

# Annual Report

Rod Donald Banks Peninsula Trust  
For the year ended 30 June 2019

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## DIRECTORY

### Rod Donald Banks Peninsula Trust For the year ended 30 June 2019

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#### Trustees

Simon Mortlock  
Andrew Turner  
Bob Webster  
Bryan Storey  
Cynthia Roberts  
Maureen McCloy  
Paul McNoe  
Richard Suggate

#### Bankers

Bank of New Zealand  
Christchurch

#### Auditors

Audit New Zealand on behalf of the Auditor General

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# CHAIR REPORT

## Rod Donald Banks Peninsula Trust For the year ended 30 June 2019

Nine years ago Christchurch City Council made the decision to set up the Rod Donald Banks Peninsula, based on a concept initiated by Garry Moore, Mayor of Christchurch, and Bob Parker, Mayor of Banks Peninsula District Council, during the amalgamation period. The decision to do so, setting aside moneys with no particular project in mind, but a broad expectation of what could be achieved, was both creative and brave, given the demands of the Council capital works programme.

This year, as I step down from the Trust and having been involved since its inception, it seems appropriate to reflect on what has been achieved and how it has been done. Put simply the Trust refined those original broad expectations into a future looking vision, underpinned by four strategic pillars. We now express our vision as:

*“Developing environmental guardians of the future through improved public walking and biking access, enhancing biodiversity, promoting knowledge, and working in partnership with others who share our commitment to Banks Peninsula”.*

The key element to our success in furthering this vision is the people involved. Our outstanding and dedicated Trustees volunteer their time, experience and skills. Our Trust Manager Suky Thompson, has ably undertaken comprehensive administration and complex projects, with our new staff member Sue Church providing support and managing the Banks Peninsula Walking Festival. We have worked with partners who share our vision - Christchurch City Council, Department of Conservation, Environment Canterbury, Banks Peninsula Conservation Trust, Orton Bradley Park Trust, Josef Langer Charitable Trust. Our contractors - including David Brailsford hut builder and maintainer; Steffan Kraberger – walkway builder, Ant Johnson applying an ecological approach to track clearing and Rosalie Brown designing our publications have served us well.

The Trust is a Council Controlled Organisation – a CCO. The Council appoints Trustees and reviews our annual Statement of Intent. It is a great way of doing business, halfway between Council and a community organisation. The model provides excellent disciplines while allowing a high level of flexibility to get on and do the job.

Our vision is manifest in the establishment of the Te Ara Pātaka tramping network. We have rolled out this project in partnership with DOC, and with support from the Council and local landowners, over some of the Peninsula’s most beautiful and iconic terrain. Public access has been improved on these tracks. The route passes through many biodiversity reserves, and we’ve been extending these as we secure public access for the long term. We’ve been able to promote knowledge about the environment and how to work with it. Best of all, our Rod Donald Hut providing overnight accommodation has attracted large numbers of families and youth organisations keen to get kids out into the environment and build up their love of the outdoors on this tramping network.

The Trust’s project strategy multiplies its investment as we aim for a 20% stake and to produce multiple benefits. The Trust seizes opportunities putting its vision into action while managing risk through due diligence. In addition to Te Ara Pātaka our other major achievements include; purchase of 450 hectares of new reserve land providing access and enhanced biodiversity, contributing towards Ōtamahua Hut on Quail Island, mapping and promoting all the walks on Banks Peninsula, co-founding the Banks Peninsula Walking Festival, seed funding the Pest Free Banks Peninsula initiative and providing grants to key partner organisations that provide access, protect biodiversity and contribute to the wellbeing of Banks Peninsula. After nine years, the Trust retains the majority of its capital enabling it to continue its good work.

I would like to thank our Trustees for their many hours of voluntary service and hard work, and in particular the efforts of our Trust Manager. The Trust legacy to date is a wonderful achievement of which I am hugely proud.

Simon Mortlock

Trust Chair

## REVIEW OF 2018-19 ACTIVITIES

The sections below report on our Governance, Management and Projects during the 2018-19 financial year.

Key achievements include;

- releasing our Strategic Plan “Striding Forward 2020-2030” and an accompanying film summarizing our achievements to date;
- securing public access and protecting biodiversity on another section of the Te Ara Pataka tramping network with the addition of 21ha of formerly private land to DOC’s ‘Sign of the Packhorse’ Scenic Reserve;
- running another hugely successful Banks Peninsula Walking Festival in conjunction with partner organisations – this year featuring the opening of the new Ōtamahua Hut on Quail Island, the Panama Stream Family Camp in Le Bons Bay and the 8 over 800 challenge conquering all of the highest peaks on Banks Peninsula;
- securing a key walking link across private property in Akaroa with an easement in favour of the Council, protecting biodiversity on-site with a Banks Peninsula Conservation Trust covenant and then on selling the protected land to recycle our funds;
- supporting the Pest Free Banks Peninsula multi-agency initiative with seed funding for the co-ordinator role;
- releasing our research into the role carbon credits can play in supporting biodiversity enhancement.

We have also worked to support partner organisations in many other ways, and were delighted to receive an “Enduring Partnership and Ongoing Support” award from Department of Conservation at their awards ceremony in September.

### Governance and Management

The existing Trustees continued this year, with no new additions to the Board. Management continues to be provided by our principal contractor, Suky Thompson, this year with additional administrative and project support provided by Sue Church.

Simon Mortlock retired from the Board at the end of the year, having served the maximum nine year term permitted by the Trust Deed. Simon Mortlock was involved with founding the Trust and has made an absolutely outstanding contribution during his nine years as a Trustee with his strategic thinking and pro bono legal advice. Simon has championed our 1:5 funding model, encouraging productive partnerships with other organisations. He has devoted much time to the Trust, taking a lead role in the majority of Trustee portfolio groups, attending the vast majority of external meetings with partner organisations and making the Mortlock McCormack office available to the Trust for its meetings over many years. Simon’s skills, good humour, compassion and generosity will be missed. The Trust Board continues in capable hands with Deputy Chair Maureen McCloy stepping up to the Chair role supported by an extremely well qualified and hardworking team going forward.

### Striding Forward

The principal focus for this year has been the further development of our Strategic Plan, now titled “Striding Forward 2020-2030”. After much discussion, the Trustees have determined that the work of the Trust is so valuable and effective, it should seek further funding to enable it to keep operating once its initial funds are expended. To this end, the Trust has approached the Christchurch City Council with the suggestion that it forms a Joint Working Party to discuss and determine common goals and how these can be funded, and give the Trust certainty about its future through a further funding allocation in the 2021 Long Term Plan. A film documenting the Trust’s achievements proved a valuable way to show the Council how effective the Trust has been to date and has now been released to the general public on Youtube. It can be accessed by searching Rod Donald Banks Peninsula Trust or via the link <https://www.youtube.com/watch?v=pAMeS1nQK8Y>.

The Trust thanks local film-maker Shannon Aroha for her skilled work in producing a beautiful film.

