



ANNUAL ACCOUNTS

FOR

THE YEAR ENDED 30 JUNE

2013

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DIRECTORY

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Trustees	G Moore (Chair) C Reid S Miller S Wright-stow T Korako N Shirlaw S Mortlock
Bankers	Bank of New Zealand Christchurch
Auditors	Audit New Zealand on behalf of the Auditor General
Email	<i>info@roddonaldtrust.co.nz</i>

Annual Progress Report

Financial Year June 2012-13

Introduction

The Rod Donald Banks Peninsula Trust (Trust) has a bold vision to facilitate the restoration of Banks Peninsula to its traditional status as Te Patakā o Rākaihautū – the storehouse that nourishes.

In this vision Banks Peninsula has a rich biodiversity, planted streams, lakes and seas flowing with clean water. The local people are prospering and passionately participate in conservation. The Peninsula is known as an ecological island and a place for appreciative recreation, with low impact activities such as walking, cycling and affordable camping fostered to encourage learning about and respect for the environment.

The Trust aims to achieve this vision through partnership with Peninsula communities, linking people and groups together and supporting their efforts and projects.

The Trust was formed in July 2010. The financial year 2012-13 is its third year of operation. In the year previous, the Trust had conducted a stock take report and determined that its work would be underpinned by three strategic pillars – *Access, Knowledge* and *Partnership*. When the 2012-13 year opened it had five main areas of activity underway:

- working with the Christchurch City Council (Council) to gain acceptance of its Investment Policy,
- establishing its profile with branding and a website,
- negotiating a memorandum of understanding (MOU) with the Banks Peninsula Conservation Trust,
- developing a loan agreement to help fund the publication of "Plant life on Banks Peninsula", and
- working with Nature Heritage Fund on a strategic property purchase

Now, at the end of year, the Trust reports that it has successfully completed these five areas of activity and made several steps on the journey to its vision. In the process it has established its credibility as a leader and significant contributor to the recreational and environmental management of Banks Peninsula. The Trust has also embarked on a number of new projects and developed significant partnerships in the process.

This 2012-13 Annual Report presents the achievements of the year grouped under the headings of:

- governance and administration,
- raising profile,
- policy development, and
- forming good relationships with key stakeholders project by project.

The achievements are then reported in a tabular format based on the Annual Performance Indicators in the Trust's Statement of Intent.

The Annual Report concludes with a brief look forward look to its goals and aspirations for the coming year.

Governance and Administration

From a governance perspective, the Trust's third year of operation is seen as one in which it completed the work of its establishment and embarked on a new phase of developing and executing active projects and partnerships. Developing effective and efficient methods of governance and administration have played an important part in this transition.

Governance

The Trust's governing body consists of seven Trustees appointed by the Council. The current Trustees are all Initial Trustees, those people whose earlier vision and dedication brought the Trust itself into being. They bring a wide range of knowledge, skills, and professional and community connections to the table along with their passion for Banks Peninsula and they donate their time on an entirely voluntary basis. Garry Moore has served as the Chair of the Trust since its inception and fostered a friendly, open style of debate at meetings enabling Trustees to work effectively to plot the path of the organisation and crystallise its direction step by step. Trustees have held regular meetings spread throughout the year and are grateful to the firm of Mortlock McCormack for providing their Boardroom free of charge for this purpose. The business of the regular meetings has been streamlined to enable the Trustees to focus on goal setting and governance and oversight of administrative matters. The Trust has also presented its progress at several public meetings and garners community feedback through discussion afterwards.

A highlight of the year was the Strategic Planning meeting held at The Gables in Wainui where the direction for the next year was discussed and encapsulated into the Statement of Intent for 2013-14. The meeting determined that the Trust would become a project lead organisation and progress project by project. It added a fourth strategic pillar of *Biodiversity* to the trio of Access, Knowledge and Partnership that had already been identified. It determined That the four pillars would be used to guide its assessment and selection of projects.

Trustees serve for a three year term. Their terms expire in rotation with two per annum coming up for re-appointment. It is a testament to the harmony

within the Trust and the steady progress it has been making, that the Initial Trustees whose terms have expired to date have all expressed their willingness to continuing serving and been welcomed to do so by the rest of the group.



Strategic Planning meeting at The Gables, Wainui on February 9, 2013. Clockwise from right: Garry Moore (Chair), Di Lucas (external facilitator), Claudia Reid, Tutehounuku Korako, Simon Mortlock, Suky Thompson (Secretary/Project Manager), Stuart Wright-stow, Nicola Shirlaw, Stewart Miller. Photo Bryan Morgan

Administration

The Trust had engaged Suky Thompson from Peninsula Projects as its Secretary/Project Manager running the Secretariat and driving its projects at the start of 2011. Her contract was renewed and expanded at the start of this year. The Secretary/Project manager prepares detailed agenda and supporting documents for each regular meeting of Trustees and carries out the operational activities as they have directed. Confirmation from the Chair is required to confirm any financial transactions or major external communications.

The Secretary/Project manager has worked throughout the year to build relationships with staff from the Council's Corporate Finance Unit who provide the Trust with its financial administration and accounting. The Trust has met all the statutory requirements within the required timeframes and appreciates the assistance it has received from Council staff with this process and with financial administration.

