

WELLINGTON

Zoo

Wellington Zoo Trust

Statement of Intent

2010-11



The Nest – Te Kōhanga in action

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Wellington Zoo Trust Incorporated is incorporated under the Charitable Trust Act 1957 and is a not for profit organisation.

VISION

Wellington Zoo ... a magical place of learning and fun, leaving visitors with a sense of wonder and respect for nature and a belief in the need for a sustainable co-existence between wildlife and people.

DREAM

Wellington Zoo's dream is to be 'the best little zoo in the world'.

PURPOSE

Wellington Zoo exists to bring animals in their environments and people who visit, on site and on line, together.

Individuals, families and other groups experience shared learning about the wonder and beauty of the natural world beyond themselves.

Special moments of connection are built on by the Zoo to inspire visitors to respect the natural world and to understand their part in securing a sustainable future for it and for us within it.

COMMITMENTS

Wellington Zoo is committed to:

- Highest standards of animal care
- Learning
- Conservation
- Fun
- Creativity
- Partnerships
- Honesty

1 OBJECTIVES

The Wellington Zoo Trust Deed states the objects of the Trust as follows:

- "7.1 The objects for which the Trust is established, to the extent that they are a charitable purpose within New Zealand, are as follows:*
- 7.1.1 To manage, administer, plan, develop, maintain, operate and promote Wellington Zoo as a zoological park for the benefit of the Wellington community and as an attraction for visitors to Wellington;*
 - 7.1.2 To educate the community by building an awareness of plant and animal species and the actions required to promote conservation;*
 - 7.1.3 To promote species conservation;*
 - 7.1.4 To support and complement the conservation and learning activities undertaken by other organisations;*
 - 7.1.5 To develop, manage and plan animal species management programmes;*
 - 7.1.6 To promote and coordinate the raising of funds to assist the management, administration, maintenance, planning, promotion and further development of Wellington Zoo;*
 - 7.1.7 To acquire additional plant and animal species;*
 - 7.1.8 Generally to do all acts, matters and things that the Trustees think necessary or conducive to further or attain the objects of the Trust set out above for the benefit of the Wellington community."*

2 STRATEGIC GOALS

OUR ANIMALS' WELL BEING

The Zoo is known throughout Australasia for the high quality of the animals' environment and for our husbandry and welfare practices.

CONSERVATION

The Zoo is a community leader shaping visitors' views on the need for conservation.

LEARNING

Visitors have memorable learning experiences based on exploration, discovery and fun.

SIX STRATEGIC ELEMENTS FOR WELLINGTON ZOO OVER THE NEXT THREE YEARS ARE TO:

- **Create outstanding, intimate and unique visitor learning experiences**

The Zoo Capital Programme (ZCP) will form the basis of new facilities for improved animal housing, staff facilities and visitor experience. Wellington Zoo will continue to build its reputation as a unique and intimate zoo by including more contact animal experiences throughout the Zoo, this year we exceeded that goal by three times our target.

The pace of the ZCP roll out will also affect visitor value as older parts of the Zoo remain undeveloped. We intend to develop an interpretive project this year which will explain the roll out of the capital works to our visitors. This will keep our community informed of the developments and build the excitement as the Zoo transforms. In this financial year, the Asian precinct with a new sun bear exhibit and improved viewing at the tigers will be built. The Hub project in the centre of Zoo will be completed and this will create a recreation and relaxation area in the centre of the Zoo which will allow visitors to orientate and relax as they continue their Zoo visit. These two projects will highlight the approach to creating a 21st century zoo. We believe that the development of a critical mass of improved visitor experience (both large and small projects) will enhance visitation and community support. Other smaller projects such as the redevelopment of the lion dens will allow for better animal management and breeding potential.

As almost half the population of Wellington visit the Zoo each year (according to the Wellington City Council Resident Satisfaction Survey results), as well as over 30,000 domestic and international tourists, the Zoo recognises its potential to deliver conservation and sustainability messages to our visitors. The ZCP will enable 'stage sets' and contexts to be developed to engage visitors with conservation messages that are relevant and personal.

As the Zoo has been recognised as the Sustainable Business of the Year for central and southern regional in the Sustainable Business Network Get Sustainable Challenge and also at the Wellington HER Business Awards. This shows that the Zoo can take a more active role in delivering these messages to a large audience. We already work with Council's Climate Change office and this partnership will only strengthen over time as climate change becomes more and more important. We intend to develop a sustainability interpretive project in the Zoo over this financial year which will explain the importance of sustainable ways of living.

The Zoo also supports the Green Capital initiatives and has made significant advances to reduce its environmental footprint. This work will be clearly targeted in the Zoo's Conservation Strategy and the Zoo will work towards contributing to Wellington's carbon neutrality.

- **Make a leading contribution to conservation and research**

Wellington Zoo is committed to conservation being the underpinning reason for existence as stated in our Conservation Strategy and will be a key stakeholder in collaborative conservation programmes within the zoo industry and with the conservation agencies of New Zealand. The Zoo and Aquarium Association New Zealand Species Management position funded by through NZ zoos such as Auckland Zoo, Hamilton Zoo, Orana Wildlife Trust and Wellington Zoo continues to build relationships with government conservation agencies. Managed species programmes in this region ensure the sustainability of zoo collections and have emphasis on CITES 1 (Convention on International Trade in Endangered Species) listed animals and endangered species.

Wellington Zoo has developed the Conservation Strategy to focus conservation effort on strategic projects. The recently completed Conservation Action Plan will ensure the operational delivery of the Strategy. Wellington Zoo is able to take a leadership role in delivering the conservation message to the community by virtue of our visitation numbers and can provide a portal to the community for other agencies. Conservation messages have been established for all keeper talks in the Zoo and the effectiveness of these will continue to be measured. Results of the PhD research of the Manager Conservation and Sustainability will inform message development.

In-situ conservation programmes, such as holding Otago and Grand skink insurance populations in partnership with the Department of Conservation, will also form part of the Conservation Strategy implementation. The organisation has strategically selected in situ conservation programmes to support which relate to our collection and meet conservation outcomes we have identified.

The possum fertility project is a major research project for Wellington Zoo Trust in partnership with Victoria University of Wellington. Wellington Zoo holds the research possums for the university and this research is interpreted for visitors to highlight the need for protection of New Zealand's fragile environment. This collaborative project is a first for zoos in this region and could produce ground breaking results. The project to date is showing promising results and this work will be interpreted for visitors at The Nest Te Kōhanga.

The Nest Te Kōhanga will allow further work in the area of veterinary research and provide a facility for conservation outcomes on many levels. Already we have seen an increase in the number of native species being brought to Zoo from the community for care and rehabilitation – often in partnership with other organisations, such as the SPCA and Zealandia, and private bird rehabbers. Wellington Zoo is keen to take a leadership role in this area as the NZ Bird Rehabilitation Network becomes more established.

- **Achieve financial sustainability**

The business case indicates an increase in visitation of 2% per year as a realistic projection of this situation. We will mitigate risks, capitalise on opportunities and communicate any effects on the Zoo to Council as soon as possible. We endeavour to be prudent and prepared for any trend changes and impacts on the Zoo.

The Zoo will continue to review all commercial products and build a more commercial culture to ensure a sustainable business model. Wellington Zoo has been successful in obtaining grants and the ZCP with its tangible transformation should ensure this success continues. Wellington Zoo Trust's intent to facilitate appropriate timing of fundraising grants and other financial support for the ZCP is agreed in principle with Wellington City Council Officers. However, if indications are received that fundraising through Trusts and Foundations grants is slowing then the Trust recognises that this may impact on the roll out of the ZCP if targets are not met. The Trust seeks to ensure Council that resources will be applied to garner the maximum result in the fundraising area.

The Trust has ongoing financial support from some corporate organisations and while approaches to corporate organisations with strategic fit with the Zoo will be made in 2010-11 it is not anticipated that this will result in any great increase in support. However we will ensure that those relationships we do have are healthy and continue to drive financial results for the Zoo.

The building of working capital is a prudent business measure for any business. The resilient organisation has a reasonable reserve of working capital and while the Trust has shown commitment to growing working capital we have further work to do over the next two to three years to build a desired level of at least two to three months operational costs of approximately \$600,000. Also the long term visitation data illustrates the Zoo's vulnerability to bad weather set against the Trust's ongoing responsibility for meeting an increasing share of (rising) operating costs needs to be considered. While we are doing everything possible to mitigate weather in the new developments, the Zoo is still regarded as an outdoor activity. .

The Trust is managing to grow revenues that slowly allow us to reduce our percentage reliance on Council funding. By reallocation the Trust has put more resources in the areas that drive real benefits from the capital investments such as fund raising, visitor experience, conservation and animal care. However, there is still a gap between current Operational Expenditure (OPEX), and the OPEX that would support the scale and level of activities/ resources/ people appropriate to a credible, 21st century Zoo.