### Health and Safety

The Trust operates according to its Health and Safety plan, and has no Health and Safety incidents to report. It has a strong interest in promoting Health and Safety for the public enjoying recreation on Banks Peninsula, and takes care to ensure that appropriate information is included in all its publications. Separate Health and Safety plans are developed for specific activities such as the management of Rod Donald Hut and events such as the Banks Peninsula Walking Festival.

### Strengthening relationships

The Trust has worked during the year to consolidate its existing relationship with key partners, including Department of Conservation, Banks Peninsula Conservation Trust and Orton Bradley Park, and to further develop and strengthen its relationship with the Christchurch City Council. An exciting new initiative is the Pest Free Banks Peninsula and Port Hills Partnership, signed by a consortium of territorial authorities, rūnanga, Department of Conservation and independent Trusts in November 2018, of which this Trust is proud to be one. A seed funding grant to the Banks Peninsula Conservation Trust has enabled engagement of a co-ordinator to drive the initiative forward prior to long term funding for the position via the ECAN LTP.

### Submissions

The Trust made submissions to the Annual Plans of Christchurch City Council and Environment Canterbury in support of the Pest Free consortium. The Trust also made submissions to the draft Reserve management plans for the Council's Misty Peaks and Te Oka Reserves. A submission to the Emissions Trading Scheme was made in support of our work to foster biodiversity.

### Major Projects

Work this year has been principally directed to eight major projects furthering our goals for access, biodiversity and the promotion of knowledge while working in partnership with others.

#### Te Ara Pātaka/Summit Walkway

The Trust has worked in partnership with DOC on Te Ara Pātaka/Summit Walkway since 2013. The objective is to develop the existing set of tracks into a cohesive and well managed network suitable for novice trampers, with the intention of increasing participation by young people and families from Christchurch and Canterbury. A key aspect of the Trust's involvement is to secure public access where tracks cross private land. We were delighted to facilitate and fund the addition of 21ha of land to Sign of the Packhorse Scenic Reserve this year, thereby securing public access along the southern face of Mt Bradley. Our thanks go to Trustee Bob Webster and Walking Access Commission local representative Geoff Holgate for their success at negotiating this land purchase, and to the private land owner for engaging with the Trust to make this possible.

The traditional seasonal closures for lambing and calving are being reconsidered by Department of Conservation, and the Trust has worked to ensure that the City Council, who manages the unformed legal roads is involved and that good relations with landowners are maintained. We thank the Walking Access Commission for their assistance with this topic.

In February the Trust attended a meeting called by the Little River Rail Trail Trust with a view to extending the Rail Trail to connect with Te Ara Pātaka and provide a circular route back to Christchurch for cyclists. The Trust undertook to explore options for better cycling connections.

Long planned work to improve the track up through Montgomery Reserve at the eastern end of Te Ara Pātaka has also been completed. This exciting project done in conjunction with Department of Conservation involved helicoptering gravel into the reserve, with our track contractor Wood Ltd then spreading it out along the track. We hope the improved surface and the addition of natural stone steps in some key steep spots will make it easier for people to access the magnificent old tōtara tree near the reserve entrance, and those wishing to continue to the summit of Montgomery Peak and further along Te Ara Pātaka. We also carried out work earlier in the year to improve the tracks connecting Orton Bradley Park with Te Ara Pātaka, and the Monument South Track, using a new local contractor, Refuge Ecology.

#### Rod Donald Hut

The Trust's Rod Donald Hut has now been operating for nearly five years, providing a second night of accommodation on Te Ara Pātaka. This year the Trust engaged a new hut manager, David Brailsford, the builder who had conducted the original conversion and has carried the annual maintenance since. He has proved as diligent and committed to the ongoing management of the hut as he was to the conversion. Users have noted the improved wood shed and supply of dry firewood cut to length.

In September the walking access track to the hut was upgraded. Staff from Wood Ltd worked alongside a dedicated group of volunteers, led by Sophie Hartnell, Banks Peninsula Conservation Trust volunteer co-ordinator, to shift gravel up the steep track. At the same time, other volunteers were busy planting a selection of eco-sourced native trees in the gorse alongside the track. We hope that as these trees grow they will stifle the track-side gorse, lessening the maintenance load for our hut manager, and speeding the process of biodiversity recovery in our QEII covenant. Visitors to the Hut have enthusiastically embraced the opportunity to water the "Baby Trees" as they are known and, at the end of their first year, the seedlings are thriving.

### **Ōtamahua Hut**

The success of Rod Donald Hut in attracting families inspired Department of Conservation to re-purpose a historic cottage on Quail Island to provide family friendly tramping accommodation. The Trust was pleased to provide a grant in support of this initiative, and that the Department worked with the Ōtamahua/Quail Island Restoration Trust to design the accommodation, and engaged builder David Brailsford to carry out the conversion. David once again worked with extreme dedication, was amply supported by DOC staff, and applied his flair to create attractive features such as laundry racks, macrocarpa tables and kanuka poles supporting the benches. Additional funding from the Trust enabled a deck area to be added to the front to complete the landscaping and a safety fence to be erected demarking the “garden” area of the hut for children to play.

### **Banks Peninsula Walking Festival**

The Trust has worked collaboratively since 2013 with Project Lyttelton, Akaroa District Promotions, and Little River/Wairewa Trust to produce the only Peninsula-wide event – the annual Banks Peninsula Walking Festival. This year we welcomed the Diamond Harbour Community Association to the team. The walking festival provides an opportunity to showcase new walks and reserves, for the public to learn more about the Peninsula from knowledgeable local guides, and to experience places not normally accessible. The 2018 Walking Festival was once again managed ably by Sue Church, engaged by the Trust on behalf of the collaborative group and ran over four weekends in November. It included old favourites as well the new ‘8 over 800’ challenge to walk all 8 of the highest Peninsula peaks. We appreciated a “Strengthening Communities” grant from Christchurch City Council to assist with funding the festival.

We were delighted when DOC agreed to kick off the festival with the formal opening of Ōtamahua hut and that the Minister for Conservation, Eugenie Sage – a Diamond Harbour resident – was able to be there to lead the festivities. The Trust’s Family Treasure hunt proved a popular activity, and parents were thrilled with how their children marched around the island and read the interpretation panels in their treasure quest. Other highlights of the festival included the formal opening of the Panama Stream Family Campground in Langer Reserve in Le Bons Bay, a climb through the Purple Peak Curry Reserve, a new wildlife walk on Kaitorete Spit and night walks in Hinewai Reserve. The volunteer appreciation event at the end of the festival recycled funds as the Le Bons community catered the event as a fundraiser for their environmental centre.

Planning has commenced for the 2019 Banks Peninsula Walking Festival, with Sue Church once again in the role of co-ordinator.