The Secretary/Project manager has also worked to build relationships with staff in the Trust's partner organisations.

The Trust has appointed the firm of Mortlock McCormack to act as its legal advisor. Under the arrangement, work done by Trustee Simon Mortlock is pro-bono, and work by the staff at cost. This generous arrangement with Mortlock McCormack has ensured that the Trust has had access to legal advice as necessary.

Policy development

The Trust has made major steps in the implementation of policy over the year and in developing new policies.

Investment policy

An important principle established by the Trustees was that the capital fund should be invested in a manner compatible with the values of the Trust and its namesake Rod Donald. It designed an investment policy to achieve security, liquidity and income through investing locally and ethically spreading deposits across a mix of Canterbury and New Zealand owned banks and New Zealand's only ethical investment company, Prometheus Finance. The credit ratings on some of these institutions fell outside the Council's policy, necessitating the Trust to attend Corporate Financial Committee and Council meetings to reassure the Councillors that the policy had been designed prudently and with sufficient safeguards to protect the capital fund. Once the investment policy had been accepted by the Council in conjunction with the Trust's Statement of Intent for the 2012-13 year, then the Trust was able to invest and manage its funds in accordance with its policy.

The investment policy also established that the capital funds of the Trust would be used to finance projects that created an enduring legacy for Banks Peninsula, and it earmarked up to 40% of the capital for use in the first 5 years of the Trust's operation should appropriate strategic opportunities arise, aiming to retain the remaining 60% for later years. The policy also determined that operational costs and minor projects that did not leave a legacy would be funded from the interest on the capital and this has imposed a strict discipline on the Trust to meter out and manage its funds carefully.

The Trustees receive a financial report at each of their regular meetings showing the complete list of investments and the state of the annual operational funding against the budget.

Strategic Pillars

The four strategic pillars of Access, Knowledge, Biodiversity and Partnership act as the primary criteria for the selection of projects. Combined they provide a mechanism to coalesce the Trust's interests in engendering biodiversity recovery through a recreationally active population engaged with conservation. The underlying philosophy is one of "appreciative recreation" and similar to that used in the management of many protected natural areas. Under this philosophy, creating and offering public walking and in some cases cycling access to selected natural and outdoor areas on Banks Peninsula combined with dispensing knowledge about the significance of its biodiversity and how to co-exist with it and the farmed environment around it will eventually lead people to support sustainable conservation and management of the area. Working in broad partnerships, the environment will be restored to health and prosperity.

As well as the four strategic pillars, the Trust has also identified four historical figures, Raikaihautu, Harry Ell, Cora Wilding and Rod Donald, who are used symbolically inspire the Trust's work and values.

Walking Strategy

A priority for the year was to develop a Walking Strategy to guide the Trust in its direction and choice of projects and partnerships involving walking, cycling and associated affordable camping. The process of developing the Strategy took the entire year, and it was not until June that the Trust felt ready to endorse an initial Strategy document for publication on its website. The strategy, and the time it has taken for the Trust to refine it to this draft stage, reflects the complexity of the topic and the sensitivity involved in aiming to create a greater degree of public access across a landscape largely in private ownership. The Walking and Cycling Strategy is seen by the Trust as a living document and the Trust fully expects it to evolve as its own knowledge and experience accrete and it receives feedback from partners and the community. The document is watermarked as Draft to indicate this.

The draft Strategy envisages Banks Peninsula developing as a major walking and cycling destination. This is not a new idea, but rekindles and builds upon the achievements of early 20th century visionaries such as Harry Ell, who worked to create a route from Christchurch to Akaroa based on the existing foot trails of the tangata whenua and pioneers, and later Cora Wilding who created New Zealand's first network of YHA hostels on Banks Peninsula.

The concept of developing more walking and cycling opportunities is timely. There is a growing demand for front-country recreation easily accessible from Christchurch and to harness that demand for rural community development. There is concern about increasingly sedentary lifestyles and the need for young people to engage with the outdoors to gain an appreciation of the environment that they will steward in the future.

The Strategy therefore seeks to build upon the existing network of routes on Banks Peninsula and extend it in line with the framework presented in the Council's Public Open Space Strategy. The Trust's Walking and Cycling Strategy has specific goals to:

- create amenity for local rural and urban residents;
- connect rural communities;
- develop the skills and resilience of young people;
- attract more tourists and visitors;
- support rural community development;
- improve urban-rural relations;
- develop a degree of post peak oil/future proof resilience and
- provide a vessel for public education and knowledge sharing on the environment, biodiversity, culture and heritage of Banks Peninsula.

A number of the Trust's projects throughout the year have been related to achieving these goals and the Trust is working on the principle of willing seller/willing buyer to facilitate access and to develop routes and tracks in partnership with landowners, DOC, the Council, Papatipu Rūnanga and local community groups.

Raising the Trust's profile

The Trust's profile was raised considerably during the 2012-13 as it rolled out its branding and website, held community engagement meetings, attended Peninsula forums and stories were picked up by the Akaroa Mail, the local Banks Peninsula newspaper.

Branding

The Trust branding developed early in the year features an icon reflective of the Peninsula's landscape shape to show that the Trust's remit covers the entire area. In doing so it pays homage to the former Banks Peninsula District Council, who had a similarly themed logo, respecting that this is how the Trust's funds were derived. The colours were chosen to reflect the landscape and waters of the Peninsula.