These include:

- Providing sufficient training for a young and inexperienced animal care team so that we manage risks to people and animals
- Attracting and retaining experienced staff which can be difficult as market salaries for specialist zoo staff continue rise in a small global pool of talent.
- Enough investment in conservation and research work so that we can meet modern zoo expectations
- Enough investment in collection management that we can assure the zoo's long term future
- Enough investment in fundraising and marketing that we can tap the opportunities to secure External funding into the future and grow visitation
- Sufficient funds to deliver the best visitor experience for the community especially in parts of the asset not targeted for redevelopment

The Trust now contributes nearly 50% of its operational costs and seeks to improve this over time. Financial modelling from Deloitte indicates that increased visitation is the best way to do this and therefore our focus and expenditure will be on that outcome. We cannot be all things to all people so with the best intentions as a community asset we will also be making hard financial decisions about where to invest the small discretionary part of our budget so as to drive visitor admissions revenue. We also manage this increase in operational costs by increasing admission prices but this only covers additional costs related to new facilities such as The Nest. We also do not increase prices without

being sure we are adding value to customers or without rigorous market research to understand what the market will bear.

The Trust takes its responsibility of financial sustainability seriously and success over the life of the Trust indicates that the Trust will make every effort to ensure this outcome. We seek to mitigate financial risk while still providing an accessible and value for money attraction for Wellington.

The Board remains concerned that the going forward amount of working capital for the Zoo remains inadequate. The core measure of any business is the ability to absorb shock in any change to the business environment and this requires more growth in working capital for the Trust for the Board to feel comfortable that the Trust is well buffered financially.

- **Build lasting community support and participation**

Wellington Zoo aims to be 'the best little zoo in the world' and to date has immense community support. As a community asset Wellington Zoo has implemented a fundraising programme to capture this support from the community and the Zoo will continue to develop partnerships within the community. The initial community fundraising programme (in partnership with The Rotary Club of Wellington and Kirkcaldie and Stains) was very successful and we will implement a community campaign in the 2010-11 financial year as well specifically linked to the sun bear development. Wellington Zoo will focus on retaining current Zoo Crew members over the next year as well as increase the number of participants in the volunteer programme both individual and corporate which will be measured in FTE hours. These groups within the community become advocates for the Zoo and strong supporters.

- **Show industry leadership**

Wellington Zoo plays a key role in Australasia as one of the four major zoos in New Zealand. Wellington Zoo is New Zealand's first zoo and its location in the capital city requires it be an industry leader for New Zealand zoos. The Zoo is responsible for population management within the collection for managed regional species and has a number of staff who hold regional zoo industry positions including the Chief Executive who is a member of the Regional Zoo Industry Board and the Collections Coordinator who sits on the Australasian Regional Collection Planning Committee. Other staff manage 'studbooks' for certain species such as Tuatara and Pygmy Marmosets.

As a conservation agency, the Zoo is able to play a vital role in assisting the community to take positive action for the environment. The Environmental Management System has been successful in developing the Zoo as a sustainable business and environmental practices in the new construction and other initiatives will further enhance this result and make environmental action more visible to visitors. Wellington zoo is the only zoo that is a member of the Sustainable Business Network and we were the first Wellington attraction to achieve Qualmark EnviroGold Accreditation.

- **Ensure all staff motivated and valued**

Wellington Zoo has been somewhat successful in attracting talented staff and the development of staff is a key strategic imperative. The management of the redevelopment programme and fundraising to support the Zoo Capital Programme (ZCP) will place additional burdens on existing staff over the coming year. One of the key areas for improvement at the Zoo is to continually focus on our people, through training and development.

We continue to offer the learning calendar to staff and consider staff development a key priority. Zoo expertise is found in a small pool of people across the world and it is imperative to the success of Wellington Zoo to have skilled and motivated staff. Staff attraction, development and retention are key

areas for the Trust as part of the six strategic elements. The Trust undertakes job sizing exercise yearly to ensure appropriate salary structures are in place for our staff and we will continue to ensure our staff are given the highest priority. The Trust recognises that investment in this strategic element is not to the ideal level required and this needs to be addressed as the Zoo grows and develops.

In 2009-2010 the Zoo benchmarked against other organisations by completing the Best Places to Work survey. We were ranked 25 out of 216 organisations. The survey has given us information and ideas to improve our result even more in 2010-11.

The total staff costs for the next three years show a small increase as we try to address inconsistent salary relativities, provide for pay increases and invest in key areas of the business such as fundraising, commercial development, customer service and visitor experience. However at this level, it is unlikely that we will be able to maintain salaries at market rates and be able to address inconsistent salary relativities to the level required.

One of the key reasons that the Zoo has achieved so many successes over the past three years is the quality of its people. It is imperative that we do all we can to retain them and where required to attract high calibre staff. This requires constant vigilance with salaries, reward and recognition and improving the work place through development opportunities.

We are a fixed cost business with 95% of our income tied to caring for the collection and running the business. In order to attract and retain experienced and skilled staff we must grow our revenues to pay market value for these skills and we cannot do that should operational funding be reduced. This is a critical success area for us as 21st century zoo professionals are drawn from a small global pool of experts. At the current level of operational funding from WCC it is unlikely that we will be able to maintain our current salaries at the desired rates to achieve this goal. For example, in order to offer a 3% salary increase for current staffing would require additional funds of between \$90,000- \$100,000 in 2010-11.

3 APPROACH TO GOVERNANCE

The Wellington Zoo Trust is a Council Controlled Organisation having been established in 2003 by the Wellington City Council to develop and manage Wellington Zoo.

3.1 ROLE OF THE BOARD

The Trustees are responsible for setting the strategic directions for the Trust, and approving the Statement of Intent and Annual Business Plan. The Trust ensures the ongoing viability of the organisation is maintained through the monitoring of Key Performance Indicators (KPIs) and the financial results. Governing policies have been developed by Trustees to ensure the business of the Trust is managed consistently with its Deed and stated direction. This is an ongoing process with policies being developed and amended as and when required. All governing policies are to be reviewed annually.

The Board delegates the day to day operation of the Trust to the Chief Executive and her management team. The Chief Executive provides regular reports on financial and non-financial performance to the Board.

As part of the ongoing relationship with the Wellington City Council, the Chairperson and Chief Executive meet with the Mayor and Wellington City Council Chief Executive on a regular basis. The Chief Executive meets regularly with Officers of the Council Controlled Organisation Monitoring Unit and other Council Management when appropriate. The Chairperson and Chief Executive attend the CCO Performance Monitoring Sub Committee as required.

3.2 BOARD MEMBERSHIP

Name	Term Expires
Ross Martin (<i>Chairperson</i>)	31 December 2013
Francie Russell (<i>Deputy Chairperson</i>)	31 December 2010
Celia Wade-Brown	October 2010
Linda Meade	30 June 2012
Alan Dixson	31 December 2013
Shaan Stevens	31 December 2013

All Board members are non-executive.

3.3 BOARD OPERATIONS

The Board meets at least eight times a year. The Chief Executive attends all meetings accompanied by other members of the management team as needed.

3.4 BOARD COMMITTEES

The Board operates four Committees:

- Finance, Audit and Risk Committee
- Remuneration Committee
- Fundraising and Sponsorship Committee

3.5 BOARD DEVELOPMENT

The Board conducts an annual review of overall Board performance and individual and chair performance and from this determines development needs and any other actions required to ensure best practice governance and performance standards are met. The Trust promotes Board development for corporate governance and spends at least 10 hours a year on this at Board meetings and additional workshops and discussions.



Pygmy Marmosets arrived June 2009



Nyala arrived September 2009

4 NATURE AND SCOPE OF THE TRUST'S ACTIVITIES

4.1 CORE BUSINESS

The Trust will continue to provide the core business services that the Zoo has historically delivered to Wellington. These can be summarised as follows:

- Development and maintenance of animal exhibits which offer high quality experiences to visitors and high quality living environments to the resident animals
- Provision of engaging learning experiences for visitors and community involvement with the Zoo as a community asset
- Educational curriculum delivery
- Management of collection animals to achieve excellent levels of health and emotional/psychological well-being
- Strategic management of the animal collection
- Contribution to conservation through advocacy, support for ex situ and in situ programmes, and sustainable management practices on site
- Participation in collaborative inter-zoo management programmes for collection species and individuals
- Contribution to conservation, scientific, learning and management research projects
- Fundraising for the organisation's future sustainability, development and conservation projects



CONTRIBUTION TO COUNCIL'S VISION AND OUTCOMES

The Zoo will be a contributor to the Council's vision for the city, focusing on knowledge, ideas and innovation. It will also offer a leisure experience which contributes strongly to the lifestyle demanded by creative people in the place they choose to live.

