



SADLER OAKLY NEWMAN
CHARTERED ACCOUNTANTS

PUKAHA MOUNT BRUCE BOARD



ANNUAL REPORTS For the Year Ended 30 June 2010



SADLER OAKLY NEWMAN LIMITED

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CHARTERED
ACCOUNTANTS

Pukaha Mount Bruce Board
Annual Report
for the Year Ended 30 June 2010

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Chairpersons Report

Pukaha Mount Bruce Board

List of Board Members

for the Year Ended 30 June 2010

Chairperson:

Bob Francis
formerly Mayor, Masterton District Council
External Member

Members:

Jason Kerehi	Rangitāne o Wairarapa Partner Member
Alan McKenzie	Conservator Wellington: Department of Conservation Partner Member
Colin Scadden	Member, National Wildlife Centre Trust Partner Member
Garrick Murfitt	Chair, Horizons Regional Council External Member
Warren Davidson	Councillor, Tararua District Council External Member
Lisa Sims	Communications Consultant Co-opted Member
Craig Cooper	Trustee Masterton Licensing Trust Co-opted Member (Appointed July 2010)
Glen Holland	Conservation and Animal Management Consultant Co-opted Member (Resigned October 2009)
John Gilberthorpe	Executive Officer

AUDITORS REPORT FOR THE YEAR ENDED 30 JUNE 2010

To the Trustees of the Pukaha Mount Bruce Board.

We have audited the financial report contained on the following pages 3 to 13. The financial report provides information about the past financial performance of the Pukaha Mount Bruce Board and its financial position as at 30 June 2010. This information is stated in accordance with the accounting policies attached to the financial statements.

Trustees Responsibilities

The Trustees are responsible for the preparation of a financial report which fairly reflects the financial position of the Pukaha Mount Bruce Board as at 30 June 2010 and of the results of operations for the year ended 30 June 2010.

Auditors Responsibilities

It is our responsibility to express an independent opinion on the financial report presented by the committee and to report our opinion to you.

Basis of Opinion

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

- The significant estimates and judgements made by the Trustees in the preparation of the financial report, and
- Whether the accounting policies are appropriate to the Pukaha Mount Bruce Board's circumstances, consistently applied and adequately disclosed.

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

Other than in our capacity as auditors we have no relationship with, or interest in, the Pukaha Mount Bruce Board.

Qualified Opinion

The Pukaha Mount Bruce Board's activities involve cash transactions from donations. In common with other organizations of a similar nature, control over this income prior to it being recorded is limited and there are no practical audit procedures to determine the effect of this limited control.

In our opinion, except for adjustments that might have been found to be necessary had we been able to obtain sufficient evidence in respect of donation income, the financial report attached fairly reflects the financial position of Pukaha Mount Bruce Board as at 30 June 2010 and the results of its operations for the year ended on that date.

Our audit was completed on 21st September 2010 and our qualified opinion is expressed as at that date.

Chartered Accountants
Masterton, New Zealand

Pukaha Mount Bruce Board

Balance Sheet

as at 30 June 2010

	Notes	2010	2009
		\$	\$
Total Equity	15	<u>2,544,343</u>	<u>2,480,549</u>
Represented By:			
Current Assets			
Cash and Cash Equivalents	9	214,855	153,350
Account Receivable	11	1,000	-
Interest Receivable		14,632	1,432
Investments	10	324,238	324,238
Inventories	13	-	11,446
Prepayments		100	-
GST Refund Due		23,527	22,361
Total Current Assets		<u>578,352</u>	<u>512,827</u>
Current Liabilities			
Accounts Payable	14	176,862	144,677
Total Current Liabilities		<u>176,862</u>	<u>144,677</u>
Working Capital Surplus/(Deficit)		401,490	368,150
Non Current Assets			
Property, Plant & Equipment	12	2,392,798	2,335,638
Total Non-Current Assets		<u>2,392,798</u>	<u>2,335,638</u>
Non Current Liabilities			
Wairarapa Building Society Loan	16	109,945	83,239
Department of Conservation - Estate V Anderson - Elwin Welch Memorial Scholarship	17	140,000	140,000
Total Non Current Liabilities		<u>249,945</u>	<u>223,239</u>
NET ASSETS		<u>2,544,343</u>	<u>2,480,549</u>