Website

Stage 1 of the Trust's website (www.roddonaldtrust.co.nz) went live in April. The primary aim of this first stage was to give the Trust a vessel to communicate with local people and partner organisations and to enable access to its public documents.

The site has been developed using Word Press enabling the Trust's own web administrator to alter and update content very easily, and it includes a News page which is being regularly updated with Trust progress and projects. The website also includes an About section to enable readers to understand the genesis of the Trust and how potential partners or applicants can engage with it.

The Trust envisages that this website will continue to be developed and may at some later stage include recreation and visitor information and a repository and archive of internal Trust documents.

Community engagement

The Trust has been involved with several Peninsula community meetings during the year. The first of these was in November 2012 when the Trust gave a presentation on its progress and joined in a good discussion at a joint workshop held by the two Banks Peninsula Community Boards. Later in the year the Trust Chair made a presentation at the Diamond Harbour Community Association AGM and opened the Winter Talk series sponsored by the Little River/Wairewa Community Trust.

These meetings have enabled the Trustees to engage with active community members and get a much better sense of the issues affecting the different communities on the ground.

Attendance at forums

The Trust secretary attended two forums organised by other leading Banks Peninsula organisations during the year.

Project Lyttelton sponsored the Open Space forum at Living Springs. This very well attended forum enabled its participants to set the agenda for the day and to run break-out sessions on topics of interest to them. The Trust secretary led a session about walking on Banks Peninsula, and the idea of a Banks Peninsula Walking Festival evolved from the ensuing discussion. The Open Space forum also provided an invaluable opportunity to mix and

mingle with other people passionate about the environment and communities of Banks Peninsula. The Trust commends Project Lyttelton for running this forum.

Banks Peninsula Conservation Trust and the QEII Trust organised an equally well attended Rocky Outcrops field day. Daytime activities focused on biodiversity with site visits to several locations and speakers from many different organisations giving their perspectives on the conservation values and appropriate management of such sites. In the evening a keynote speech from tourism specialist Prof. David Simmons was followed by a lively discussion with topics such as the retention and meaningful employment of young people, and the relationship between increased walking and appropriate tourism with biodiversity enhancement emerging from the audience. Again, the Trust commends the organisers for this outstanding event.

News and advertising

The Trust has not felt a need to advertise or actively promote itself during the year as word of mouth in the relatively small Banks Peninsula community and amongst its stakeholders was leading to a growing appreciation of its presence and role.

There have also been several news articles about the Trust during the year, predominantly in the Akaroa Mail, the Peninsula's well respected local newspaper.

The Trust's communications policy determines that the Chair controls new outputs, and all material uploaded to the web is also subject to Trustee approval.

Forming good relationships with key stakeholders through projects

There are a large number of stakeholders involved with the Trust's interest areas of conservation, recreation and sustainable management on Banks Peninsula. These range from government agencies and community organisation with a pan Peninsula focus such as DOC and the Banks Peninsula Conservation Trust to the Papatipu Rūnanga and smaller community organisations focused on their own areas. The Trust has now developed relationships with a number of these organisations. In forming these relationships and in many cases progressing joint projects, the Trust is always mindful of how they work towards the strategic pillars of access, knowledge and biodiversity.

In cases where the Trust has made either a major financial contribution or a commitment to a long term relationship, these have been cemented as partnerships with formal agreements signed by both parties.

The Trust has also developed a number of simpler and less formal relationships, either as minor funder for a specific project, or where work is in progress on a shared project or in investigating shared interests.

This section of the Annual Report identifies the partner and other relationships and the project that are associated with them.

Relationships covered by formal agreements

The Trust has developed five formal agreements with partner organisations this year. These are with the Banks Peninsula Conservation Trust, Orton Bradley Park, Manuka Press and two with the Department of Conservation. A brief outline of each is given below.

Banks Peninsula Conservation Trust

The Trust's Initial Stocktake report completed in 2011-12 had identified that the Banks Peninsula Conservation Trust (BPCT), an organisation of Peninsula landowners, was doing an outstanding job in fostering biodiversity and co-ordinating the work of many agencies involved with biodiversity oriented programs such as pest and weed control. The Trust had already identified BPCT as a key partner and that funding assistance to sustain its administrative staff would provide invaluable help as this is very difficult to source from traditional funders. In September the Trust and BPCT signed an MOU identifying their common interests with the Trust agreeing to provide administrative staff funding support for three years. The funds are allocated from the Trust's operational budget.

Orton Bradley Park

The Stocktake had also identified that Orton Bradley Park in Charteris Bay was a good match for the Trust's objectives as it offers access to its extensive grounds for a nominal fee, maintains a variety of walking tracks, works with youth and families to provide introductory experiences in the outdoors and has taken many steps to protect and interpret its native biodiversity and rich heritage. In November the Trust held a meeting at Orton Bradley Park and determined to give a similar level of support to their operational efforts. The two Trusts then worked to define their relationship and focused on how to best use the funds to assist the Park to work toward financial sustainability.