### **Woodills South**

In 2016 the Trust purchased an 8ha property at Grehan Valley Road, Akaroa, crossed by the popular Woodills South Track, with the principal purpose of securing an important walking link connecting the Grehan Valley with the Purple Peak track. The objective was to secure the access via an easement and then on-sell the land to recycle the Trust’s funds. The Trust was also keen to protect the large area of native regeneration on the property by way of covenant, securing a biodiversity corridor from the summit down to the rural/urban fringe of Akaroa. Finding a local partner who would commit to purchasing the land once it had been encumbered with the easement significantly de-risked the project, and gave the Trust the confidence to make the purchase. On learning a second local family was also interested in building in the vicinity, the Trust determined to explore whether the land could be subdivided, enabling it to not only recover its costs, but to augment the Trust’s funds. This year the project was completed successfully. Walking access has been secured by way of easement in favour of Christchurch City Council, the bush protected with a Banks Peninsula Conservation Trust covenant, and the land on-sold to our two local partners. This is the first project where the Trust has achieved its goals and augmented its funds in the process, and we have been through a huge learning curve creating our first easement, covenant and subdivision. We now intend to discuss with the Council what we have learnt with regard to achieving public access for recreational linkages in conjunction with the subdivision process.

### **Pest Free Banks Peninsula**

The Trust is a foundation member of the Pest Free Banks Peninsula/ Te Pātaka o Rakaihautū and Port Hills Partnership. The Partnership is being led by the Banks Peninsula Conservation Trust, and brings together a wide range of agencies and local groups to work together toward the common goal. Other signatories include: Department of Conservation, Christchurch City Council, Selwyn District Council, Environment Canterbury, Summit Road Society and all five Peninsula rūnanga.

The first initiative is to eradicate feral goats from Banks Peninsula. Last year the Trust seed-funded the initial trial of a new methodology at Little Akaroa, and we are pleased that ECAN and other agencies have now allocated funding to follow up with further work. This year the Trust seed-funded a new co-ordinator role for the Pest Free Partnership, again with the understanding that ongoing funding would come from ECAN.

### Carbon Credits research

Another major initiative by the Trust this year has been our research into the role that income from carbon credits can play in facilitating biodiversity enhancement. Work commenced with our submission to the Emissions Trading Scheme where we advocated for the scheme to support landscape scale change through facilitating the transition of marginal land into native forest to create a major carbon sink for Canterbury. We then followed this up with extensive research on the extent to which carbon credits and the Billion Trees grants could encourage landowners to retire marginal land from grazing to native forest regeneration. The report was released at the end of the year.

### Governors Bay Walking Brochure

Work has commenced to produce a Governors Bay 'Head of the Harbour' walking brochure, to add to the Trust's suite of brochures showcasing local walks based in communities, and completing the commitment to the Lyttelton Information Centre to create three brochures for the Lyttelton harbour. The brochure is on track for release in the November 2019 Banks Peninsula Walking Festival.

### Other activities

The Trust continues to update and manage its Banks Peninsula Walks directory, walking brochures, and Banks Peninsula Walks website. Early in the year we released a new version of our Akaroa Harbour and Bays brochure rebranded as Akaroa/Wairewa Summits and Bays and featuring new walks at Okuti Valley and Te Oka Reserve.

The Trust continued to support the Christchurch City Council Head to Head walkway project through participating in the Working Party and looking for links to create access connecting the existing disjoint sections. At present the focus is on a link between Allandale and Teddington via Living Springs.

A small project that has resulted in much positive feedback is our new interpretation sign marking the childhood home of Frank Worsley on the Purple Peak Curry Reserve. The panel, developed in conjunction with the Reserve Manager Hugh Wilson, describes Frank's changing attitude toward native forest during his lifetime. The beautiful totara frame was produced by David Brailsford.

We've also been liaising with Christchurch City Council to improve the walking information on its Tourism Gateway signage, and attended hui to follow progress of the GeoPark.

In April the Trust Manager and two Trustees attended the Australasian Sustainable Trails conference held in Marlborough, and gave a well-received presentation on Te Ara Pātaka. The conference underlined how much is happening in the trails space in other areas, and the important role that independent Trusts play.

The Trust continues to post news on its website [www.rodonaldtrust.co.nz](http://www.rodonaldtrust.co.nz) and on its Facebook page, and published Storehouse Stories, its annual newsletter in September 2018.

The next edition of Storehouse Stories, covering our activities this year, will be published in September 2019 to coincide with the release of this Annual Report.

### Financial results

The Trust has achieved these activities with a total net cash expenditure of \$329,879 this year. Cash depletion from expenses was offset by the sale of land the Trust held at Akaroa. The Trust retains funds of \$2,239,701 for future projects and has equity of \$2,586,322. Equity includes the Rod Donald Hut property and the intellectual property associated with the Trust's walking products.

### Looking forward

The Trust's principal goal for the coming year is to continue to secure long term public access along the remaining private land crossings on the Te Ara Pātaka network, along with a sustainable maintenance structure. In the longer term, the Trust aspires to extend this walk to reach Wainui and around the Southern Bays. The Trust is also seeking ways to improve connections to Te Ara Pātaka from Little River and to create more walking opportunities for this community.

The Governors Bay brochure is set to launch in November at the Walking Festival, along with a revamped version of the Banks Peninsula Walks Directory. Improving walking and tourism signage is another area of ongoing work.



Work to support biodiversity will continue through grants to our partner organisations, and through further research into carbon credits with MPI to improve their role in changing marginal land use.

The Trust will continue to work in an advocacy role for the Peninsula as the Christchurch City Council and other agencies review legislation, strategies and plans affecting the Trust's pillars of access and biodiversity.

The Trust looks forward to working more closely with Christchurch City Council to identify common goals and hopes to gain certainty about its future through planning funding in the Council's 2021 Long Term Plan. A Joint Working Party is making a start on this.