As a result of aiming for and achieving the Trust's strategic vision, the Zoo will be seen as:

- A leader in the city, and a major partner of Wellington City Council in shaping the community's views on conservation and sustainable living
- A valued and valuable member of the Newtown and Wellington communities
- A substantial player in the drive to position Wellington as a centre for learning about and expertise in conservation and science
- A key contributor to the "Creative Wellington – Innovation Capital" vision, helping the city become internationally competitive by attracting investment in education, research, tourism and employment and contributing to the provision of a vibrant city attracting a creative working population
- An important part of Wellington's history as New Zealand's first Zoo and the most visited paid cultural attraction in Wellington.

4.2.1 Creative Wellington – Innovation Capital

Specifically, the Trust will contribute to the achievement of the Councils' 13 outcomes for its *Creative Wellington – Innovation Capital* vision as follows:

*Economic
Development*

... strengthen and further develop the city's status as a centre of creativity and innovation

Partnerships with both Victoria University of Wellington and Massey University has enabled more facilitated post-graduate research across a range of zoo disciplines, but particularly in the animal science area. The Zoo's relationship with Pacific Radiology ensures best care of the animals in the collection. This memorandum of understanding with Pacific Radiology has been renewed until 2011. This means that The Nest Te Kōhanga will receive support from the team at Pacific Radiology for diagnosis and access to equipment the Zoo may not have on site.

The contract with Massey University will lay the foundation for the Zoo's new hospital to become a teaching centre for Massey's bio-medical science department, offering them greatly expanded opportunities to teach wildlife medicine. The veterinary residency programme commenced in 2008 to facilitate the education of wildlife veterinarians. The Zoo currently has four masterate students on rotation in the Zoo throughout the year. The programme is due for renewal in 2011.

The Zoo supports the Manager, Conservation and Sustainability to complete a PhD in evaluation of conservation message uptake in zoo visitors for local and global conservation issues ; research which is sorely needed as zoos around the world need to assess the effectiveness of their conservation advocacy efforts. Evaluation methods in this area will also benefit other organisations involved in environmental literacy development. She has already been asked to present the research to the Kakapo and Kokako Recovery Teams at the Department of Conservation.

The Zoo Capital Programme itself will provide the impetus for **creative design and innovative practice** as the capital projects are developed and delivered. The capital projects has and will create facilities which are multifunctional and which will provide the community new experiences in the Zoo while ensuring best practice animal welfare and the health and safety of staff and visitors remain strategic imperatives.

The Trust works closely with Wellington City Council to develop realistic and effective Asset Management Plans each year to ensure the asset is well maintained to a 21st century standard.

4.2.2 Capital Projects – Innovative Community Assets

The new facilities being planned at the Zoo will contribute to Council’s critical mass of community facilities for a 21st century city.

<i>Environment</i>	<ul style="list-style-type: none"> ... increase its promotion of energy efficiency, energy conservation, and the use of renewable energy sources ... increase its efforts to improve the protection of streams ... strengthen its partnerships with community groups to increase environmental awareness in the community
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Processes have been implemented to ensure control of Capital Expenditure (CAPEX) projects. Wellington Zoo Trust has applied the Wellington City Council project management documentation for all CAPEX projects and works closely with Council Controlled Organisation (CCO) Monitoring Unit officers to ensure all Council requirements are followed.

Wellington Zoo Trust has also introduced two committees to ensure holistic project planning and close monitoring of budgets and timing. The Project Control Group (PCG) is a cross functional team attached to each CAPEX project. The PCG is responsible for the development of the project brief and ongoing monitoring of the CAPEX project. The Project Steering Committee (PSC) comprises the Chief Executive, Chief Financial Officer, Manager Capital Development, General Manager Operations, Group Manager Commercial Development, Group Manager Experience and Learning and the CCO Liaison Officer. The PSC is responsible for high level decisions specifically in regard to budget and strategic intent of CAPEX projects.

Sustainable building materials are considered in all capital developments and reducing the environmental impact of the Zoo is a key objective in planning and operations.

The Trust has also blended high capital cost projects with modest cost, high impact which utilise our in house skills of creativity and workmanship. We are fortunate to have staff with experience from the movie world with Wingnut Productions who can assist with in house design build projects.

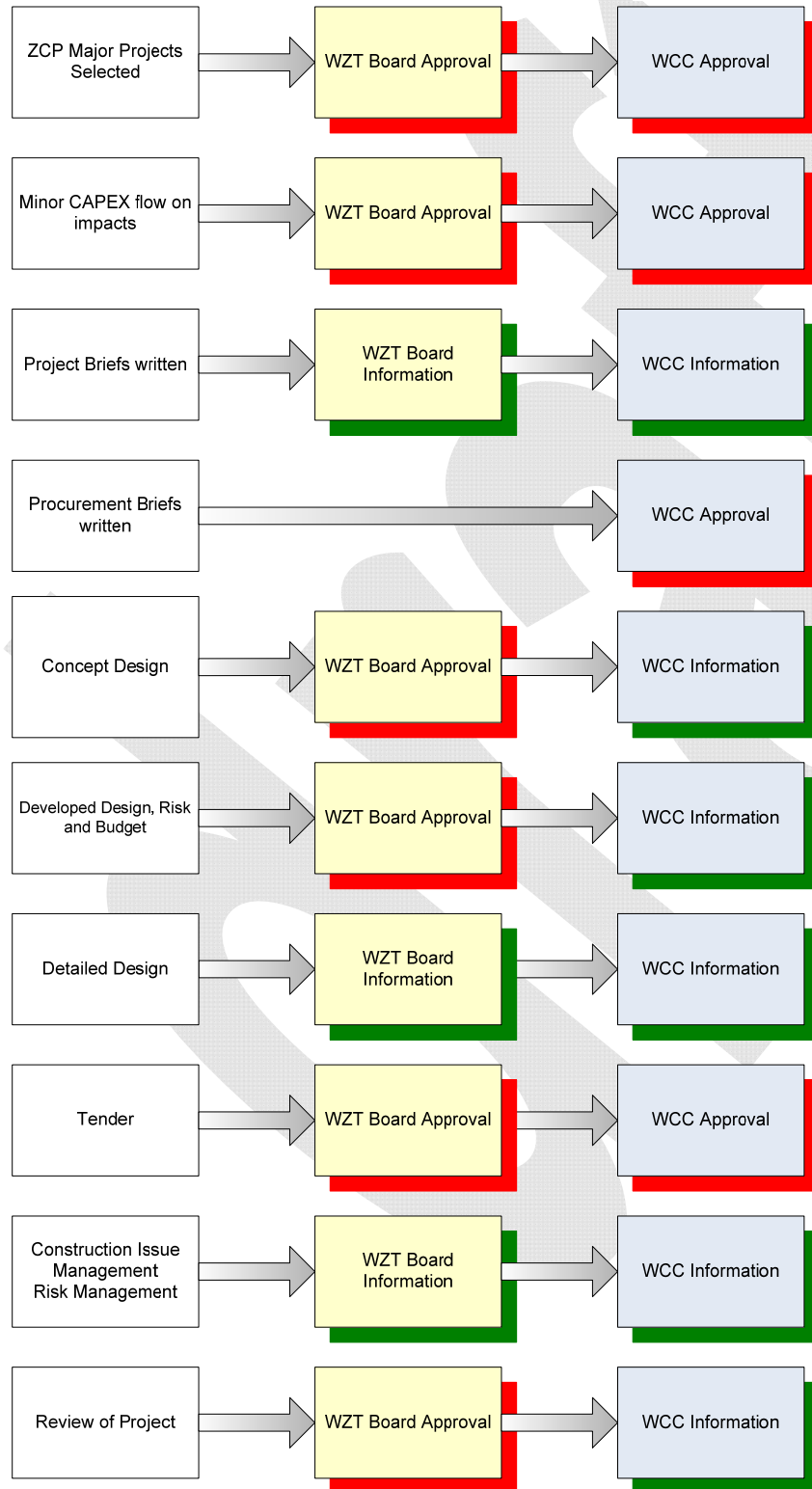


The Nest – Te Kōhanga

A CAPEX project process has been improved to ensure approval at key gateways throughout the life of the project. This process is set out below:

Capital Project Flow Chart and Wellington Zoo Trust Board Gateways

Approval
Information



Through the Visitor Experience Strategy and the Conservation Strategy, visitors will understand that the story is the Zoo's own **Environmental Management System**. Many of the initiatives implemented on site will be capable of implementation in visitors' own homes. The capital projects will also enhance this message in terms of their design and function by including features such as:

- Solar hot water and photo cell use
- Sustainable building materials e.g. Forest Stewardship Council (FSC) timber
- Use of rain water for irrigation and grey water uses
- Solid waste reduction
- Composting
- Energy-efficient initiatives
- Recycling and reuse of materials

The Bush Builders Schools Project has provided a very solid platform for increasing Wellingtonians' understanding of how ecosystems work and how Wellingtonians can commit to improving the quality of the local environment through improved environmental literacy..