Plant Life on Banks Peninsula

Hugh Wilson, the manager of Hinewai Reserve, is the undisputed leader of conservation on Banks Peninsula. The Trust is honoured to play a role in the publication of his definitive reference book describing the plants found on Banks Peninsula and is providing assistance in the form of a loan to the publisher, Manuka Press, to be repaid as book sales progress.

The book is due for publication in the spring of 2013 and the Trust plans to host the book launch at the gallery in Little River, kindly offered as a venue by Trustee Stuart Wright-stow. The book will make a major contribution to knowledge about the biodiversity of Banks Peninsula.

Department of Conservation: Saddle Hill

The Trust was approached by the Nature Heritage Fund early in 2012 as to its views on the strategic value of a 145ha property straddling the ridge between Wainui and Reynolds Valley including the summit of Saddle Hill. Using the Council's Public Open Space Strategy for guidance, the Trust identified that this was a property with strategic recreational value and committed to work in partnership with Nature Heritage Fund and the Langer Trust to fund and negotiate the purchase of the property. Negotiations spanned several months as the Trust determined that an important principle to establish with this first purchase was that it did not pay above a reasonable market value for property. A formal Deed was developed with the Department of Conservation who were to become the eventual owners of the land, and the Langer Trust as co-funders, establishing the financial contributions that each partner was to make and the ongoing management of the reserve should the purchase succeed. This included a commitment to create a walking track to the summit, to work to extend the connectivity of that track across to Hilltop in the



A tramper rests below the summit of Saddle Hill overlooking Akaroa harbour.

fullness of time, and to retain public access to the summit track should the property ever be sold in the future. The property purchase was completed in December and announced by the Minister for Conservation in April.

DOC Spine of the Lizard

During the discussion at Rocky Outcrops forum, the Trust representative and the manager of DOC's Mahaanui office recognised that the two organisations had a shared interest in developing the existing Summit Walkway track between Gebbies Pass and Hilltop. This is part of the recreational route originally envisaged by Harry Ell a hundred years ago to link Christchurch to Akaroa. DOC had already identified some funding for the project and was looking to work in partnership. In June an MOU stating the common interests in upgrading the walkway and its feeder tracks was signed, and the project given the working title of the "Spine of the Lizard". This MOU identifies the shared goal to develop a cohesive and well used recreational resource easily accessible from Christchurch catering for walkers, trampers and mountain bikers and identifies that project is to be developed in conjunction with the landowners, the Council and Papatipu rūnanga from the outset and with local communities and businesses as it progresses. Good facilities, signage, shelter and interpretation will be developed as part of the project.

Funding role

The Trust has also been involved with a number of smaller one-off projects in which it has taken primarily a funding role, but where it has not been necessary to formalise this through a signed agreement.

Lyttelton Walking Festival

The Trust made a small donation to the Lyttelton Walking Festival held in November 2012 and the Secretary also lead the "Crater to Crater" walk linking the Lyttelton and Akaroa harbours. The festival proved a great success and the "Crater to Crater" walk an instigator to extend the festival to encompass the whole of Banks Peninsula. The objective of the Festival is not only to get people out walking and showcase Banks Peninsula, but to provide additional knowledge in the form of local and passionate interpretative guides. The Trust was pleased to receive the thorough report from the Festival organisers produced after the event.

Caton's Bay planting

The Trust has made a three year commitment to support Hornby Rotary Club in its project to improve the biodiversity at the Caton's Bay rest area on the shore of Te Roto o Wairewa. The Trust donation is to enable professional weed spraying as the newly planted natives establish themselves. Caton's Bay is a very popular stopping point for cyclists and travellers along Rail Trail and the State Highway and once the area is improved the Trust considers that it will provide an ideal location for interpretation. Hornby Rotary Club are requested to give a brief report on progress each year.



The view from Caton's Bay across Te Roto o Wairewa to the Saddle Hill ridge. Hornby Rotary Club planting in the foreground.

Lincoln University

Toward the end of the year, work commenced with Lincoln University's department of Social Science, Parks, Recreation, Tourism management and Sport to develop and sponsor summer studentships in support of the Trust's Orton Bradley and Spine of the Lizard projects. A contribution has also been agreed toward a third studentship sponsored by the Akaroa Harbour Marine Protection Society examining the relationship between marine protection and tourism.

Other relationships and projects

The Trust has also worked on developing relationships with other organisations, for support, and to explore and further projects in common areas of interest.

Council staff

As well as the relationship with the Corporate Finance Unit, relationships with the Council's Regional Parks Team, technical support staff and several staff involved with planning and recreation have been developed. The Trust appreciates the assistance it has received from these staff and the continued access to the Geomedia system and GIS data.

Banks Peninsula Walking Festival

The Banks Peninsula Walking Festival draws together representatives of Akaroa District Promotions, Project Lyttelton and Little River/Wairewa Trust in a pan Peninsula team as they plan and prepare for the first pan Peninsula festival to be held on the first two weekends of November 2013.

Little River Rail Trail Trust

Relationship building has begun with the Little River Rail Trail Trust, whose aspirations and projects overlap significantly with the Trust. The Trust views the Little River Rail Trail as a strategic recreational gateway to the Peninsula and has recommended to Council that it be well connected to the City and have a return route using parts of the Spine of the Lizard.

Wairewa Rūnanga

Relationship building has also begun with Wairewa Rūnanga, and the Trust has expressed its support for the work that the Rūnanga is doing to improve the health of Te Roto o Wairewa.