# NON-FINANCIAL PERFORMANCE TARGETS

## Rod Donald Banks Peninsula Trust For the year ended 30 June 2019

Achievement Target	Achievement
<b>Indicator 1. The Trust has determined four key pillars on which its projects will be based; Access, Biodiversity, Knowledge, and Partnerships.</b>	
Assess potential projects brought to the Trust's attention against these four pillars to determine whether they should be added as a Trust project and action those that are deemed a priority	<p>ACHIEVED</p> <p>New projects brought to the Trust's attention this year were:</p> <ul style="list-style-type: none"> <li>Pest Free Banks Peninsula consortium seed funding The project was approved for funding.</li> </ul> <p>IN PROGRESS</p> <ul style="list-style-type: none"> <li>Banks Peninsula Geo Park update</li> </ul>
Make submissions to relevant policy documents in support of the pillars.	<p>ACHIEVED</p> <ul style="list-style-type: none"> <li>CCC Misty Peaks Draft Reserve Management Plan</li> <li>CCC Te Oka Draft Reserve Management Plan</li> <li>ECAN Annual Plan</li> <li>CCC Annual Plan</li> <li>Emissions Trading Scheme and a Better ETS for Forestry</li> </ul>
<b>Indicator 2. Provide leadership and tangible support for the projects achieving Access</b>	
Progress Te Ara Pātaka through securing public access and adding user facilities, including continued management of Rod Donald Hut and development of a long-term plan for assets.	<p>ACHIEVED</p> <ul style="list-style-type: none"> <li>Public access secured for Te Ara Pātaka on the southern side of Mt Bradley with 21ha land purchase to extend Sign of the Packhorse Reserve</li> <li>Track maintenance carried out on Te Ara Pātaka connecting tracks Mt Herbert Walkway and Monument Track</li> <li>Work with DOC and Walking Access Commission to resolve issues over seasonal closures</li> <li>Track upgrade in Montgomery Reserve as a joint project with DOC</li> <li>Rod Donald Hut regularly serviced and annual maintenance conducted</li> <li>Rod Donald Hut access track part planted with native trees and surface upgraded to reduce maintenance requirement</li> </ul> <p>IN PROGRESS</p> <ul style="list-style-type: none"> <li>Securing public access on remaining sections of Te Ara Pātaka crossing private land</li> <li>Management of assets in the long term depends on the Trust's future, now in discussion with Council</li> </ul>
Support the improvement and development of other walking and biking opportunities on well maintained and managed tracks.	<p>ACHIEVED</p> <ul style="list-style-type: none"> <li>Participation in Lyttelton/Whakaraupō Head to Head Working Party meetings</li> <li>Ōtamahua Hut opened on Quail Island</li> </ul>

	<ul style="list-style-type: none"> <li>Panama Stream Family camp opened at Josef Langer Reserve, Le Bons Bay</li> </ul> <p>IN PROGRESS</p> <ul style="list-style-type: none"> <li>Working with Little River Rail Trail Trust to identify ways to extent the Rail Trail</li> </ul>
Sell the property containing Woodills South track when a public walking easement has been secured.	<p>ACHIEVED</p> <ul style="list-style-type: none"> <li>Subdivision and property sales completed.</li> <li>Walking easement in favour of Christchurch City Council registered on titles</li> </ul>
<b>Indicator 3. Provide tangible support for biodiversity</b>	
Secure a conservation covenant on the regenerating forest on the above property.	<p>ACHIEVED</p> <ul style="list-style-type: none"> <li>Covenant with Banks Peninsula Conservation Trust registered on titles.</li> </ul>
Continue support for the Banks Peninsula Conservation Trust and other groups involved with biodiversity protection and enhancement.	<p>ACHIEVED</p> <ul style="list-style-type: none"> <li>Grant funding continued to BPCT for volunteer coordinator position.</li> <li>Researched and released report on “Facilitating Biodiversity Enhancement using Income from Carbon Credits”</li> </ul>
Participate in the Banks Peninsula Pest free initiatives	<p>ACHIEVED</p> <ul style="list-style-type: none"> <li>Signed the Pest Free Banks Peninsula MOU</li> <li>Provided grant funding to assist with the start-up of Pest Free Banks Peninsula</li> </ul>
Look to achieve biodiversity corridors and gains when securing land for Access.	<p>ACHIEVED</p> <ul style="list-style-type: none"> <li>21ha biodiversity corridor gained with extension of Sign of the Packhorse Reserve</li> <li>Woodills land extends protection in Grehan Valley with corridor almost complete from summit to rural/residential fringe of Akaroa</li> </ul>
<b>Indicator 4. Provide tangible support and leadership for projects building the Knowledge pillar.</b>	
Keep the Trust’s map, brochure and web products updated, develop new brochures for Lyttelton Harbour /Whakaraupō and work on a long-term strategy for their ownership.	<p>ACHIEVED</p> <ul style="list-style-type: none"> <li>2019 BP Walks Directory issued and BP Walks website updated</li> <li>Brochure updates for ‘Akaroa Wairewa Summit and Bays’, ‘Akaroa Country Walks’ and ‘Lyttelton Town and Hill Walks’ brochures.</li> </ul> <p>IN PROGRESS</p> <ul style="list-style-type: none"> <li>Governors Bay Walking Brochure in development</li> <li>Long term strategy depends on the Trust’s future, now in discussion with Council</li> </ul>
Work with other agencies including the Department of Conservation and Christchurch City Council to share and disseminate information about Banks Peninsula.	<p>ACHIEVED</p>

	<ul style="list-style-type: none"> <li>• Recipient of DOC Enduring Partnership and Ongoing support award</li> <li>• Frank Worsley Interpretation Panel installed in Purple Peak Curry Reserve.</li> <li>• Continued co-operation with DOC around Te Ara Pātaka marketing and information</li> </ul> <p>IN PROGRESS</p> <ul style="list-style-type: none"> <li>• Work with CCC to improve Tourism Gateway and Diamond Harbour signage</li> </ul>
Support the Banks Peninsula Walking Festival	<p>ACHIEVED</p> <ul style="list-style-type: none"> <li>• Successful Banks Peninsula Walking Festival ran in November 2018, with high participation rates</li> </ul> <p>IN PROGRESS</p> <ul style="list-style-type: none"> <li>• Planning underway for 2019 Banks Peninsula Walking Festival</li> </ul>
<b>Indicator 5. Provide tangible support for and work with a range of partners</b>	
Inform the public and relevant interest groups about on-going activities and progress of the Trust	<p>ACHIEVED</p> <ul style="list-style-type: none"> <li>• Website <a href="http://www.rodonaldtrust.co.nz">www.rodonaldtrust.co.nz</a> kept updated</li> <li>• Facebook page <a href="http://www.facebook.com/RodDonaldBPTrust/">www.facebook.com/RodDonaldBPTrust/</a> also updated</li> <li>• Media articles including in the Akaroa Mail, NZ Today and Stuff</li> <li>• Banks Peninsula Walking Festival promoting Trust</li> <li>• Newsletter published and circulated</li> <li>• Panama Stream Family Camp video released on Youtube</li> <li>• Participation in Biosecurity Bonanza forum on Pest Free Banks Peninsula</li> <li>• Strategic Plan 2020-2030 booklet released</li> <li>• Striding Forward video describing Trust's vision and achievements to date released on Youtube</li> <li>• Presented at Australasian Sustainable Trails Conference</li> </ul>
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 4:1 leverage on Trust capital where possible.	<p>ACHIEVED</p> <ul style="list-style-type: none"> <li>• Grants to Orton Bradley Park, BPCT, Living Springs and DOC leverage Trust input</li> <li>• Josef Langer Charitable Trust completed commitments at Panama Reserve</li> <li>• Participation and leverage of Pest Free Banks Peninsula</li> <li>• Presentation of Strategic Plan "Striding Forward 2020-2030 to Christchurch City Council</li> </ul>

## FINANCIAL PERFORMANCE TARGETS

### Rod Donald Banks Peninsula Trust For the year ended 30 June 2019

	TARGET NOTES	2019 TARGET	2019 ACTUAL	VARIANCE
<b>Financial Performance Targets</b>				
<b>Operating Surplus/(deficit)</b>				
Revenue*	1	313,358	483,110	169,752
Trust Management	2	(90,882)	(79,477)	11,405
Operating Costs*	3	(55,744)	(75,334)	(19,590)
Minor Projects	4	(3,148)	(9,155)	(6,007)
Commitments to partners	5	(20,000)	(32,000)	(12,000)
<b>Operating Surplus/(deficit)</b>		<b>143,584</b>	<b>287,144</b>	<b>143,560</b>
Opening Funds	6	2,193,649	2,280,889	(87,240)
Operating Surplus/(deficit)		143,584	287,144	143,560
Strategic grants and project expenditure*	7	(292,000)	(328,333)	(36,333)
Closing balance		2,045,233	2,239,701	194,468

\*The financial performance targets are based on a cash basis and the actual figures stated for Revenue, Operating costs and Strategic grants and project expenditure differ from the figures in the Statement of Comprehensive Revenue and Expenses due to the non cash expenses such as depreciation and loans converted to grants.