4.2.3 Cultural Experience – Urban Nature

Wellington Zoo has been and continues to be a much-loved part of Wellingtonians' lives as children and as adults, as parents and as grandparents.

<i>Cultural Wellbeing</i>	... take a more proactive role in protecting local sense of place
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Wellingtonians have a proud history of caring about the natural world, as evidenced by the early setting aside of green spaces in the Town Belt and by Council's research in recent years which revealed that the accessibility of the natural environment was one of the three most attractive characteristics about the city for its inhabitants. For over 100 years, the Zoo has been one of the primary ways we have connected with the natural world beyond ourselves. It is a part of our identity as a city and we seek to be a reflection of the personal and unique city we live in.

The Zoo Ambassadors programme assists in creating a sense of place for Wellingtonians in relation to the Zoo. Zoo Ambassadors are high profile people in the community who believe in the work of the Zoo and provide a credible public face to speak on behalf of the Zoo.

This year we have established The Big Bite Club whose members are the influential Wellingtonians who support the Zoo. The Tuatara Club for past Chairs and Deputy Chairs of the Trust will ensure ongoing involvement with those who have been in the leadership roles for the Zoo beyond their tenure on the Board.

These programmes are mechanisms for Wellington Zoo to garner support but also involve a wide cross section of the community with the work of the Zoo.

4.2.4 Building the Community – Across all Boundaries

The Zoo is an integral part of the Wellington community and offers a range of community experiences for the whole community.

<i>Social and Recreation</i>	<ul style="list-style-type: none"> ... work harder to increase the value of community facilities to their communities ... increase its efforts to promote youth participation in sport and recreation
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The Zoo is already a strong contributor to the recreational life of Wellingtonians- young and young at heart. Approximately 90,000 Wellingtonians under the age of 18 visited the Zoo in 2009-10. There is also a considerable cohort of 18 – 30 year olds who visit in couples and groups of friends.

The Trust's aims to create a Zoo of ideas which enters into dialogue with its community on a range of topical and stimulating subjects will lead it in new directions. The Wild Theatre has enabled the hosting of events such as the visit of Dr Jane Goodall in 2008.

The Zoo seriously considers its accessibility for all Wellingtonians. The annual free Wellington Neighbours BBQ and the reduced admission price during winter ensure that those less fortunate in Wellington have access to the Zoo. Disabled access is a consideration in all capital projects and Wellington Zoo Trust works with Wellington City Council City Communities through the Adviser for Disability Communities to ensure the Zoo is as accessible as possible. In this period of economic downturn, the Trust will continue to ensure accessibility for Wellingtonians through excellent value memberships and discount policy.

The Visitor Experience Strategy provides for innovation in experience and message delivery. The strategy employs best practice understanding of how people engage with information and addresses the learning theory which supports the visitor experience in the Zoo.

4.3 PARTNERSHIPS

The Zoo has a large number of partners within the city, nationally and internationally.

4.3.1 Principal Funder

Wellington City Council is the principal funder of the Zoo. This is the cornerstone relationship for the success of the Wellington Zoo Trust. The Zoo's physical assets, including those for which the Trust raises funds, are vested in Council. The Trust recognises Council's capital investment as key to the success of the Zoo but the Trust is striving to reduce the trend in percentage reliance on Council operating grant as a total of OPEX. Aside from funding, the Trust also recognises and values the many other facets of the relationship and active partnership with the City Council such as accessibility initiatives, Green Capital sustainability initiatives, conservation programmes, joint communications, support from Council services such as Information Technology, Human Resources support and asset management.

4.3.2 Conservation and Business Partners

Partners with whom we have joint projects, Memorandums of Understanding or major financial/contractual relationships are:

- The Zoo and Aquarium Association (and individual member zoos) – operating within the ZAA framework gives Wellington Zoo its “licence to operate” in the zoo industry and enables us to access animal stock, collection management expertise and specialist advisory expertise across the zoo industry.
- Karori Wildlife Sanctuary (Zealandia) through captive breeding of kaka for release, keeper time for monitoring birds and veterinary services. ‘The Nest Te Kōhanga’ will enhance our relationship with Zealandia and bird rehabilitators in this region. We have already witnessed an increase in native wildlife being brought to the Zoo since the opening of this facility.
- Te Papa
- Pacific Radiology
- Go Wellington
- Ministry of Education through Learning Outside the Classroom programme
- Victoria University
- Massey University through the Wildlife and Zoo Medicine Masterate programme
- Arataki Honey through support for Wellington Zoo sun bears and Free the Bears in Asia
- Saatchi and Saatchi
- Tip Top
- Dominion Post
- Classic Hits
- Department of Conservation through species management, joint visitor experience initiatives, research programmes and endangered species conservation
- Mojo Coffee Cartel
- Sustainable Business Network
- Free the Bears
- Cheetah Outreach

A number of community funding bodies also have a major impact on the Zoo through their generous input of funds for Zoo operation and development. We value their support and rely on their generosity. Relationships with these organisations are excellent and The Trust will continue to work hard in this area.

4.3.3 Tangata Whenua

The Zoo is strengthening its partnership with the Wellington Tenth Trust through collaboration on the narrative ideas for the ZCP and native species stories. Maori cultural history and stories will be part of the interpretive mix of the Zoo. The Trust is formalising its relationship with the Tenth Trust this year through an MOU and consultative work on Meet the Locals.

4.3.4 Regulatory Bodies

Closer working relationships are being developed with the Department of Conservation, Ministry of Agriculture and Forests and the Environmental Risk Management Authority through consultation and collaboration on regulatory frameworks – Containment Standards, accreditation issues, Import Health Standards and Disease Risk Analyses – as well as increasing field support of Department of Conservation projects.

4.3.5 Other Partners

A number of other organisations have a significant relationship with the Zoo and contribute to the Zoo's goals, including:

- Otari-Wilton's Bush Trust
- World Wildlife Fund
- Positively Wellington Tourism
- Weta Workshop

4.4 GROWING ZOO SUPPORT AND REVENUE

The Trust is committed to increasing the operational revenue required for the Zoo and reducing operational funding dependence on Council. The business case for ZCP clearly shows this intention while recognising the challenges inherent in this and the need to invest in 21st century zoo activities. The Trust actively seeks sources of funding external to Council through visitors, donors and other supporters. Since the Trust's inception in July 2003, it has generated significant extra revenue other than Council funding for general operations and capital projects and is endeavouring to increase funds raised for operational requirements. The Zoo is on track to being a major contributor to funding for CAPEX projects and OPEX requirements. However it must be stated for 2009/10 that the financial successes of the past two years may not be repeated in this economic climate. The Trust constantly monitors trends in visitation and seeks to be prepared for any indications of financial risk.

The Trust appreciates that confirmation of the current level of support from Council for the next three years will enable a more certain approach to financial planning and give the Trust a degree of confidence to operate at the same level. However it will not enable the Trust to fulfil the salary improvements it needs to make across the organisation in the way we would like. Nor will it enable us to 'future proof' the business by growth or increased investment in key areas such as marketing to grow visitor numbers.

Significant reviews of the commercial products have been undertaken to ensure the best return on investment and the Commercial Strategies outline the key drivers for revenue generation over the coming three years. The yearly Business Plan and Six Strategic Elements reflect financial sustainability as a critical success factor for the Zoo and measurable targets are set to ensure this outcome.

The Fundraising Strategy outlines the focus for Zoo fundraising for the next three years with particular attention to capital fundraising and community support. The establishment of the Zoo Ambassadors programme will provide credible community voices to support the Zoo in its fundraising task.

The Trust will drive membership support through Zoo Crew and Adoptions in a Box programmes and the Manager Fundraising position will focus on the Community Fundraising Programme over the coming years. This role will also seek to gain budget relieving funding for operational expenditure.

The Volunteer Coordinator role will drive community support for the Zoo through increasing volunteering effort across the Zoo's activities. In 2008/09 the Zoo saw an increase in corporate volunteer days and volunteers will play an increasingly important role in the visitor experience. Specifically recruited and trained volunteers will be crucial for the visitor experience delivery at The Nest.

The new catering contract with Mojo Coffee Cartel which was implemented on March 1 2010 will be critical in establishing a long term partnership with a Wellington organisation in this critical commercial area of the Zoo.. Work has begun on planning a redeveloped catering hub in the centre of the Zoo close to the Wild Theatre to create a critical mass of visitor services in the heart of the Zoo. Mojo will contribute CAPEX funding to this project and also plan to redesign and refit the existing café – all benefits to the Council's physical asset.

