation

The Trust is registered as a Charitable Trust and is exempt from income tax under the Income Tax Act 2004.

Note 12: Trade and other payables

	Note	2012 \$000	2011 \$000
Income received in advance		71	66
Monies held in trust		163	100
Sundry Payables		101	122
Trade Payables		313	332
Trade Payables due to parent	20	489	412
Total Current trade and other payables		<u>1,137</u>	<u>1,032</u>
Total Trade and other payables		<u><u>1,137</u></u>	<u><u>1,032</u></u>

Note 13: Employee Benefits

	2012 \$000	2011 \$000
Payroll Accruals	13	-
Holiday Leave	202	189
Long Service Leave	-	-
Organisational performance payment	117	97
Retirement Gratuities	50	48
Total employee benefits	<u>382</u>	<u>334</u>
Represented by:		
Current	332	286
Non-current	50	48
Total employee benefits	<u>382</u>	<u>334</u>

The retirement gratuities liability is a contractual entitlement for a reducing number of employees who having qualified with 10 years service will on retirement be entitled to a payment based on years of service and current salary. This entitlement has not been offered to new employees since 1991.

The gross retirement gratuities liability (inflation adjusted at 2.5%) as at 30 June 2012 after discounting, is \$50,098 (2011:\$47,665). The discount rate used 6.50%.

Note 14: Accumulated Funds and Retained Earnings

	Note	2012 \$000	2011 \$000
Accumulated Funds		-	-
Retained Earnings			
Opening Balance		282	252
Net surplus/(deficit)		301	(120)
Transfers from restricted funds	15	454	1,093
Transfers to restricted funds	15	(750)	(943)
Retained earnings-closing balance		<u>287</u>	<u>282</u>
Total accumulated funds and retained earnings		<u>287</u>	<u>282</u>

Note 15: Restricted Funds

	2012 \$000	2011 \$000
Trusts and Bequests		
Opening Balance	140	290
Additional funds received	715	943
Funds utilised	(454)	(1,093)
Trusts and bequests-closing balance	<u>401</u>	<u>140</u>
	2012 \$000	2011 \$000
Animal Acquisition		
Opening Balance	-	-
Additional funds received	35	-
Funds utilised	-	-
Animal Acquisition-closing balance	<u>35</u>	<u>-</u>
These funds are represented by:		
Opening Balance	140	290
Transfers from retained earnings	750	943
Transfers to retained earnings	(454)	(1,093)
Restricted Funds-closing balance	<u>436</u>	<u>140</u>

The Trust has accumulated funds of \$100 contributed by Wellington City Council upon establishment of the Trust on 1 July 2003.

Note 16: Reconciliation of Net surplus to Net cash flow from operating activities

	2012	2011
	\$000	\$000
Reported surplus/(deficit)	301	(120)
Add/(deduct) non cash items:		
Vesting of Assets	-	-
Movement in provision for impairment of doubtful debts		
Depreciation	16	14
Total non-cash items	<u>16</u>	<u>14</u>
Add/(deduct) movements in working capital		
(Increase)/Decrease in accounts receivable	(561)	511
(Increase)/Decrease in Inventory	-	(2)
(Increase)/Decrease in Prepayments	9	73
(Increase)/Decrease in GST Receivable	79	(139)
Increase/(Decrease) in accounts payable	38	82
Increase/(Decrease) in monies held in trust	63	21
Increase/(Decrease) in GST payable	-	-
Increase/(Decrease) in Other Liabilities	-	-
Increase/(Decrease) in Employee benefit liabilities	46	(166)
Increase/(Decrease) in Revenue in Advance	5	(143)
Total working capital movement	<u>(321)</u>	<u>237</u>
Net cashflow from operating activities	<u>(4)</u>	<u>131</u>

Note 17: Financial Instruments

The Zoo's financial instruments include financial assets (cash and cash equivalents, loans and receivables and financial liabilities (payables that arise directly from operations and borrowings). The main purpose of the Zoo's financial instruments is to raise finance for the Zoo's operations.