# FINANCIAL PERFORMANCE TARGETS NOTES

## Rod Donald Banks Peninsula Trust For the year ended 30 June 2019

### 1. Revenue

**Actual figures include** - Interest on the Trust's term deposits, sales, donations and the sale of Woodills South land

**Explanation of Variance** - Revenue is higher than forecast because the Trust was successful in subdividing the Woodills South land and therefore sold two lots, whereas the forecast had been based on a conservative estimate in case the subdivision was declined

### 2. Trust Management

**Actual figures include** - Cost of Trust Management

**Explanation of Variance** - The forecast reflects the financial cap value of the Trust Management contract. Trust management is charged on an hourly basis and the actual figure reflects time spent.

### 3. Operating Costs

**Actual figures include** - Includes audit, accountancy, meetings, some event expenses, insurance, webhosting, bank fees, professional fees not charged to strategic project, costs of Rod Donald Hut, producing walking products, and running Banks Peninsula Walking Festival and expenses related to strategic planning.

**Explanation of Variance** - Higher than forecast as the Trust decided to produce a film and booklet to support its strategic planning work.

### 4. Minor Projects

**Actual figures include** - Newsletter, Panama Campground opening, Donation to Little River Fire Brigade, Research into carbon credits and other minor administrative expenses

**Explanation of Variance** - The forecast represents a nominal figure allocated during preparation of the draft SOI. Minor projects are then undertaken as needed as the year progresses. Additional items above those included in the forecast were development the Panama Campground opening, a donation to Little River Fire Brigade - in recognition that Rod Donald Hut falls within their territory, and engaged a consultant to assist with research into the potential income from carbon credits. Two Trustees and the Trust Manager attended the Sustainable Trails Conference.

### 5. Commitment to partners

**Actual figures include** - Grants to Banks Peninsula Conservation Trust and Living Springs and Orton Bradley Park .

**Explanation of Variance** - The Trust made an additional commitment in December 2018 to continue grant funding Orton Bradley Park.

### 6. Opening Funds

**Actual figures include** - Reflects the Trust's available cash and therefore includes cash on hand, term deposits, accounts receivables less accounts payable. Excludes inventory, property, plant, equipment & intangibles.

**Explanation of Variance** - Opening balance was higher than forecast due to less spent in the previous year as some projects progressed more slowly than forecast.

## 7. Strategic grants and project expenditure

**Actual figures include** - All other project grants and direct project spending

**Explanation of Variance** - The SOI qualifies the forecast with a note stating that: *The pattern of spending shown is based on achieving public access on Te Ara Pātaka and other projects progressing toward an optimal timetable, but will dependent on appropriate opportunities presenting and the progress of negotiations and is likely to vary.* The project mix was different from that forecast and included purchase of land to secure access on Te Ara Pātaka on the southern slope of Mt Bradley.

## STATEMENT OF TRUSTEES

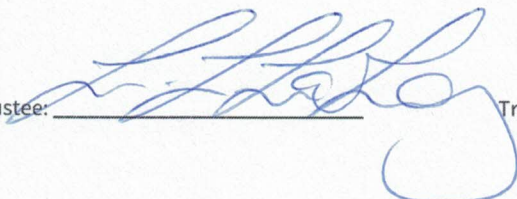

### Rod Donald Banks Peninsula Trust For the year ended 30 June 2019

We are responsible for the preparation of Trust's financial statements and statement of performance, and for the judgments made in them.

We have the responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In our opinion, these financial statements and statement of performance fairly reflect the financial position and operations of the Rod Donald Banks Peninsula Trust for the year ended 30 June 2019.

Signed on behalf of the Trustees:

Trustee: 	Trustee: 
Date: <u>11.9.19</u>	Date: <u>11/9/19</u>



# STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES

## Rod Donald Banks Peninsula Trust For the year ended 30 June 2019

	NOTES	2019	2018
<b>Exchange Revenue</b>			
Interest Income		73,800	86,184
Banks Peninsula Walking Festival 2017 income		-	12,997
Banks Peninsula Walking Festival 2018 income		11,099	-
Hut Fee Revenue		14,534	15,560
Purple Peak signage		390	-
Gain on Sale of Woodhills South Land		103,036	-
Other revenue		11,304	3,499
Walking products		7,435	7,608
Woodhills South - Reimbursement from partners		27,133	12,401
<b>Total Exchange Revenue</b>		<b>248,732</b>	<b>138,248</b>
<b>Non-exchange revenue</b>			
Donations		145	224
Hut Donations		30	-
<b>Total Non-exchange revenue</b>		<b>175</b>	<b>224</b>
<b>Total Revenue</b>		<b>248,907</b>	<b>138,472</b>
<b>Expenses</b>			
<b>Operating Expenditure</b>			
<b>Trust Management</b>			
Trust Management Operational Contract		79,477	79,800
<b>Total Trust Management</b>		<b>79,477</b>	<b>79,800</b>
<b>Operating Costs</b>			
Administration Costs	1	20,729	22,926
Banks Peninsula Walking Festival		9,658	12,275
BP Walks Website development		81	1,499
Depreciation		9,469	9,730
Hut operating and maintenance costs		13,938	15,359
Strategic Planning		22,436	-
Walking product minor update and production costs		6,102	5,882
Website hosting and minor updates		2,390	859
<b>Total Operating Costs</b>		<b>84,802</b>	<b>68,530</b>
<b>Minor Projects</b>			
Minor Administrative Projects		9,155	2,380
<b>Total Minor Projects</b>		<b>9,155</b>	<b>2,380</b>

The accompanying notes form part of these financial statements.