Securing access across private land in Akaroa and Lyttelton

The Trust has been working with a private land owner in Akaroa to secure long term public access on a track that is currently used for public walking.

The Trust has also committed to support the Lyttelton Community Board in its efforts to develop a Head to Head walkway around the harbour. The Trust has offered to work to assist with securing access where the trail crosses private land.

Looking forward to 2013-14

At the close of the 2012-13 year, the Trust has completed the process of establishing itself and made major steps forward. It now has a large number of relationships and projects that it is progressing. Its objectives at the outset of the 2013-14 year are:

- to develop a comprehensive inventory and map of the walking and cycling routes on the Peninsula to provide a knowledge resource for both the public and the Trust,
- to complete the initial development stage of the Spine of the Lizard project,
- to re-examine the concept of an Alternative Energy and Education Centre,
- to better understand the complexities of camping policy and behaviour,
- continued community engagement, developing relationships with the Papatipu rūnanga and Lincoln University as a priority,
- further policy work on project assessment, and
- continued development of the Walking Strategy.

The Trust looks forward to another challenging and productive year progressing its partnerships, projects and policies as it takes more steps on its journey to re-establish Banks Peninsula to its traditional status of Te Pātaka o Rākaihautū – the storehouse that nourishes.

Statement of Comprehensive Income

For the year ended 30 June 2013

	Note	2013 \$	2012 \$
Grants and Donations	2(a)	25,000	-
Interest income	2(a)	161,298	157,569
Total revenue		186,298	157,569
Grant Payments		121,750	-
Auditors remuneration	3	3,450	3,375
Other expenses	2(b)	76,151	20,010
Total expenses		201,351	23,385
Profit/(Loss) before income tax expense		(15,053)	134,184
Income tax expense		-	-
Net (deficit)/surplus for the year		(15,053)	134,184
Other Comprehensive Income		-	-
Total Comprehensive Income		(15,053)	134,184

The accompanying notes form part of these financial statements.

Statement of Changes in Equity For the year ended 30 June 2013

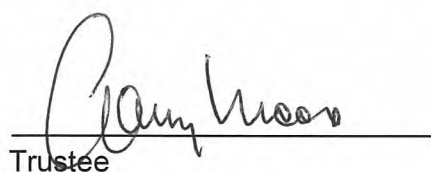
	2013 \$	2012 \$
Balance as at 1 July	3,699,194	3,565,010
Total comprehensive income for the year	(15,053)	134,184
Balance as at 30 June	<u>3,684,141</u>	<u>3,699,194</u>

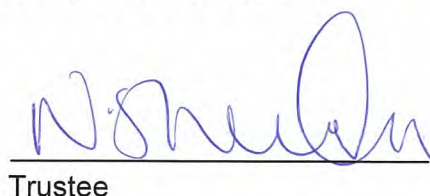
The accompanying notes form part of these financial statements.

Statement of Financial Position as at 30 June 2013

	Note	2013 \$	2012 \$
Current assets			
Cash and cash equivalents	8	710,600	981,807
Trade and other receivables	4	53,108	70,387
Other financial assets - short-term deposits	8	1,150,000	1,500,000
Total current assets		1,913,708	2,552,194
Non-current assets			
Other financial assets - long-term deposits	8	1,750,000	1,150,000
Loan - Manuka Press	5	34,523	-
Total non-current assets		1,784,523	1,150,000
Total assets		3,698,231	3,702,194
Current liabilities			
Trade and other payables	6	14,090	3,000
Total liabilities		14,090	3,000
Net assets		3,684,141	3,699,194
Equity			
Capital and other equity instruments		-	-
Retained earnings	7	3,684,141	3,699,194
Total equity		3,684,141	3,699,194

The accompanying notes form part of these financial statements.


Trustee


Trustee

23 August 2013
Date

23 August 2013
Date

Statement of Objectives and Performance for the year ended 30 June 2013

Non-financial Performance Targets

<i>Indicator</i>	<i>Achievement target</i>	<i>Progress to date</i>
Indicator 1		
Inform the public and relevant interest groups about on-going activities and progress of the Trust.	Finalise a communications and advertising policy for the RDBPT.	Determination that all communications go through the Chairperson and any news posted on the website is approved by Trustees prior. The Trust has not found the need to advertise. Public has been informed about work of the Trust with two articles in the Akaroa Mail.
	Develop a branding for the Trust and a website that enables easy upload of Trust documents for sharing.	Branding developed. Website developed that includes upload of documents for sharing with the public.
	Share the report of the Stocktake project and on-going progress with groups involved.	Stocktake report has been uploaded to website and progress made with some of the groups involved (BPCT, Orton Bradley Park, Hugh Wilson, DOC, Council staff, ECan Zone Committee staff, Ecology Department Lincoln University, Project Lyttelton, Little River Rail Trust, Little River/Wairewa Community Association, Akaroa Harbour Marine Protection Society, Lyttelton Information Centre).
Indicator 2		
Develop relationships with, and gain the trust of, existing interest groups on Banks Peninsula with aims aligned to those of the RDBPT, along with relevant government agencies and territorial authorities.	Develop a list of key interest groups that the RDBPT would like to work with. Continue to meet with key contacts within the groups to discuss their projects and the manner in which the RDBPT can work with them.	MOU arrangements made with BPCT, Orton Bradley Park, DOC. Regular meetings with staff from Orton Bradley Park, BPCT and also Little River Rail Trail Trust.
Indicator 3		
Invest the Trust fund prudently to minimise risk to the capital while achieving the aims of local and ethical investment. In the longer term ensure that the capital fund is invested or spent in ways that leave a long term legacy for the people of the Peninsula and visitors. Keep annual operating costs within the income generated from the invested funds.	Adopt the draft investment policy and strategy for the RDBPT.	Investment policy and strategy adopted and investments made accordingly. Operating costs have been kept within the income generated.
	Identify other bodies which have funds available for projects aligned with the objectives of the RDBPT, develop strategic relationships with these bodies with the aim of a 5:1 leverage on Trust capital where possible.	Worked with Nature Heritage Fund in a 5:1 basis on the purchase of strategic Saddle Hill land. MOU with Department of Conservation for Spine of the Lizard Project