The table below shows the improved percentage contribution to operational funding the Trust has made since its inception. The Trust clearly intends to continue this trend and the commercial and fundraising activities have been focussed on this outcome.

Contribution to Operational Funding by the Trust

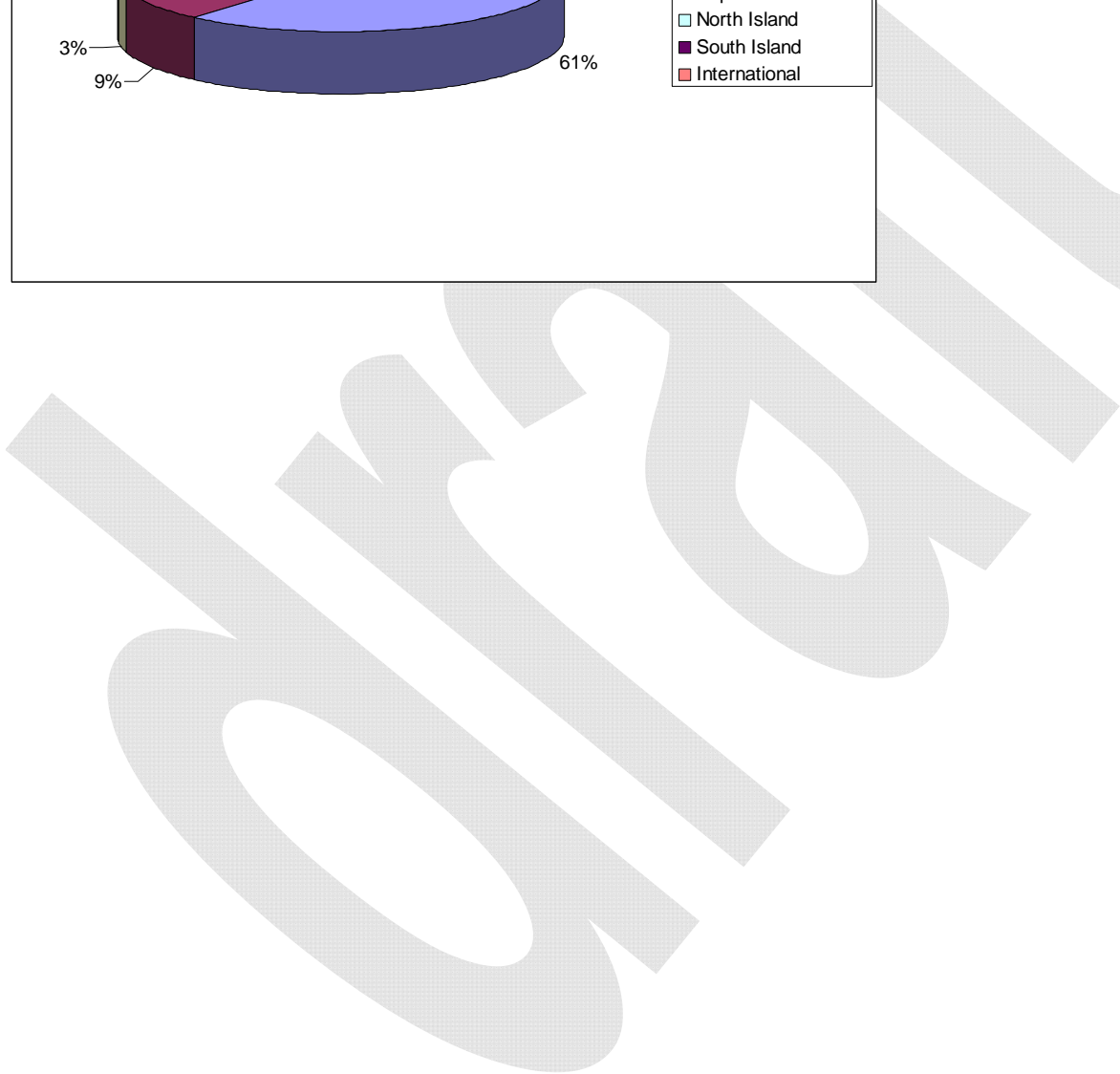
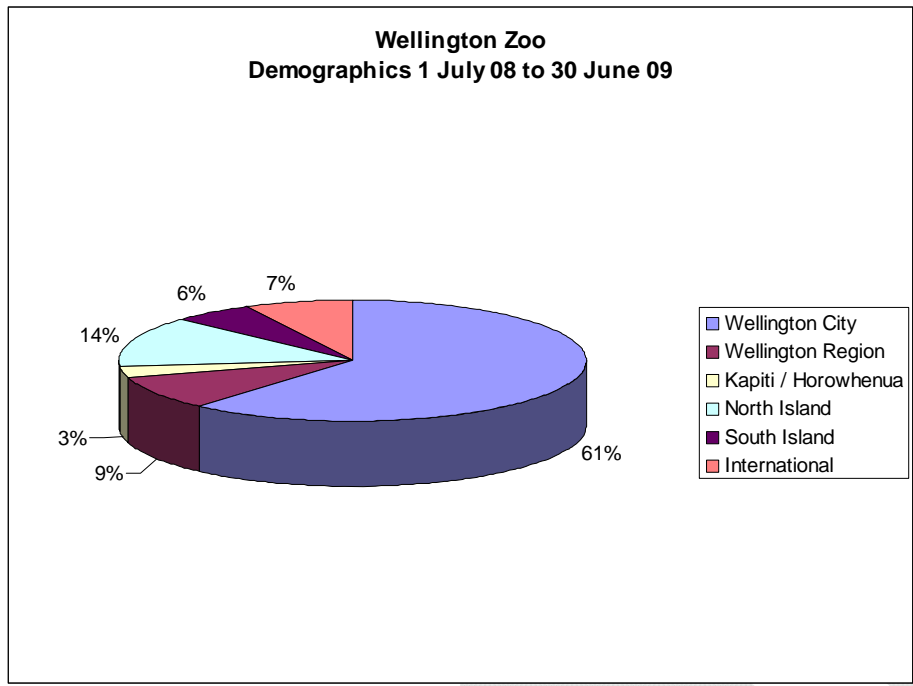
	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	Forecast 2009/10
Operational Funds raised by Zoo Trust	\$1,193,997	\$1,444,928	\$1,779,061	\$1,979,504	\$2,150,690	\$2,384,678	\$2,440,000
Total Operational Expenditure	\$3,402,659	\$3,863,636	\$4,164,185	\$4,576,396	\$4,634,648	\$4,906,024	\$5,147,000
Zoo Trust Generated Funds as % Total Operational Expenditure	35%	37%	43%	43%	46%	49%	47%

The Trust has set itself a target of raising \$5.2 million in capital funding over ten years from December 2006 as its contribution to the Zoo Capital Programme. At the end of January 2010 \$2,458,949 has been raised towards this target for specific ZCP projects.

Capital Funds Generated by Wellington Zoo Trust	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Capital Funds	\$389,000	\$138,369	\$687,606	\$274,254	\$840,389	\$508,954

4.5 REGIONAL FOCUS

The four major zoos in New Zealand are regional rather than purely local facilities. The geographic origin of Wellington Zoo's visitors clearly demonstrates this regional focus. The Trust targets its marketing and *in situ* conservation activities accordingly.



5 MEASURES

Measures are grouped under the six strategic element headings for reporting to Council.

Measure	Frequency of measure	Target 2010/11	Target 2009/10	Actual 2008/09
<i>Outstanding, intimate & unique visitor experiences</i>				
Projects to assess visitor learning and satisfaction	Annually	1	≥1	5
Teachers rate learning programs as meeting objectives	Annually	>97% teachers agree learning was effective	>97% teachers agree learning was effective	100% teachers agree learning was effective
Number of students participating in an LEOTC Learning session (new measure) – 10,500 2007/08	Annual	>9,000	>9,000	n/a
Contact animal hours out in the Zoo (new measure)	Annual	>300	>200	n/a
<i>Industry Leadership</i>				
Staff position holders on industry committees	Annually	5	>5	12
<i>Financial sustainability</i>				
Fundraising targets for ZCP reached or exceeded	Annually	\$658,894	≥\$919,200	\$488,152
Average Zoo shop retail spend per Zoo visitor (new measure)	Annually	≥\$1.33	≥\$1.36	n/a
Increase total admissions by 2% each year on base year 2005/06 (170,116 visitors) as per Business Plan	Annually	187,810	≥184,130	178,386
Average income per visitor (excluding WCC grant)	Quarterly	\$12.99	\$12.73	\$13.29
Ratio of Trust generated income as % of WCC grant	Quarterly	90%	87%	88%
Average WCC subsidy per visitor	Quarterly	\$14.42	\$14.71	\$15.07
<i>Valued and motivated staff</i>				
All staff have a Personal Development Plan	Annually	100%	100%	Yes
Staff Survey conducted	Annually	October 2010	October 2009	n/a
Staff turnover (not including casual and fixed term roles)	Annually	<15%	<15%	17.2%
<i>Lead or participate in conservation and research programmes</i>				
Collection in managed programmes (% of total Collection)	Annually	41%	>38%	44.1%
Conservation partners with formal agreements (new measure)	Annually	4	≥4	n/a
<i>Lasting Community support and participation</i>				
Partnerships formed with written agreements	Annually	7	≥6	8
Volunteer hours (FTE)	Annually	≥5 FTE	≥5 FTE	5.05 FTE
Wellingtonians visiting the zoo	Annually	50%	>49%	44%
Retain Zoo Crew memberships from 2008/09	Annually	≥3000	≥3000	n/a

6 RISK MANAGEMENT

The Wellington Zoo Trust has a Finance, Audit and Risk Committee which meets as required throughout the year. The Board monitors our risk matrix at each Board meeting and this matrix is updated as required. The Trust also has a rigorous Risk Management Policy.