Pukaha Mount Bruce Board
Statement of Changes in Equity
as at 30 June 2010

	<i>Notes</i>	<u>2010</u>	<u>2009</u>
Equity at the Start of the Year		\$ 2,480,549	\$ 754,433
Net Surplus (Deficit) This year		63,794	1,726,116
Equity at the End of the Year		<u>2,544,343</u>	<u>2,480,549</u>



Pukaha Mount Bruce Board

Income Statement

for the Year Ended 30 June 2010

Income	Notes	20010	2009
		\$	\$
Grants	1	194,726	847,651
Donations	1	56,483	100,000
Gift - National Wild Life Centre - Buildings	2	-	916,742
Sale of CDs (Net)	13	(6,289)	4,271
Autumn Fundraiser & Whack A Rat Programme		78,146	-
Hectare Donations	3	12,471	14,451
Interest	4	27,527	15,676
Membership	5	4,222	1,147
Website Development		18,291	-
Other Donations		-	1,150
Other Income		-	585
Total Income		385,577	1,901,673
Less: Expenditure			
Accountancy Fees		1,200	3,000
Audit Fees		2,087	2,193
Autumn Fundraiser & Whack A Rat Programme		51,968	-
Forest Restoration Programme - Other		11,427	-
Forest Restoration Programme - Department of Conservation	6	116,000	106,000
Education Programmes	7	311	5,371
Educational Resource Development		6,647	-
Flight of the Kiwi		34,948	-
Interest & Finance Fee -Wairarapa Bldg Society Loan	16	6,706	3,239
Marketing		6,389	-
Membership		2,304	-
Operating Expenditure		7,179	4,130
Parrot Fund		244	-
Shore Plover		-	26,335
Elwin Welch Memorial Scholarship	17	3,000	-
Website Development		23,097	-
Depreciation	12	48,276	23,359
Loss on disposal of assets		-	1,930
Total Expenditure		321,783	175,557
Net Surplus/(Deficit) for year		63,794	1,726,116



Pukaha Mount Bruce Board

Notes to the Financial Statements

for the Year Ended 30 June 2010

Statement of Significant Accounting Policies

a) Reporting Entity

The Pukaha Mount Bruce Board is a charitable trust set up to benefit the Pukaha Mount Bruce.

The Board is of the view that the Board is a public benefit for financial reporting purposes.

The Objects for which the Board is established are:

- 1) To provide strategic guidance to Pukaha Mount Bruce.
- 2) To establish key performance indicators and monitor achievement of those indicators.
- 3) To ensure the economic and environmental sustainability of Pukaha Mount Bruce.
- 4) To aid and promote the conservation, restoration and protection of New Zealand's native flora and fauna and natural ecosystems.
- 5) To educate the public of New Zealand in general and overseas visitors on the need for conservation and further restoration and protection of New Zealand's indigenous flora and fauna and natural ecosystems.
- 6) To encourage public support for and involvement in the conservation of indigenous flora and fauna and natural ecosystems.
- 7) To promote and incorporate the cultural values of tangata whenua in relation to natural ecosystems and Te Taiāo principles.

The Board consists of six Appointed Members. The appointed members are:

- i) One person appointed by Rangitaane o Wairarapa as its representative on the Board who shall be a member of the Rangitaane o Wairarapa Runanga Board or nominee of the Rangitaane o Wairarapa Runanga Board.
- ii) One person appointed by National Wildlife Centre Trust as its representative on the Board which person who will be the Chairperson of the National Wildlife Centre Trust or Deputy.
- iii) One person appointed by the Director General of the Department of Conservation as his or her representative on the Board.
- iv) Three External Members that will be appointed by the Board Members.