Indicator 4		
<p>The Trust has determined three key pillars on which its projects will be based; Access, Knowledge and Partnerships.</p> <p>Identify the key projects supporting these pillars that the Trust wishes to be involved in on Banks Peninsula over the next 3 years.</p>	<p>In conjunction with Indicator 2, and the pillars, establish a list of the projects which will be the key focus of the RDBPT in the short to medium term, and the assistance that the RDBPT will provide in respect to these projects.</p>	<p>Project list with 14 approved projects and 6 projects in the pre- approval stage. Each project relates to the pillars.</p>
	<p>Develop a distributions policy in respect to the distributions to be made to any projects identified.</p>	<p>Distribution policy developed and posted on website.</p>
Indicator 5		
<p>Provide tangible support for the key projects and leadership building the Access pillar</p>	<p>Development of a walkway strategy.</p> <p>Enabling access to support this strategy.</p>	<p>Walking strategy developed.</p> <p>Access enabled through land purchase of Saddle Hill. Further work on securing access across private land in Akaroa and Lyttelton harbour progressing slowly.</p>
Indicator 6		
<p>Provide tangible support and leadership for projects building the Knowledge pillar.</p>	<p>Explore and define how to do this.</p> <p>Identify other funders who can support projects.</p>	<p>Worked to develop system of giving loans for book publication. Arranged loan for publication of definitive reference book on Plantlife of Banks Peninsula.</p> <p>Working with DOC on Spine of Lizard project with an aim for provision of interpretation</p>
Indicator 7		
<p>Provide tangible support for partners</p>	<p>Identify some key projects that others have initiated that align with the RDBPT objectives and explore how the RDBPT can support these with either funding or knowledge and broker and leverage its SOI objectives.</p> <p>Ensure that the partnership arrangements entered into with other groups are formalised with a Memorandum of Understanding</p>	<p>Key projects include: Plant life of Banks Peninsula book Spine of the Lizard Saddle Hill purchase Support for BPCT Support for Orton Bradley park.</p> <p>Five formalised agreements entered into including 3 MOUs, 1 Deed, 1 loan agreement.</p>

Financial Performance Targets

	Jun 2013 Target \$	Jun 2013 Actual \$	Variance \$
Annual Operational Expenditure Budget			
Revenue	149,066	186,298	37,232
Operating Expenses	(43,329)	(79,601)	(36,272)
Operating Surplus/(Deficit)	105,737	106,697	960
Forecast Cashflow			
Opening Balance	3,702,193	3,699,194	(2,999)
Revenue	149,066	186,298	37,232
Operating Expenditure	(43,329)	(60,023)	(16,694)
Annual Minor Projects	(60,000)	(34,046)	25,954
Project Expenditure	(150,000)	(157,282)	(7,282)
Total Expenditure	(253,329)	(251,351)	1,978
Closing Balance	3,597,930	3,634,141	36,211
Forecast Capital Structure			
Equity	3,194,601	3,684,141	113,085
Debt	-	-	-

Variances

Revenue was higher than forecast due to improved interest rates which has resulted in a better than expected operational surplus. The Trust also received a grant of \$25,000 from the Department of Conservation for the Spine of the Lizard project.

During the year the Trust made its first grants totalling \$121,750 to local community projects. The Trust has set a long term goal of investing 40% (\$1,461,900) of its capital in projects that will leave an enduring legacy by June 2017. The spread of this investment will not be even and grants will only be made when opportunities matching the Trust's objectives arise. For performance reporting purposes it has been necessary to provide annual targets and although the total grants made are less than the target for financial year they are in line with the long term strategy.

The life to date grants provided by the Trust are \$121,750. This does not include the loan to Manuka Press of \$50,000. The full face value of the loan has been included in Project Expenditure in the Forecast Cashflow.

Notes to the Financial Statements

1. Statement of Significant Accounting Policies

(a) Reporting Entity

These are the financial statements of the Trust, a Charitable Trust created by the Council on 12 July 2010. The Trust was established to honour the memory of Rod Donald and his commitment to Banks Peninsula and the Trust exists for the benefit of the present and future inhabitants of the Banks Peninsula and visitors to the region.