As part of its normal operations, the Zoo is exposed to credit risk, interest rate risk and liquidity risk. The Zoo's exposure to these risks and the action that the Zoo has taken to minimise the impact of these risks is outlined below:

Fair Value

Fair value is the amount for which an item could be exchanged, or a liability settled, between knowledgeable and willing parties in an arms length transaction. The fair values and carrying amounts of all financial instruments are detailed below by class:

Note 17: Financial Instruments (continued)

		2012		2011	
		Fair Value	Carrying Amount	Fair Value	Carrying Amount
		\$000	\$000	\$000	\$000
Financial Assets					
Cash and cash equivalents	7	1,342	1,342	1,357	1,357
Trade receivables, loans and other receivables					
-Trade Receivables	8	55	55	53	53
- Other Receivables	8	617	617	58	58
Financial Liabilities					
Payables		903	903	866	866

Credit Risk

Credit risk is the risk that a third party will default on its obligations to the Trust, therefore causing a loss. The Trust is not exposed to any material concentrations of credit risk. Receivables balances are monitored on an ongoing basis with the result that the Trust's exposure to bad debts is not significant. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

The Zoo's maximum exposure to credit risk at balance date is:

		2012	2011
		\$000	\$000
Financial Assets			
Cash and cash equivalents	7	1,342	1,357
Trade receivables, loans and other receivables			
-Trade Receivables	8	55	53
- Other Receivables	8	617	58
Total Financial Assets		<u>2,014</u>	<u>1,468</u>

The status of trade receivables at the reporting date is as follows:

		2012		2011	
		Gross Receivable	Impairment	Gross Receivable	Impairment
		\$000	\$000	\$000	\$000
Trade and other receivables					
Not past due	8	671	-	103	-
Past due 0-3 months	8	1	-	8	-
Past due 3-6 months	8	-	-	-	-
Past due more than 6 months	8	-	-	-	-
Total trade and other receivables		<u>672</u>	<u>-</u>	<u>111</u>	<u>-</u>

Note 17: Financial Instruments (continued)

Liquidity risk

Liquidity risk is the risk arising from unmatched cash flows and maturities.

On a cash flow basis, the Trust maintains sufficient funds to cover all obligations as they fall due. Facilities are maintained in accordance with the Zoo's Treasury Management Policy and Guidelines.

The following table sets out the contractual cash flows for all financial liabilities that are settled on a gross cash flow basis. Contractual cash flows for financial liabilities comprise the notional amount and interest payment.

		2012				
Statement of Financial Position		Total Contractual Cashflows	0-12 months	1-2 years	1-2 years	
		\$000	\$000	\$000	\$000	\$000
Trade and other payables	12	903	903	903	-	-
Total financial liabilities settled on a gross basis		903	903	903	-	-

		2011				
Statement of Financial Position		Total Contractual Cashflows	0-12 months	1-2 years	1-2 years	
		\$000	\$000	\$000	\$000	\$000
Trade and other payables	12	866	866	866	-	-
Total financial liabilities settled on a gross basis		866	866	866	-	-

Note 17: Financial Instruments (continued)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Trust's financial instruments will fluctuate due to changes in market interest rates. The Trust is exposed to interest rate risk from its interest-earning financial assets. The Trust is risk averse and seeks to minimise exposure arising from its treasury activities. It does not undertake unnecessary investment or borrowing activity, nor is it speculative in the activity it undertakes; the overall intention being to avoid placing the capital value of individual investment and borrowing facilities at risk.