	NOTES	2019	2018
<b>Commitments to partners</b>			
Grants (Commitments to partners)		32,000	43,000
<b>Total Commitments to partners</b>		<b>32,000</b>	<b>43,000</b>
<b>Total Operating Expenditure</b>		<b>205,434</b>	<b>193,709</b>
<b>Strategic grants and project expenditure</b>			
Josef Langer Charitable Trust*		48,326	-
Pest Free Banks Peninsula		56,684	-
Pest Free Co-ordinator		25,000	-
Te Ara Pataka		166,064	227,576
Purple Peak Curry Reserve		-	932
Quail Island Otamahua Hut		29,495	-
Woodills South Project Expense**		47,783	54,051
<b>Total Strategic grants and project expenditure</b>		<b>373,352</b>	<b>282,560</b>
<b>Total Expenses</b>		<b>578,786</b>	<b>476,269</b>
<b>Surplus (Deficit)</b>		<b>(329,879)</b>	<b>(337,797)</b>
<b>Total Comprehensive revenue and expense</b>		<b>(329,879)</b>	<b>(337,797)</b>

\* Josef Langer Charitable Trust - conversion of loan to grant.

\*\* Woodills South Project Expense - These are costs related to preparation of subdivision application.

# STATEMENT OF FINANCIAL POSITION

## Rod Donald Banks Peninsula Trust As at 30 June 2019

	NOTES	30 JUN 2019	30 JUN 2018
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalent	2	133,747	83,836
Receivables	3	58,023	56,065
Current Investments	4	1,550,000	808,327
Inventories	5	4,049	3,375
<b>Total Current Assets</b>		<b>1,745,819</b>	<b>951,603</b>
<b>Non-Current Assets</b>			
Long Term Deposit	4	560,000	1,400,000
Loan Investment	4	9,295	9,295
Property, plant and equipment	6	324,292	323,545
Land held for sale	7	-	234,203
Intangible Assets	8	21,523	25,950
<b>Total Non-Current Assets</b>		<b>915,110</b>	<b>1,992,994</b>
<b>Total Assets</b>		<b>2,660,929</b>	<b>2,944,597</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Payables	9	74,607	28,396
<b>Total Current Liabilities</b>		<b>74,607</b>	<b>28,396</b>
<b>Total Liabilities</b>		<b>74,607</b>	<b>28,396</b>
<b>Net Assets</b>		<b>2,586,322</b>	<b>2,916,201</b>
<b>Equity</b>			
Accumulated surplus/(deficit)	10	2,586,322	2,916,201
<b>Total Equity</b>		<b>2,586,322</b>	<b>2,916,201</b>

The accompanying notes form part of these financial statements.

## STATEMENT OF CHANGES IN EQUITY

Rod Donald Banks Peninsula Trust  
For the year ended 30 June 2019

	2019	2018
<b>Trust Capital</b>		
Opening Balance	2,916,201	3,253,998
Comprehensive Revenue (Deficit) for the period	(329,879)	(337,797)
<b>Total Trust Capital</b>	<b>2,586,322</b>	<b>2,916,201</b>

*The accompanying notes form part of these financial statements.*

# STATEMENT OF CASHFLOWS

## Rod Donald Banks Peninsula Trust For the year ended 30 June 2019

	2019	2018
<b>Cashflows for the period</b>		
<b>Cash flows from operating activities</b>		
Receipts from customers and other sources	62,081	53,114
Interest received	78,335	84,497
Payments to suppliers and employees	(475,602)	(469,615)
Net GST movements	3,646	1,564
<b>Total Cash flows from operating activities</b>	<b>(331,540)</b>	<b>(330,440)</b>
<b>Cash flows from investing activities</b>		
Payment for intangibles & assets	(5,787)	(6,833)
Payments for investments	(710,000)	(1,708,327)
Proceeds from sale of assets	337,239	-
Proceeds from investments	760,000	1,865,000
<b>Total Cash flows from investing activities</b>	<b>381,452</b>	<b>149,840</b>
<b>Cash movement</b>		
Net inflow / (outflow) of cash	49,911	(180,600)
Opening cash and cash equivalents	83,836	264,436
<b>Closing cash and cash equivalents</b>	<b>133,747</b>	<b>83,836</b>
<b>Represented by</b>		
Bank Deposits	133,747	83,836

*The accompanying notes form part of these financial statements.*

# NOTES ON THE FINANCIAL STATEMENTS

## Rod Donald Banks Peninsula Trust For the year ended 30 June 2019

	2019	2018
<b>1. ADMINISTRATION COSTS</b>		
Accounting	5,670	4,886
Audit Fees	5,058	4,984
Bank Fees	115	153
General Expenses	385	-
Meeting Expenses	3,739	5,124
Professional fees not tagged to a project	1,365	2,642
Trustee Insurance	3,213	4,215
Woodhills South - Running Costs	1,185	921
<b>Total ADMINISTRATION COSTS</b>	<b>20,729</b>	<b>22,926</b>
	2019	2018
<b>2. CASH AND CASH EQUIVALENTS</b>		
Current Account - Bank of New Zealand	3,101	17,537
Call Accounts	130,642	66,295
Heartland Special Purpose Account	4	4
<b>Total CASH AND CASH EQUIVALENTS</b>	<b>133,747</b>	<b>83,836</b>
	2019	2018
<b>3. RECEIVABLES</b>		
Receivables from exchange transactions	15,958	6,517
GST	-	3,498
Interest	40,497	45,032
Prepayments	1,568	1,018
<b>Total RECEIVABLES</b>	<b>58,023</b>	<b>56,065</b>
	2019	2018
<b>4. FINANCIAL INVESTMENTS</b>		
<b>Current Investments</b>		
BNZ current Deposits	480,000	360,000
Kiwibank current deposits	600,000	400,000
TSB current deposits	470,000	-
Loan - Josef Langer Charitable Trust	-	48,326
<b>Total Current Investments</b>	<b>1,550,000</b>	<b>808,326</b>
<b>Non-current investments</b>		
Long-term deposits	560,000	1,400,000
Loan - Manuka Press	9,295	9,295
<b>Total Non-current investments</b>	<b>569,295</b>	<b>1,409,295</b>
<b>Total FINANCIAL INVESTMENTS</b>	<b>2,119,295</b>	<b>2,217,622</b>

	2019	2018
<b>5. INVENTORY</b>		
Inventory - finished goods (book and brochure stocks)	4,049	3,375
<b>Total INVENTORY</b>	<b>4,049</b>	<b>3,375</b>

	2019	2018
<b>6. PROPERTY, PLANT, AND EQUIPMENT</b>		
<b>Rod Donald Hut</b>		
Opening Balance	323,545	321,890
Additions	3,307	-
Less Depreciation on Hut	(2,560)	1,655
<b>Total Rod Donald Hut</b>	<b>324,292</b>	<b>323,545</b>
<b>Total PROPERTY, PLANT, AND EQUIPMENT</b>	<b>324,292</b>	<b>323,545</b>

\* The amounts recorded for buildings represent costs incurred in construction. No depreciation was charged until completion.

There are no restrictions on the Trust 's property, plant, and equipment.

## 7. LAND HELD FOR SALE

The Trust purchased an 8ha property at 168 Grehan Valley Road for the Woodills South project in 2016. The project involved protecting a walking track on the land by way of easement, creating a covenant over regenerating native forest and subdividing the land prior to its sale.