The Wellington Zoo Trust seeks to minimise business risk by applying risk analysis and mitigation of identified risks. The Plan is outlined on the following pages.



The African Village – Opened November 2009


Risk Analysis & Mitigation Plan for Wellington Zoo Trust


Risk No	Areas of Risk	Risk Identification	Proba - bility	Impact	Risk Value	Impact	\$ Value of Risk	Risk Treatment	Owner
1	Financial, H & S, Operational, Collection, Visitation	Natural Disasters causing destruction and infrastructure failure	-2	7	5			Continue developing contingency plan. Civil Defence kit kept on site and maintained.	GMO
2	Financial, H & S, Operational, Collection, Visitation	Loss of business due to weather	0	5	5			Improve infrastructure via ZCP and incorporate shelter from weather into new developments.	CEO
3	Financial, H & S, Operational, Visitation, Fundraising, ZCP	Attraction and Retention of Key Staff	-1	6	5			Succession planning, staff development, Recruitment and Induction Policies.	CEO
4	Financial, H & S, Visitation, ZCP	ZCP Fundraising Targets Not Reached	-1	6	5		\$919K:09/10 Financial Year	Projects on hold, relationship building	CEO
5	Financial, H & S, Operational, Visitation, Reputational Fund Raising, ZCP	Significant site incident (including animal related incidents)	-2	7	5			Health & Safety Management System	CEO
6	Financial, H & S, Operational, Visitation, ZCP, Collection	Building Fire (Including animal night quarters)	-1	6	5			Health & Safety Management System, Fire Alarms, Building WOF's, Emergency Procedures Manual	GMO
7	Financial, Operational, Reputational Visitation, Fundraising, ZCP	Reputation Falls	-2	6	4			Code of Conduct and Risk Management Policy	CEO
8	Financial, H & S, Operational, Collection, Visitation	Major spread of contagious disease	-3	7	4			Avian influenza contingency plan, screening policy, MAF Guidelines, Erma policies	GMO
9	Financial, H & S, Operational, Visitation, Fundraising, ZCP	Project Design, Development and Delivery Risk (including not obtaining resource consent)	-2	6	4			Project Management Process	CEO
10	Financial, Visitation, Reputational Fundraising	Bad Press	-1	5	4			Risk Management Policy	CEO
11	Financial, H & S, Operational, Collection	Security Breach / Vandalism	-2	5	3			CCTV System, Security Alarms, Maintenance of Perimeter Fence	GMO
12	Financial, Reputational Visitation, Fundraising	Loss of Business Due to Competition / Economic Downturn	-1	4	3			Business Plan, Strategic Plan	CEO
13	Financial, Operational, Reputational Visitation, Fundraising, ZCP, Collection, H & S	Key Staff Fail to Deliver on Strategic Direction and Business Outcomes	-2	5	3			Performance Management Process	CEO
14	Financial, Operational, Visitation, Fundraising, ZCP, Collection, H & S	IT and Utilities Infrastructure Loss and Failure	-3	6	3			Emergency Procedures Manual, Zoo Manual	GMO
15	Financial, Reputational Visitation, Fundraising	Breach of Ethics, Policies, Regulations and Values	-3	6	3			Code of Conduct	CEO
16	Financial, H & S, Operational, Collection, Visitation, Reputational, Fundraising	Reduction or Withdrawal of Support From Wellington City Council	-3	6	3			Business Plan, Recognition Policy, Statement of Intent, Contract for Services, Communications Strategy	CEO
17	Financial, H & S, Operational, Visitation, Reputational	Risk of Injury or Illness From Staff or Visitor Contact With Animals	-2	5	3			H & S protocols, Standard Operating procedures for dangerous animals, communications protocols.	CEO
18	Financial, Operational, Visitation, Reputational Fund Raising, ZCP	Inability to import animals to replace collection	-1	4	3			Collection Plan	CEO
19	Financial, Operational, Reputational Fundraising	Failing to spend donations on the purpose for which they were gifted	-3	6	3			Audit processes, fund raising policy	CFO
20	Financial, Operational, Reputational, Visitation, Fundraising	Loss of LEOTC contract in current financial year	-2	4	2		\$247,000	Meet KPI's as per Contract	Manager Visitor Experience
21	Financial, Operational, Reputational Fundraising	Loss of Community Support	-2	4	2			Recognition Policy	Manager Commercial Development
22	Financial, Operational, Reputational, Fund Raising, ZCP	Inappropriate procurement processes followed	-2	4	2			Procurement Policy, Register of Interests	CFO
23	Financial, Operational, Reputational Fundraising	Fraud	-3	4	1			Well documented procedures and spot audits of procedures. Daily sign off for banking and float reconciliations	CFO


Score	Probability that the Event will Occur
1	Almost Certain and / or could occur frequently
0	Very likely to occur and / or could occur more than once
-1	Moderately likely to occur and / or could occur at least once
-2	Unlikely to occur and / or might occur once
-3	Very unlikely to occur


Score	Level of Impact of the Event Occurring
7	Catastrophic Damage value greater than 50% of the project value, or Major delay to the project completion, or Major impact on this and other business opportunities
6	Very High Impact Damage value about 20% - 50% of the project value, or Significant delay to project completion, or Significant impact on this and other business opportunities
5	Major Damage value about 5% - 20% of the project value, or Project completion affected, or Some impact on this or other business opportunities
4	Minor Damage value less than 5% of the project value, or Project completion not impacted (although a phase of the project may be), or This business opportunity could be impacted
3	Negligible Damage value covered by contingency, any delays barely noticeable and client unaffected
2	Minimal

These two scores are added together to give a "Risk Value". This will be in the range zero to eight.

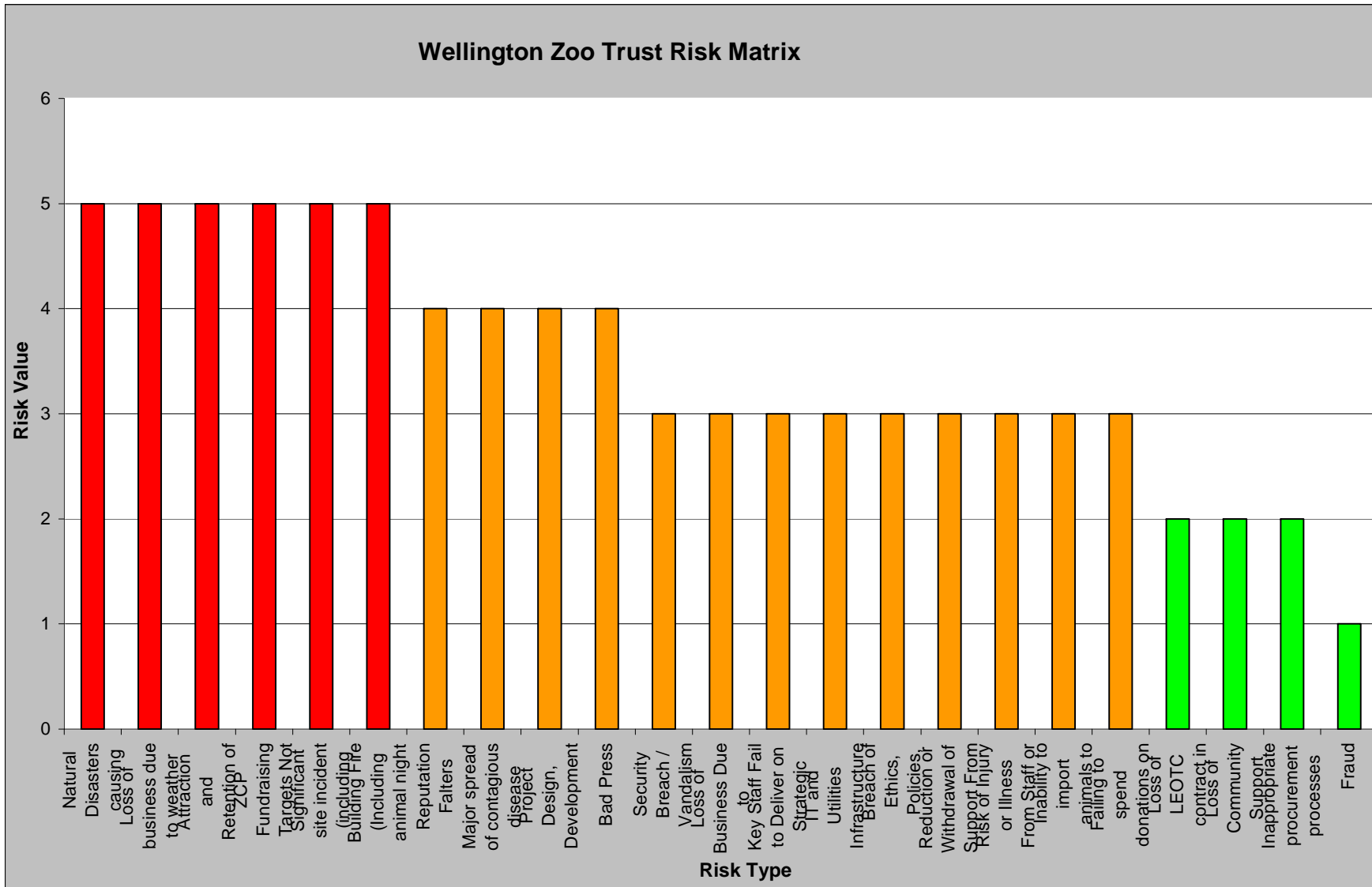
 All risks with a Risk Value of 5 - 8 must have a mitigation plan developed and agreed by all parties to the project. This level of risk will probably require some immediate special action or special planning dedicated to reducing the particular risk. A contingency plan should also be developed.