The Trust's long term vision is to restore the Banks Peninsula to its traditional status as Te Pataka o Rakaihautu – the storehouse that nourishes. In pursuit of this vision the Trust promotes the sustainable management and conservation of the natural environment of the Banks Peninsula.

The financial statements of the Trust are for the year ended 30 June 2013. The financial statements were approved for issue by the Board of Trustees on 23 August 2013.

(b) Basis of financial statement preparation

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

Differential Reporting

The Trust is a qualifying entity within the Framework for Differential Reporting. The differential reporting option is available to the Trust as it is not large within the meaning of this term as set out in the Framework and is not publicly accountable. The Trust has taken advantage of all differential reporting concessions available to it.

The financial statements are prepared under the historical cost convention, as modified by the revaluation of investment properties.

The functional and presentation currency is New Zealand dollars, and all values are rounded to the nearest dollar.

(c) Revenue

Revenue is measured at the fair value of consideration received. Interest income is recognised using the effective interest method.

(d) Income tax

The Inland Revenue Department (IRD) has confirmed that the Trust has charitable status for tax purposes and is therefore not liable for income tax.

(e) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits, and other short-term highly liquid investments with maturities of three months or less.

(f) Trade and other receivables

Trade and other receivables are initially measured at fair value and subsequently measured at amortised cost less impairment provision.

(g) Trade and other payables

Creditors and other payables are initially measured at fair value and subsequently measured at amortised cost.

(h) Goods and Services Tax

The Trust is not registered for GST. All amounts stated are inclusive of GST where applicable.

(i) Provisions

A provision is recognised in the balance sheet when the Trust has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits, the amount of which can be reliably estimated, will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the obligation.

(j) 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 or future events that are believed to be reasonable under the circumstances.

(k) Changes in accounting policy

In April 2012 the External Reporting Board issued a new accounting standards framework for New Zealand. The framework provides for different accounting standards for 'for-profit' and 'public benefit' entities. As the Trust is a public benefit entity (PBE) it is subject to the PBE accounting standards framework. For the 2012/13 and 2013/14 financial years the Trust as a 'public sector' PBE will continue to apply NZ IFRS – Differential Reporting Standards. For the 2014/15 financial year including 2013/14 comparatives it will apply PBE accounting standards.

PBE accounting standards are based on International Public Sector Accounting Standards and at adoption will be broadly similar to NZ IFRS. The framework has four reporting tiers determined by set criteria or election. The Trust will need to determine at which tier it will report at for the 2014/15 financial statements.

It is expected that the application of the new standards will not result in significant changes to the Trust's accounting policies but it is expected to result in significant disclosure changes.

2. Profit from operations

a. Revenue

	2013	2012
	\$	\$
Revenue from operations		
Grants & Donations	25,000	-
Interest received	161,298	157,569
Total revenue	186,298	157,569

b. Expenses

	2013	2012
	\$	\$
Other Expenses:		
Finance Costs	15,533	-
Professional Fees	39,068	14,009
Trustees Insurance	3,220	5,520
Marketing & Publicity	4,428	211
General	13,850	239
Bank Charges	53	31
	76,151	20,010

3. Remuneration of Auditors

	2013	2012
	\$	\$
Audit of financial statements	3,450	3,375
	3,450	3,375

4. Current trade and other receivables

	2013	2012
	\$	\$
Trade Debtors	25,000	-
RWT Receivable	-	996
Prepayments	2,300	-
Interest Receivable	25,808	69,391
	53,108	70,387

The carrying value of trade and other receivables approximates their fair value.

5. Loan

In June 2013 the Trust provided a grant in the form of an interest free loan to Manuka Press to assist with the publication of the book 'Plant Life on Banks Peninsula'. The Trust will be repaid on a six monthly basis from the net revenue (gross revenue less postage and packaging costs, GST and royalties to the author). Should the book not earn sufficient net revenue to repay the loan in full within ten years, the Trust will consider the remaining balance to be a grant. The Trust will only recognise the grant expense where there is evidence that all or part of the loan will not be repaid.

The loan has been recorded initially at its fair value of \$34,467. At 30 June 2013 its fair value is \$34,523. The difference between this and the face value of \$50,000 has been recorded in 2013 as finance costs (\$15,533). Interest revenue will be recognised on the loan based on the effective interest rate, over the life of the loan interest revenue will match the initial finance cost recognised.

6. Current trade and other payables

	2013 \$	2012 \$
Trade creditors	10,640	3,000
General Accruals	3,450	-
	<u>14,090</u>	<u>3,000</u>

7. Retained Earnings

	2013 \$	2012 \$
Balance at beginning of financial year	3,699,194	3,565,010
(Deficit)/surplus	(15,053)	134,184
Balance at end of financial year	<u>3,684,141</u>	<u>3,699,194</u>

8. Financial instruments

Financial instruments are cash and cash equivalents and term deposits as set out below.