The Trust had agreements in place with potential purchasers who contributed toward the cost of the subdivision.

The land was sold for value \$337,239 during the year. At the end of the year the Trust holds no land for sale.

	2019	2018
<b>8. INTANGIBLE ASSETS</b>		
<b>Brochure &amp; Map IP</b>		
Opening Balance	22,405	14,837
Additions*	2,480	10,370
Less Amortisation for intangibles	(3,362)	(2,802)
<b>Total Brochure &amp; Map IP</b>	<b>21,523</b>	<b>22,405</b>
<b>Website</b>		
Opening Balance	3,546	10,667
Additions	-	1,463
Less Depreciation on Website	(3,546)	(8,583)
<b>Total Website</b>	<b>-</b>	<b>3,546</b>
<b>Total INTANGIBLE ASSETS</b>	<b>21,523</b>	<b>25,950</b>

\* The addition in 2018 was the Diamond Harbour brochure. The addition in 2019 was for the Governors Bay brochure.

There are no restrictions over the title of the Trust's intangible assets, nor are any intangible assets pledged as security for liabilities.

	2019	2018
<b>9. PAYABLES</b>		
GST Payable	47,164	-
Trade creditors	12,927	11,686
Accrued expenses	14,516	16,710
<b>Total PAYABLES</b>	<b>74,607</b>	<b>28,396</b>
	2019	2018

## 10. EQUITY

<b>Accumulated surplus / (deficit)</b>		
Opening Balance	2,916,201	3,253,998
Surplus / (deficit) for the year	(329,879)	(337,797)
<b>Closing balance 30 June</b>	<b>2,586,322</b>	<b>2,916,201</b>

## 11. COMMITMENTS

As at 30 June 2019, the Trust's material commitments were as follows:

- In June 2018, the Trust committed \$12,000 toward a three year grant to Living Springs Trust. \$10,000 of the grant has been paid and the balance of \$2,000 is payable by June 2021.
- In June 2018 the Trust extended its MOU with BPCT and agreed to provide a further \$15,000 per annum to be paid out by 30 June 2021. The total commitment to BPCT at 30 June is \$30,000.
- In December 2018 the Trust extended its MOU with Orton Bradley Park and agreed to provide a further \$15,000 per annum to be paid out by 30 June 2021. The total commitment to Orton Bradley Park at 30 June is \$30,000.

## 12. CONTINGENCIES

As at 30 June 2019, the Trust had no contingent liabilities or assets (2018, nil).



### 13. RELATED PARTY TRANSACTIONS

The Christchurch City Council completed survey work and processed a subdivision and land use application as part of the Woodills South project which cost \$17,849 exclusive of GST (2018: \$ 10,686). This transaction was conducted on an arms length basis.

Besides the above there were no other Related Party Transactions, but note that during the year ended 30 June 2019, the Trust entered into the following transactions with the following parties:

Mortlock McCormack, of which Trustee Simon Mortlock is a consultant and former partner, provided legal services to the Trust at a cost of \$12,347 inclusive of GST (2018:\$11,291). Simon Mortlock provides his time free of charge so these legal services are for staff time only. As at balance date, there were nil amounts payable to Mortlock McCormack (2018: \$nil).

Josef Langer Charitable Trust, of which Trustee Simon Mortlock is a board member, purchased the land held for sale at Le Bons Bay for \$180,000 less a loan of \$50,000 from the Trust unless the conditions of the management agreement are met by November 2018 in which case it would be converted to a grant. At 30 June 2018 the loan was discounted down to a value of \$48,326 as per the net present value. The conditions were met and at balance date there was no loan outstanding.

### 14. EVENTS AFTER BALANCE DATE

There were no significant events after the balance date (2018 nil).

### 15. 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 time frames. For the 2018-19 financial year the Trust met the specified time frames as set out in the legislation for the submission of documents to its stakeholder.

## 16. FINANCIAL INSTRUMENTS NOTE:

Financial instruments are cash and cash equivalents, debtors, creditors and other financial assets (see Notes 2, 3, 4, 5 and 9).

### **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 investment to fixed interest rate investments, pursuant to the Council'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, short term investments and accounts receivable. The risk is managed by restricting investment to quality investment grade issues, pursuant to the Council's investment policy.

The Trust banks/has term deposits with the following banks and their respective credit ratings:

- Bank of New Zealand (BNZ) – AA-credit rating per Standard and Poor's (Australia) Pty Limited.
- Kiwibank Limited – A credit rating per Standard and Poor's (Australia) Pty Limited.
- TSB Bank Limited – A- credit rating per Fitch Ratings Inc.
- Heartland – BBB credit rating per Fitch Ratings Inc.

## 17. STATEMENT OF ACCOUNTING POLICIES

### REPORTING ENTITY

The Rod Donald Banks Peninsula Trust (‘the Trust’) is a registered charitable Trust created by the Council on 12 July 2010, and is domiciled and operates in New Zealand.

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 does not operate to make a financial return.

The Trust’s long term vision is to restore Banks Peninsula to its traditional status as Te Pātaka o Rākaihautū – 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 Trust is a public benefit entity (PBE) for the purposes of financial reporting.

The financial statements for the Trust are for the year ended 30 June 2019. The financial statements were approved for issue by the Trustees on 11 September 2019.

### BASIS OF PREPARATION

The financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period.

#### Statement of compliance

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (“NZ GAAP”). They comply with Public Benefit Entity International Public Sector Accounting Standards (“PBE IPSAS”) and other applicable Financial Reporting Standards, as appropriate for Tier 2 public benefit entities, for which all reduced disclosure regime exemptions have been adopted.

The Trust qualifies for Tier 2 PBE reporting on the basis that it does not have public accountability and has total annual expenses of less than \$30 million.

#### Presentation currency and rounding

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest dollar.

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Revenue

The specific accounting policies for significant revenue items are explained below:

#### **Non-exchange Revenue**

##### *Grants received*

Grants are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if 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 conditions of the grant are satisfied.

##### *Donated assets*

Where a physical asset is gifted to or acquired by the Trust for nil consideration or at a subsidised cost, the asset is recognised at fair value and the difference between the consideration provided and fair value of the asset is recognised as revenue.

#### **Exchange Revenue**

##### *Interest revenue*

Interest revenue is recognised using the effective interest method.

##### *Sales of goods*

Sales are recognised when the product is sold to the customer and invoiced.

### Cash and cash equivalents

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

### Receivables

Short-term receivables are recorded at their face value, less any provision for impairment. A receivable is considered impaired when there is evidence that the amount due will not be able to be collected. The amount of the impairment is the difference between the carrying amount of the receivable and the present value of the amounts expected to be collected.

### Investments - Bank term deposits

Investments in bank term deposits are initially measured at the amount invested. After initial recognition, investments in bank deposits are measured at amortised cost using the effective interest method, less any provision for impairment. Non current investments relates to investments that will not mature within 12 months after the balance date.

### Loans receivable

Loans receivable are initially measured at fair value. After initial recognition, loans receivable are measured at amortised cost using the effective interest method, less any provision for impairment.