The effective interest rates and contractual re-pricing or maturity periods (whichever is earlier) of financial instruments are as follows:

		2012				
		Statement of Financial Position	Total Contractual Cashflows	0-12 months	1-2 years	1-2 years
		\$000	\$000	\$000	\$000	\$000
Variable rate instruments						
Cash and cash equivalents	7	1,342	1,342	1,342	-	-
Total variable rate instruments		1,342	1,342	1,342	-	-

		2011				
		Statement of Financial Position	Total Contractual Cashflows	0-12 months	1-2 years	1-2 years
		\$000	\$000	\$000	\$000	\$000
Variable rate instruments						
Cash and cash equivalents	7	1,357	1,357	1,357	-	-
Total variable rate instruments		1,357	1,357	1,357	-	-

Equity Management

The Zoo's equity includes accumulated funds and retained earnings and restricted funds which comprise special funds, reserve funds and trusts and bequests.

The Local Government Act 2002 requires the Zoo to manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community.

Note 18: Commitments

The Trust has a commitment to Wellington City Council (the Council) relating to the Zoo Capital Plan, a 10 year capital programme totalling \$20.881 million which commenced in 2006/07. The Council has approved a capital expenditure budget of \$15.661 million towards the Zoo Capital Plan to be spent over the 10 year period, starting in 2006/07. This funding is contingent on the Trust generating external sponsorship funding of \$5.221 million over the duration of the Zoo Capital Plan.

Wellington City Council has approved this funding subject to the following:

- That the Trust manages its projects within the annual capital expenditure budgets
- Wellington City Council Officers monitor the projects and review their status prior to tendering for any construction contracts
- Wellington City Council Officers will not authorise any contracts that would result in a material overspend of Wellington City Council capital expenditure budgets.

As at 30 June 2012, the Trust has vested \$3.845 million to the Council and has committed to fund an additional \$1.376 million over the period from 30 June 2012 to 30 June 2016. In line with the Contract for Services, this amount will be paid on receipt of external sponsorship funding. If external funding targets are not met then it is at the Council's discretion to amend the Plan accordingly.

The Trust had no operating lease commitments as at 30 June 2012. Payments due not later than one year Nil, payments due between one to two years Nil (2011:Nil).

Note 19: Contingencies

The Trust had no contingent liabilities as at 30 June 2012 (2011:Nil).

Note 20: Intra group transactions and balances

	2012 \$000	2011 \$000
Revenue for services provided by the Zoo to:		
Wellington City Council	524	1,199
	<u>524</u>	<u>1,199</u>
Revenue for services received by the Zoo from:		
Wellington City Council	2,801	4,426
	<u>2,801</u>	<u>4,426</u>
Current receivables owing to the Zoo from:		
Wellington City Council	617	58
	<u>617</u>	<u>58</u>
Current payables owing from the Zoo to:		
Wellington City Council	489	412
	<u>489</u>	<u>412</u>

Note 21: Related Party disclosures

	2012 \$000	2011 \$000
Salaries and other short term employee benefits	847	772
Post-employment benefits	-	-
Other long term benefits	-	-
Termination benefits	-	-
Total Key Management Personnel Compensation	<u>847</u>	<u>772</u>

Key Management personnel include the Chief Executive, other senior management personnel and Trustees.

Trustee's Remunerations

Trustee's remuneration is any money, consideration or benefit received, receivable or otherwise made available, directly or indirectly, to a trustee.

The following people held office as, trustees of the Zoo during the reporting period. The aggregate remuneration paid to the Trustees during the year totalled \$87,500 (2011:\$96,508) and is disaggregated and classified as follows:

Trustee Remuneration	2012 \$000	2011 \$000
Frances Helen Russell	15	14
Ross Martin	30	29
Celia Wade- Brown	-	3
Linda Meade	10	12
Shaan Stevens (1 July 2010-1 September 2011)	3	14
Simon Marsh	15	10
Alan Dixon	15	14
Total Trustee Remuneration	<u>88</u>	<u>96</u>

Related party transactions

During the year Trustees and key management, as part of a normal customer relationship, were involved in minor transactions with the Trust.