The three Pukaha Mount Bruce partners (Rangitaane o Wairarapa, National Wildlife Centre Trust and Department of Conservation) have agreed to work together to provide strategic direction for Pukaha Mount Bruce.

The Pukaha Mount Bruce Partners agree to respect, promote and assist each other with achieving each organisation's objectives in respect to the achieving of the collective vision and objects of Pukaha Mount Bruce.

The Board is committed to working co-operatively and maintaining the highest standards of professionalism and integrity to achieve the Objects of the Board.



Pukaha Mount Bruce Board

Notes to the Financial Statements

for the Year Ended 30 June 2010

b) Basis of Preparation

Financial Reporting Standards Applied

The Board is required to prepare financial statements in accordance with generally accepted accounting practice. The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand, applying New Zealand Equivalents to International Financial Reporting (NZ IFRS) as appropriate to public benefit entities that qualify for differential reporting.

Differential Reporting

The Board qualifies for differential reporting exemptions because it is not publicly accountable as defined in the Framework for Differential Reporting (the Framework) and it is not large. Many of the reporting exemptions allowed under the Framework for Differential Reporting have been applied.

The grounds upon which the board so qualifies are:

The Board is not large, as in the last two reporting periods, the total revenue has not exceeded:

- \$20.0 million and the total assets have not exceeded \$10.0 million on carrying value
- and employees do not exceed 50.

Measurement Basis

The financial statements are prepared on the historical cost basis unless otherwise noted in a specific accounting policy.

Presentation Currency

These financial statements are presented in New Zealand dollars.

Specific Accounting Policies

The accounting policies used in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented.

c) Revenue Recognition

Grants

Grants are recorded as income as received unless there are unfulfilled conditions attaching to the grant, in which case the amounts relating to the unfulfilled conditions is recognised as a liability and released to income as the conditions are fulfilled.

Donations

Donations are recorded as revenue when their receipt is formally acknowledged by the Board.

Interest Income

Interest income on cash and cash equivalents and investments is recorded as revenue in the period it is earned.

d) Operating Lease Payments

Payments made under operating leases are recognised in the Income Statement on a straight-line basis over the term of the lease.



Pukaha Mount Bruce Board

Notes to the Financial Statements

for the Year Ended 30 June 2010

e) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, bank balances, deposits held at call with banks and other short term highly liquid investments with maturities of three months or less, and bank overdrafts.

f) Debtors

Debtors represents items that the Board has issued invoices for, but has not received payment for year end. They are initially recorded at fair value and subsequently recorded at the amount the Board realistically expects to receive. A provision for impairment of Debtors is established where there is objective evidence the Board will not be able to collect all amounts due according to the original terms of the debt.

g) Inventories

Inventories are consumable items held for sale. They are stated at the lower of cost and net realisable value. Cost is determined by the cost of the last stock purchase.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale. The write down from cost to net realisable value is recorded as an expense in the income statement.

h) Investments

Short term deposits have maturities between three months and one year. Investments in deposits are measured at amortised cost using the effective interest method.

At balance sheet date the Board assesses whether there is any objective evidence that an investment is impaired. Any impairment loss is recorded as an expense in the income statement.

i) Property, Plant and Equipment

Furniture and plant are stated at valuation less depreciation. The furniture and plant were donated by the National Wildlife Centre Trust.

Valuation has been determined by the closing book value in the Financial Statements of the National Wildlife Centre Trust before the donation was made to the Pukaha Mount Bruce Board.

Property, plant and equipment acquired with individual values \$250 are not capitalised, they are recognised as an expense in the income statement.

Gains and losses on disposals (i.e. sold or given away) are determined by comparing the proceeds received with the carrying amounts (i.e. the book value)

Depreciation

Depreciation is charged for all property, plant and equipment.