### **Inventories**

Inventories are valued at the lower of cost (using the FIFO method) or net realisable value. For inventories acquired through non-exchange transactions, initial measurement of cost is determined as fair value at the date of acquisition.

The amount of any write-down to net realisable value is recognised in the surplus or deficit in the period of the write-down.

### **Property, plant, and equipment**

Property, plant, and equipment are measured at cost less accumulated depreciation and impairment. If items are acquired through non-exchange transactions, cost is determined as fair value at the time of acquisition.

#### *Additions*

The cost (or fair value) of an item of property, plant, and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to the Trust and the cost of the item can be measured reliably. Work in progress is recognised at cost less impairment and is not depreciated.

#### *Disposals*

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the surplus or deficit.

#### *Subsequent costs*

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the Trust and the cost of the item can be measured reliably. The costs of day-to-day servicing of property, plant, and equipment are recognised in the surplus or deficit as they are incurred.

#### *Depreciation*

Depreciation is charged on items of property, plant and equipment to write-off cost to estimated residual value over the useful life of each item. The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year end.

Depreciation on buildings is being charged at a rate of 2% (straight line) based on an estimated useful life of 50 years. No depreciation is charged on items under construction. Land is not depreciated.

### **Intangible assets**

#### *Software acquisition and development*

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs that are directly associated with the development of software for internal use are recognised as an intangible asset. Direct costs include software development employee costs and an appropriate portion of relevant overheads.

Costs associated with the development of the Trust's websites that provide service potential to the Trust are capitalised. Website maintenance costs are recognised as an expense when incurred.

#### *Amortisation*

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is de-recognised. The amortisation charge for each financial year is recognised in the surplus or deficit.

### **Impairment of property, plant, and equipment and intangible assets**

Property, plant, and equipment and intangible assets held at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

If an asset's carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written-down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss is recognised in the surplus or deficit.

### **Non-current assets held for sale**

Non-current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write-downs of non-current assets held for sale are recognised in the surplus or deficit.

Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale.

### **Payables**

Short-term payables are recorded at their face value.

### **Goods and services tax**

All items in the financial statements are presented exclusive of GST, except for receivables and payables, which are presented on a GST-inclusive basis. Where GST is not recoverable as input tax, it is recognised as part of the related asset or expense. The commitments are disclosed exclusive of GST.

The net amount of GST recoverable from, or payable to, the IRD is included as part of receivables or payables in the statement of financial position.

The net GST paid to or received from IRD, including the GST relating to investing and financing activities, is classified as a net operating cashflow in the statement of cashflows.

### **Income tax**

The Trust is a registered charitable trust. It is therefore exempt from the payment of income tax.

### **Critical accounting estimates, assumptions and judgments in applying accounting policies**

In preparing these financial statements, the Trust has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

*Estimating useful lives and residual values of intangible assets*

At each balance date, the useful lives and residual values of the intangible assets are reviewed. Assessing the appropriateness of useful life and residual value estimates of intangible assets requires a number of factors to be considered such as the expected period of use of the intangible asset by the Trust, and expected disposal proceeds from the future sale of the asset.

An incorrect estimate of the useful life or residual value will affect the depreciation expense recognised in the surplus or deficit, and carrying amount of the asset in the statement of financial position.

Intangible assets held by the Trust as at 30 June 2019 relate to its Comprehensive Mapping Project which has resulted in publication of a book and several brochures describing walks on Banks Peninsula and a matching website. The useful life and associated amortisation rate of these intangible assets have been estimated as follows:

Book and brochures:

- Book is: Banks Peninsula Walks Directory
- Brochures are: Akaroa Village Walks, Akaroa Country Walks, Akaroa/Wairewa Summits and Bays, Lyttelton Town and Hills, Diamond Harbour Coastal and Village Loops
- Useful life 10 years
- Amortisation rate 10% (straight line)

Website development:

- Website URL is: [www.bankspeninsulawalks.co.nz](http://www.bankspeninsulawalks.co.nz)
- Useful life 2.5 years
- Amortisation rate 40% (straight line)

The Trust has not made significant changes to past assumptions concerning useful lives and residual values.

*Measurement of loan receivable from Manuka Press*

Management has made assumptions on the expected profile of payments receivable in measuring the value of the loan receivable using the effective interest method.

## Independent Auditor's Report

### To the readers of Rod Donald Banks Peninsula Trust te Pātaka o Rākaihautū's financial statements and performance information for the year ended 30 June 2019

The Auditor-General is the auditor of Rod Donald Banks Peninsula Trust te Pātaka o Rākaihautū (the Trust). The Auditor-General has appointed me, Andy Burns, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and performance information of the Trust on his behalf.

### Opinion

We have audited:

- the financial statements of the Trust on pages 17 to 31, that comprise the statement of financial position as at 30 June 2019, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the performance information of the Trust on page 10 to 15.

In our opinion:

- the financial statements of the Trust on pages 17 to 31:
  - present fairly, in all material respects:
    - its financial position as at 30 June 2019; and
    - its financial performance and cash flows for the year then ended; and
  - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards Reduced Disclosure Regime; and
- the performance information of the Trust on pages 10 to 15 presents fairly, in all material respects, the Trust's actual performance compared against the performance targets and other measures by which performance was judged in relation to the Trust's objectives for the year ended 30 June 2019.

Our audit was completed on 11 September 2019. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Trustees and our responsibilities relating to the financial statements and the performance information, we comment on other information, and we explain our independence.



## **Basis for our opinion**

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Responsibilities of the Trustees for the financial statements and the performance information**

The Trustees are responsible on behalf of the Trust for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Trustees are also responsible for preparing the performance information for the Trust.

The Trustees are responsible for such internal control as they determine is necessary to enable them to prepare financial statements and performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the performance information, the Trustees are responsible on behalf of the Trust for assessing the Trust's ability to continue as a going concern. The Trustees are also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Trustees intends to liquidate the Trust or to cease operations, or has no realistic alternative but to do so.

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

## **Responsibilities of the auditor for the audit of the financial statements and the performance information**

Our objectives are to obtain reasonable assurance about whether the financial statements and the performance information, as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of these financial statements and the performance information.

For the budget information reported in the performance information, our procedures were limited to checking that the information agreed to the Trust's statement of intent.

We did not evaluate the security and controls over the electronic publication of the financial statements and the performance information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements and the performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit 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.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- We evaluate the appropriateness of the reported performance information within the Trust's framework for reporting its performance.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the performance information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

## **Other Information**

The Trustees are responsible for the other information. The other information comprises the information included on pages 3 to 9 and page 16, but does not include the financial statements and the performance information, and our auditor's report thereon.

Our opinion on the financial statements and the performance information does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements and the performance information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the performance information or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Independence**

We are independent of the Trust in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1(Revised): Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

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



Andy Burns  
Audit New Zealand  
On behalf of the Auditor-General  
Christchurch, New Zealand