 All risks with a Risk Value of 3 or 4 shall have a mitigation plan so they can be managed.

 All risks with a Risk Value of 0 - 2 can just be recorded and accepted as such until such time as they produce a higher score.

 Any risk that has a Probability Value of one (1) or an Impact Value of five (5) or more must still have a mitigation plan even if the overall Risk Value is less than five.





7 RELATIONSHIP WITH COUNCIL

The Trust will report quarterly to the Council through the Council Controlled Organisations Monitoring Sub-Committee on the Key Performance Indicators above and over all financial performance. The Council's proposed templates/formats will be used.

The Strategic Plan and Business Plan will be forwarded to Council for approval by the dates required in the Trust Deed and Purchase Contract.

The Trust's Statement of Financial Performance and audited accounts will be presented to Council within 60 days of financial year end.

The Trust will disclose any material or potentially contentious transactions that are planned within its annual business plan. Where this is not possible, the earliest practicable notice will be given to Council of such transactions.

The Trust will publicly acknowledge Council's contribution to the Zoo wherever appropriate.

The principles governing the relationship between the Trust and Council will include:

- A "no surprises" approach which is addressed in the Memorandum of Understanding with Wellington City Council Communications
- Open communications which acknowledge each partner's objectives and constraints
- Mutually respectful negotiation of resolution of differences
- Reciprocal recognition of the requirements of each other's processes
- Regular meetings between Mayor, Wellington City Council Chief Executive Wellington Zoo Trust Board Chair and Wellington Zoo Trust Chief Executive to discuss issues and direction

Wellington Zoo Trust will recognise Wellington City Council as Principal Funder of the Zoo as part of the Trust's Recognition Policy.

This recognition is offered to Wellington City Council in the spirit of partnership with the Zoo as we mature as a charitable trust. We would like to ensure that we recognise all donors and funders in an appropriate way and note that if we were to receive such a large donation from a private individual or company as the one the Council gives to us, we would be recognising that donation in a similar way.

Wellington Zoo Trust will provide the following benefits to the Wellington City Council for its continued operational and capital expenditure support of Wellington Zoo Trust.

Branding Benefits

The Trust will:

- use the Absolutely Positively Wellington logo to recognise the Council's contribution where practicable
- recognise Wellington City Council in our regular Communication Channels
- Newsletter editorial
- Website editorial
- The Zoo will use a boilerplate outlining Wellington City Council contribution on all media releases

- provide a framed certificate of partnership for the Council foyer
- send the Zoo's quarterly newsletter, "Zoo Views - news from the best little zoo in the world"
- ensure prominent mention in the Trust's annual report
- ensure that the Council's logo is on the Zoo's web site with a hotlink
- provide mention of the Council's support at Keeper Talks for a month after any new exhibit opens
- allow the Council to use the Zoo's logo
- construct signage relevant to the Council's grant at new exhibits
- maintain the Council's name on the partners' tree inside Zoo

Hospitality Benefits

We will:

- invite Directors and Councillors to all standard Zoo events
- give Wellington City Council access to the use of two venues at the Zoo per year, for example the Wild Theatre or Archibald Centre
- provide the Council with 110 single passes to the Zoo per year:
 - 10 for each directorate, including the Chief Executive's office to be administered by the Director's Personal Assistant. It is up to each Directorate as to how these passes are given out.

Staff Benefits

We will:

- Provide Council Staff discount on all Zoo products, such as encounters and sleepovers (20%). This does not include sales at the Zoo's catering outlets.
- Hosting of a Council Picnic Day at Wellington Zoo, free of charge to all Council employees and their families:
 - To be held in the summer months annually
 - Held on two consecutive Saturdays to ensure all workers can attend
 - Council is welcome to utilise these events as the staff Christmas events or any other 'special day'



Class Visits

8 TRUST'S ACCOUNTING POLICIES

8.1 Statement of Significant Accounting Policies

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.

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).

Reporting Period

The reporting period for these financial statements is for the year ended 30 June 2009.

The financial statements were authorised for issue for the Board of Trustees on 17 August 2009.

Accounting Policies

The measurement basis applied is historical cost, modified by the revaluation of certain assets and liabilities as identified in this statement of accounting policies.

The accrual basis of accounting has been used unless otherwise stated. These financial statements are presented in New Zealand dollars rounded to the nearest thousand, unless otherwise stated.

Judgements and Estimations

The preparation of financial statements in conformity with NZ IFRS requires judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Where material, information on the major assumptions is provided in the relevant accounting policy or will be provided in the relevant notes.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised when the revision affects only that period. If the revision affects both current and future periods, it is reflected in the current and future periods.

Judgements that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year, are discussed in the relevant notes.

Revenue

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 revenue 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 revenue when the conditions of the grant are satisfied.

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 revenue.

Interest

Interest is accrued using the effective interest rate method.

Expenses

Grants and subsidies

Expenditure is classified as a grant if it results in a transfer of resources to another entity in return for past or future compliance with certain conditions relating to the operating activities of that entity. Grants expenditure includes any expenditure arising from a funding arrangement with another entity that has been entered into to achieve the objectives of the Trust. Grants are distinct from donations which are discretionary charitable gifts.

Where grants and subsidies are discretionary until payment, the expense is recognised when the payment is made. Otherwise, the expense is recognised when the specified criteria have been fulfilled and notice has been given.

Donated 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.

Financial Instruments

The Group classifies its financial assets and financial liabilities according to the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

Non Derivative Financial Instruments

Financial Assets

Loans and receivables comprise cash and cash equivalents and trade and other receivables.

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivable. Trade and other receivables are recognised initially at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest rate method. Fair value is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date for loans of a similar maturity and credit risk. Trade and other receivables issued with duration less than 12 months are recognised at their nominal value. Allowances for estimated irrecoverable amounts are recognised when there is objective evidence that the asset is impaired.

Cash and cash equivalents comprise cash balances and call deposits with up to three months maturity from the date of acquisition. These are recorded at their nominal value

Financial liabilities

Financial liabilities comprise trade and other payables and borrowings. Financial liabilities entered into with duration less than 12 months are recognised at their nominal value.

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. Losses resulting from impairment are reported in the Statement of Financial Performance, unless the asset is carried at a revalued amount in which case any impairment loss is treated as a revaluation decrease.

Disposal

Realised gains and losses arising from the disposal of property, plant and equipment are recognised in the Statement of Financial Performance 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:

Audio Visual Equipment	3 years
CCTV	3 years
Projector	5 years
Incubators	10 years
Shade Sail	10 years
Hospital Equipment	10 years
Garden Furniture	12.5 years
Living Room Furniture	15 years
Composter	10 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. Borrowing costs are not capitalised.

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. The discount rate used represents the Zoo's average cost of borrowing.

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 subject to the netting of certain cash flows. 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.

Comparative figures

The Trust has adopted the NZ equivalents to International Financial Reporting Standards.