Furniture and Plant	7.8% to 50% Cost Price
Buildings	2% Cost Price



Pukaha Mount Bruce Board

Notes to the Financial Statements

for the Year Ended 30 June 2010

Software

Software acquired by the Board is capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with maintaining software are recognised as an expense in the income statement when incurred.

Software with individual values under \$1,000 are not capitalised, they are recognised as an expense in the income statement.

Software is amortised on a straight line basis over its estimated useful life of 4 years. The amortisation charge for each period is recognised in the income statement.

j) Creditors

Creditors represents liabilities for goods and services provided to the Board prior to the end of the financial year which are unpaid. Creditors are recorded at the amount of cash required to settle those liabilities. The amounts are unsecured and are usually paid within 30 days of recognition.

k) Financial Assets and Liabilities

The Board's financial assets comprise cash and cash equivalents, debtor, GST receivable and investments. All of these financial assets are categorised as "loans and receivables" for accounting purposes in accordance with financial reporting standards.

The Board's financial liabilities comprise creditors and GST payable. All of these financial liabilities are categorised as "financial liabilities measured at amortised cost" for accounting purposes in accordance with financial standards.

l) Goods and Services Tax (GST)

The financial statements have been prepared exclusive of Goods and Services Tax (GST), except for debtors and creditors that are stated inclusive of GST.



Pukaha Mount Bruce Board
Notes to the Financial Statements
for the Year Ended 30 June 2010

1. Grants & Donations	2010	2009
Grants & Donations were received for		
a) Visitor Centre Project		
Trust House Charitable Trust	-	200,000
WN Pharazyn Trust	-	15,000
The Southern Trust	-	40,000
Heselline Trust	-	1,000
NZ Community Trust	-	100,000
Tararua District Council	-	50,000
Masterton District Council	-	50,000
Eastern & Central Community Trust	-	180,000
Central Energy Trust	-	150,000
NZ Lottery Grants Board	-	40,000
Masterton South Rotary	-	15,000
Mount Bruce Hall Committee	-	480
Dannevirke Community Board	400	-
Eketahuna Community Board	326	-
	<u>726</u>	<u>841,480</u>
b) Upgrade & Redevelopment of Kiwi/Nocturnal House		
Trust House Charitable Trust	150,000	-
Heselline Trust	1,000	-
Tararua District Council	25,000	-
Masterton District Council	15,000	-
G Murfit	1,000	-
South Wairarapa Rotary	2,000	-
	<u>194,000</u>	<u>-</u>
c) Education Programmes		
Masterton Trust Lands Trust	5,000	5,000
	<u>5,000</u>	<u>5,000</u>
d) Forest Restoration Programme		
Tranzit Coachlines	10,000	20,000
DB Breweries Ltd	-	50,000
Higgins Group	5,000	-
Oldfields Ltd	-	10,000
Pharazyn Charitable Trust	-	20,000
Pinnicraft	2,000	-
Sundry	3,483	1,171
	<u>20,483</u>	<u>101,171</u>
e) Shore Plover Project		
Department of Conversation	10,000	-
f) Flight of the Kiwi		
Tui Brewery Limited	1,000	-
National Wildlife Centre Trust	20,000	-
Total Grants & Donations	<u>251,209</u>	<u>108,171</u>



Pukaha Mount Bruce Board
Notes to the Financial Statements
for the Year Ended 30 June 2010

2. Gift - National Wildlife Centre - Buildings at Pukaha Mount Bruce

The National Wildlife Centre Trust (the Trust), has transferred by gift, the Visitor Centre building, the Nocturnal House and Aviary 16 (all buildings at Pukaha Mount Bruce) to the Pukaha Mount Bruce Board on 1 July 2008. The agreed value of the buildings was \$916,742.00.

3. Hectare Donations

Donations were received from the public for the restoration of the Pukaha Mount Bruce Forest.

4. Interest Received

During the 2010 year the Board received the following interest on bank accounts and term deposits.