	2013 \$	2012 \$
Current Financial Assets:		
<u>Cash and cash equivalents</u>		
Current account - Bank of New Zealand	2,496	172,807
Call accounts	43,100	-
Heartland Special Purpose Account	4	-
Kiwibank Term Deposits	665,000	809,000
Total cash and cash equivalents	710,600	981,807
<u>Short term deposits</u>		
Kiwibank term deposits	1,150,000	1,500,000
Total short term deposits	1,150,000	1,500,000
	<u>1,860,600</u>	<u>2,481,807</u>
Non-Current Financial Assets		
Prometheus Finance Ltd term deposit	250,000	-
Heartland term deposit	250,000	250,000
Kiwibank term deposits	750,000	900,000
TSB term deposit	500,000	-
Loan - Manuka Press	34,523	-
	<u>1,784,523</u>	<u>1,150,000</u>
	<u>3,645,123</u>	<u>3,631,807</u>

Risk

The Trust has policies to manage the risks associated with financial instruments. The Trust is risk averse and seeks to minimise exposure from its treasury activities.

Interest rate risk

The Trust is exposed to interest rate risk on funds invested at both fixed and floating interest rates. The risk is managed by restricting investments to those that meet the conditions of the Trust's investment policy.

Credit Risk

Credit risk refers to the risk that a third party will default on its contractual obligations to the Trust, causing the Trust to incur a loss. Financial instruments which potentially subject the Trust to credit risk consist principally of cash and short term investments, and accounts receivable.

The Trust banks with Bank of New Zealand (BNZ), Kiwibank, TSB Bank Limited and Heartland. The credit ratings for each of these organisations from Standard and Poor's (Australia) Pty Ltd are:

Bank of New Zealand	AA- (2012: AA-)
Kiwibank	A+ (2012: AA-)
Heartland	BBB- (2012: BBB-)
TSB	BBB+ (2012 : N/A)
Prometheus Finance Ltd	Not rated – operates under an exemption from the requirement to have a credit rating.

9. Post balance date events

There were no events known to the Trustees occurring subsequent to balance date that would have a significant impact on the financial statements for the year ended 30 June 2013.

10. Capital commitments

In September 2012 The Trust signed an MOU with the BPCT and has agreed to provide funding to them of \$25,000 per annum (payable in 4 quarterly instalments of \$6,250) over three years. \$18,750 has been paid as at balance date.

In June 2013 The Trust signed an MOU with Orton Bradley Park Board and has agreed to provide funding to them of \$25,000 per annum (payable in 4 quarterly instalments of \$6,250) over three years. No funding has been paid to date.

11. Contingencies

The Trust had no contingent assets or liabilities as at 30 June 2013 (2012: none).

12. Related party transactions

The Council provided administrative and financial support to the Trust at a cost of \$1,610 (2012: nil).

Mortlock McCormack, of which trustee Simon Mortlock is a partner, provided legal services to the Trust at a cost of \$7,248 (2012: \$144).

13. Legislative Requirements

The Local Government Act 2002 requires the Trust to submit half year accounts and a Statement of Intent to its Board and to its stakeholder within specified timeframes. For the 2012/13 financial year the Trust met the specified timeframes as set out in the legislation for the submission of documents to its stakeholder.

Independent Auditor's Report

**To the readers of
Rod Donald Banks Peninsula Trust Te Pataka o Rakaihautu's
financial statements and statement of objectives and performance
for the year ended 30 June 2013**

The Auditor-General is the auditor of Rod Donald Banks Peninsula Trust Te Pataka o Rakaihautu (the Trust). The Auditor-General has appointed me, Julian Tan, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and statement of objectives and performance of the Trust on her behalf.

We have audited:

- the financial statements of the Trust on pages 14 to 25, that comprise the statement of financial position as at 30 June 2013, the statement of comprehensive income and the statement of changes in equity 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 objectives and performance of the Trust on pages 17 to 19.

Opinion

In our opinion:

- the financial statements of the Trust on pages 14 to 25:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect the Trust's:
 - financial position as at 30 June 2013; and
 - financial performance for the year ended on that date; and
- the statement of objectives and performance of the Trust on pages 17 to 19:
 - complies with generally accepted accounting practice in New Zealand; and
 - fairly reflects the Trust's objectives and performance achievements measured against the performance targets adopted for the year ended 30 June 2013.

Our audit was completed on 23 August 2013. 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 objectives and performance are free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the financial statements and statement of objectives and 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 objectives and performance. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements and statement of objectives and 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 objectives and 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 objectives and performance; and
- the overall presentation of the financial statements and statement of objectives and performance.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and statement of objectives and 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 objectives and performance that:

- comply with generally accepted accounting practice in New Zealand;
- fairly reflect the Trust's financial position and financial performance; and
- fairly reflect its objectives and 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 objectives and performance that are free from material misstatement, whether due to fraud or error. The Trustees are also responsible for the publication of the financial statements and statement of objectives and performance, whether in printed or electronic form.

The Trustee's responsibilities arise from the Local Government Act 2002 and clause 16.2 of the Trust Deed.

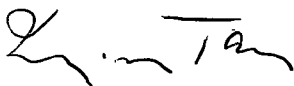
Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the financial statements and statement of objectives and performance and reporting that opinion to you based on our audit. Our responsibility arises from section 15 of the Public Audit Act 2001, section 69 of the Local Government Act 2002 and clause 16.3 of the Trust Deed.

Independence

When carrying out the audit we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board.

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

A handwritten signature in black ink, appearing to read 'Julian Tan', with a stylized flourish at the end.

Julian Tan
Audit New Zealand
On behalf of the Auditor-General
Christchurch, New Zealand