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. Any changes in accounting policies are approved by the Finance and Audit Committee of the Trust.

COMPENSATION SOUGHT FROM COUNCIL

To deliver the services described in this Statement of Intent, the Trust is seeking a continuation of the current **operational funding grant of \$2,709,000** for the 2010/11 year. It would also be appreciated if the Trust was, in addition to this grant, provided a sum of between \$90,000- \$100,000 to allow for 3% salary increase across the organisation in 2010-11.

Although the Trust does not own the Zoo's assets, it is charged with planning and developing them under its founding documents. Accordingly, the Trust has requested that the Council approve **\$1,960,543 for CX340** and **\$186,466 for CX125**, a total of **\$2,147,009** funding for capital improvements in 2010/11.

9 OBLIGATIONS/LIABILITIES

The Trust has no significant obligations or contingent liabilities.

10 DISTRIBUTION TO SETTLOR

The Wellington Zoo Trust does not make a distribution to the Settlor.



Ross Martin
Chairperson

APPENDIX ONE – FINANCIAL INFORMATION

CCO: Wellington Zoo Trust Business Plan 2010/11

\$NZ000's

Estimate 30-Jun-10	EARNINGS STATEMENT	Qtr to 30-Sep-10	Qtr to 31-Dec-10	Qtr to 31-Mar-11	Qtr to 30-Jun-11	Total YE 30-Jun-11	Total YE 30-Jun-12	Total YE 30-Jun-13
	Revenue							
2054	Trading Income	541	541	540	540	2,162	2240	2313
2709	WCC Grants	677	677	677	678	2,709	2,709	2709
82	Other Grants	21	21	20	20	82	82	82
742	Sponsorships and Donations	25	25	25	684	759	1172	150
40	Investment Income	12	0	12	0	24	26	26
70	Other Income	18	18	18	18	72	80	80
5,697	Total Revenue	1,294	1,282	1,292	1,940	5,808	6,309	5,360
	Expenditure							
3,322	Employee Costs	850	850	850	850	3,400	3,485	3,520
1,701	Other Operating Expenses	430	430	430	425	1,715	1,730	1,770
32	Depreciation	8	8	8	8	32	20	17
0	Interest					0	0	0
642	Vested Assets				659	659	1,072	50
5,697	Total Expenditure	1,288	1,288	1,288	1,942	5,806	6,307	5,357
0	Net Surplus/(Deficit) before Taxation	6	(6)	4	(2)	2	2	3
0	Taxation Expense					0	0	0
0	Net Surplus/(Deficit)	6	(6)	4	(2)	2	2	3
0.0%	Operating Margin	0.5%	-0.5%	0.3%	-0.1%	0.0%	0.0%	0.1%
Estimate 30-Jun-09	STATEMENT OF FINANCIAL POSITION	As at 30-Sep-09	As at 31-Dec-09	As at 31-Mar-10	As at 30-Jun-10	As at 30-Jun-11	As at 30-Jun-12	
	Shareholder/Trust Funds							
0	Share Capital/Settled Funds	0	0	0	0	0	0	
0	Revaluation Reserves	0	0	0	0	0	0	
209	Restricted Funds	209	209	209	209	209	209	
234	Retained Earnings	240	234	238	236	238	241	
443	Total Shareholder/Trust Funds	449	443	447	445	447	450	
	Current Assets							
953	Cash and Bank	1,624	928	1,597	905	845	805	
100	Accounts Receivable	85	85	85	110	85	85	
47	Other Current Assets	55	55	55	55	50	50	
1,100	Total Current Assets	1,764	1,068	1,737	1,070	980	940	
	Investments							
0	Deposits on Call	0	0	0	0	0	0	
0	Other Investments	0	0	0	0	0	0	
0	Total Investments	0	0	0	0	0	0	
	Non-Current Assets							
119	Fixed Assets	111	103	95	87	67	50	
0	Other Non-current Assets	0	0	0	0	0	0	
119	Total Non-current Assets	111	103	95	87	67	50	
1,219	Total Assets	1,875	1,171	1,832	1,157	1,047	990	
	Current Liabilities							
481	Accounts Payable and Accruals	1,131	433	990	417	241	241	
	Provisions					0	0	
250	Other Current Liabilities	250	250	350	250	314	254	
731	Total Current Liabilities	1,381	683	1,340	667	555	495	
	Non-Current Liabilities							
0	Loans - WCC	0	0	0	0	0	0	
0	Loans - Other	0	0	0	0	0	0	
45	Other Non-Current Liabilities	45	45	45	45	45	45	
45	Total Non-Current Liabilities	45	45	45	45	45	45	
443	Net Assets	449	443	447	445	447	450	
1.5	Current Ratio	1.3	1.6	1	1.6	2	1.9	
36.3%	Equity Ratio	23.9%	37.8%	24.4%	38.5%	42.7%	45.5%	

Estimate 30-Jun-10	STATEMENT OF CASH FLOWS	Qtr to Sep-10	Qtr to Dec-10	Qtr to Mar-11	Qtr to Jun-11	Total YE Jun-11	Total YE Jun-12	Total YE Jun-13
	<i>Cash provided from:</i>							
2,054	Trading Receipts	541	541	540	540	2,162	2,240	2,313
2,709	WCC Grants	1355	0	1354	0	2,709	2,709	2,709
82	Other Grants					0		
742	Sponsorships and Donations	25	25	25	684	759	1172	150
40	Investment Income	12	0	12	0	24	26	26
70	Other Income	18	18	18	18	72	80	80
5,697		1,951	584	1,949	1,242	5,726	6,227	5,278
	<i>Cash applied to:</i>							
3,322	Payments to Employees	850	850	850	850	3,400	3,485	3,520
1,701	Payments to Suppliers	430	430	430	425	1,715	1,730	1,748
	Net GST Cashflow					0	0	0
642	Other Operating Costs (VESTING)			0	659	659	1,072	50
	Interest Paid	0				0	0	0
5,665		1,280	1,280	1,280	1,934	5,774	6,287	5,318
32	Total Operating Cash Flow	671	(696)	669	(692)	(48)	(60)	(40)
	Investing Cash Flow							
	<i>Cash provided from:</i>							
	Sale of Fixed Assets					0	0	0
	Other					0	0	0
0		0	0	0	0	0	0	0
	<i>Cash applied to:</i>							
0	Purchase of Fixed Assets					0	0	0
	Other -vesting Cash for Capital Projects	0				0	0	0
0		0	0	0	0	0	0	0
0	Total Investing Cash Flow	0	0	0	0	0	0	0

Estimate 30-Jun-10	STATEMENT OF CASH FLOWS (CONT)	Qtr to 30-Sep-10	Qtr to 31-Dec-10	Qtr to 31-Mar-11	Qtr to 30-Jun-11	Total YE 30-Jun-11	Total YE 30-Jun-12	Total YE 30-Jun-13
	Financing Cash Flow							
	<i>Cash provided from:</i>							
	Drawdown of Loans					0	0	0
	Other					0	0	0
0		0	0	0	0	0	0	0
	<i>Cash applied to:</i>							
	Repayment of Loans					0	0	0
	Other					0	0	0
0		0	0	0	0	0	0	0
0	Total Financing Cash Flow	0	0	0	0	0	0	0
32	Net Increase/(Decrease) in Cash Held	671	(696)	669	(692)	(48)	(60)	(40)
921	Opening Cash Equivalents	953	1,624	928	1,597	953	905	845
953	Closing Cash Equivalents	1,624	928	1,597	905	905	845	805

Estimate 30-Jun-10	CASH FLOW RECONCILIATION	Qtr to 30-Sep-10	Qtr to 31-Dec-10	Qtr to 31-Mar-11	Qtr to 30-Jun-11	Total YE 30-Jun-11	Total YE 30-Jun-12	Total YE 30-Jun-13
0	Operating Surplus/(Deficit) for the Year	6	(6)	4	(2)	2	2	3
	Add Non Cash Items							
32	Depreciation	8	8	8	8	32	20	17
	Other (Gifted Hospital Assets)		0			0	0	
32		14	2	12	6	34	22	20
	Movements in Working Capital							
525	(Increase)/Decrease in Receivables	15	0	0	(25)	(10)	25	0
74	(Increase)/Decrease in Other Current Assets	(8)	0	0	0	(8)	5	0
(269)	Increase/(Decrease) in Accounts Payable	650	(698)	557	(573)	(64)	(176)	0
(330)	Increase/(Decrease) in Other Current Liabilities		0	100	(100)	0	64	(60)
0		657	(698)	657	(698)	(82)	(82)	(60)
	Net Gain/(Loss) on Sale:							
	Fixed Assets	0				0		
	Investments	0				0		
0		0	0	0	0	0	0	0
32	Net Cash Flow from Operations	671	(696)	669	(692)	(48)	(60)	(40)