The Trust receives a grant from the Wellington City Council under a Contract for Services. In addition, the Wellington City Council receives/(pays) amounts for the provision/(receipt) of other goods and services. These other transactions are conducted on an arms-length basis. The amounts owing to/from related party balances are disclosed in Note 20. Grants received from the Zoo Aquarium Association Nil (2011:Nil). Karen Fifield who is the Chief Executive Officer of the Zoo is the President of ZAA. This transaction was also conducted on an arms-length basis. Grants received from the Wellington Community Trust Nil in 2012. (2011:\$15,000). Frances Russell who is a trustee of the Zoo is also the Executive Director of the Wellington Community Trust. This transaction was also conducted on an arms-length basis.

The Trust also purchased services from the Zoo Aquarium Association (ZAA). These services cost \$51,577.42 (2011:\$46,742.17) and were supplied on normal commercial terms. There was an outstanding balance for unpaid invoices at year end of \$23,297.65 (2011:Nil). Karen Fifield who is the Chief Executive Officer of the Zoo is the President of ZAA.

The Trust also purchased services from Hermes Management Limited. These services cost \$15,000. (2011:\$9,625) and were supplied on normal commercial terms. There is a balance outstanding for unpaid invoices at year end \$4,312.50 (2011:\$4,312.50). Simon Marsh who is a trustee of the Zoo is a Director of Hermes Management Limited.

No provision has been required, nor any expense recognised for impairment of receivables for any loans or other receivables to related parties (2011:\$Nil).

Note 22: Severance Payments

In accordance with the Schedule 10, section 19 of the Local Government Act 2002, the Zoo is required to disclose the number of employees who received severance payments during the year and the amount of each severance payment made.

Severance payments include any consideration (monetary and non-monetary) provided to any employee in respect of the employee's agreement to the termination of their employment with the Trust. Severance payments exclude any final payment of salary, holiday pay and superannuation contributions.

For the year ended 30 June 2012, the Trust made no severance payments (2011:Nil).

Note 23: Events after balance date

There were no significant events after balance date that affect the financial statements.

Statement of Intent Key Performance Indicators

For the year ended 30 June 2012

A Statement of Intent was prepared for 2011/12. The Statement of Intent was delivered to Wellington City Council on 28th February 2011 and approved by them on 13th June 2011 including the following performance indicators.

Measures	Target	Result	Narrative
Fundraising targets for ZCP reached or exceeded	\$766,601	\$691,477	Lower than target but capital spend for year was below expectations so the final result is still above required 25% of capital spend to date
Meeting ZCP project timing and budget programme	Phase Two of the Hub complete December 2011 Completion of the Asia Precinct March 2012.	The Hub completed September 2011. Opening date for the Asia Precinct is the end of September 2012.	Asia Precinct Project construction began later than expected but is now on programme and budget
Increase total admissions by 2% each year on base year 2005/06 (170,116 visitors) as per business plan	191,982	216,457	Well above target of 2% pa on base year of 2005-06 (170,116) as per the ZCP Business Case
Meeting the 2011/12 budget		Achieved	New measure required by WCC
Average income per visitor (excluding WCC grant)	\$14.86	\$13.77	This result is due to the increase in Zoo Crew members visiting the Zoo and less full paying adults and children.
Ratio of Trust generated income as % WCC grant	102%	107%	We are very proud of this result during challenging economic times
Average WCC subsidy per visitor	\$14.58	\$12.93	Again we are proud of this result
Staff survey conducted	October 2011	August 2011	HR Projects developed based on key driver areas
Staff turnover (not including casual and fixed term roles)	<15%	19.5%	Slightly higher than expected but not overly concerning
Collection in managed programmes (% of total collection)	41%	40%	This requirement is set by the Australasian Zoo and Aquarium Association
Volunteer hours (FTE)	≥ 5 FTE	5.5 FTE	
Wellingtonians visiting the Zoo	50%	52%	From RSS and Zoo market research
Measure visitor feedback and satisfaction	1 research project	Completed April 2012	Visitor research conducted into Awareness of Zoo Conservation initiatives
Back Office functions review for Shared Services model	Completed by date directed by WCC	Review completed by WCC but no change to WZT shared services	WZT shares many services with WCC so no change was warranted