Note the interest received on the \$140,000.00 investment from the Department of Conservation (Estate of V Anderson) can only be applied to scholarship expenses (50%) and translocation of bird species (50%) as described in the memorandum of understanding.

	2010	2009
Westpac Bank Accounts	750	1,435
Westpac Term Deposits	6,242	4,083
Inland Revenue	-	8
Wairarapa Building Society Term Deposit	14,114	9,218
Wairarapa Building Society Term Deposit (Estate V Anderson - Elwin Welch Memorial Scholarship)	6,421	932
	<u>27,527</u>	<u>15,676</u>

5. Membership

A new membership/supporters scheme was introduced in the 2009 year.

6. Department of Conservation - Forest Restoration Programme

The Department of Conservation, by arrangement with the Pukaha Mount Bruce Board, are project managers for the restoration of the Pukaha Mount Bruce Forest.

7. Education Programmes

The Department of Conservation runs education programmes at the centre. The Board will seek funding ex community organisations to enable Department of Conservation to deliver the education programme.

8. Visitor Centre Development

The Pukaha Mount Bruce Board is undertaking an upgrade of the visitor centre at Pukaha Mount Bruce.

Costs incurred to date:

2006-2007	80,178
2007-2008	456,107
2008-2009	894,510
2009-2010	105,436
	<u>1,536,231</u>

Stage 1 of the project has now been completed at a total cost of \$1,421,762.00.

Stage 2 of the project is now being costed and planned with costs to date incurred of \$112,105.00



Pukaha Mount Bruce Board
Notes to the Financial Statements
for the Year Ended 30 June 2010

9. Cash and Cash Equivalents	2010	2009
Funds at Bank:		
Westpac - General Account	81,926	15,261
Westpac - Forest Restoration	51,831	138,089
Westpac - 03 Account	81,098	-
	<u>214,855</u>	<u>153,350</u>
Short term deposits with maturities between 3 months and one year.	<u>-</u>	<u>-</u>

10. Investments	2010	2009
Westpac - Term Investments - (matures 12 March 2011)	22,543	22,543
Wairarapa Building Society Term Deposit (matures 7 June 2011)	161,695	161,695
Wairarapa Building Society Term Deposit (matures 7 May 2011)	140,000	140,000
Total Investments	<u>324,238</u>	<u>324,238</u>

11. Accounts Receivable	2010	2009
Tui Brewery Limited	1,000	-
	<u>1,000</u>	<u>-</u>

12. Property, Plant and Equipment			
	Cost	Accumulated Depreciation	Book Value
2010 Year			
Buildings	2,452,973	67,496	2,385,477
Plant & Equipment	41,672	34,351	7,321
	<u>2,494,645</u>	<u>101,847</u>	<u>2,392,798</u>

	Cost	Accumulated Depreciation	Book Value
2009 Year			
Buildings	2,347,537	20,699	2,326,838
Plant & Equipment	41,672	32,872	8,800
	<u>2,389,209</u>	<u>53,571</u>	<u>2,335,638</u>

13. Inventories

Stock of CDs were donated by the National Wildlife Centre Trust in 2006-2007.

The value of stock as at 30 June 2010 has been recorded as nil as the Board has written the stock off as a large proportion of the remaining stock is used for promotional purposes. (2009 - \$11,446).

14. Accounts Payable

Accounts Payable as at 30 June were:	2010	2009
Department of Conservation	169,816	120,911
Lumen Digital Studio	-	17,551
Proarch Ltd	-	6,215
Go To Market	1,631	-
Direct Payments Solutions	205	-
MWH New Zealand Ltd	4,500	-
Genesis Recreation Centre	375	-
Wairarapa Times Age	193	-
Internet Design	142	-
	<u>176,862</u>	<u>144,677</u>



Pukaha Mount Bruce Board
Notes to the Financial Statements
for the Year Ended 30 June 2010

15. Tagged Funds

The Board has the following tagged funds. These funds are held in separately identified bank accounts.

	2010	2009
Forest Restoration -Operational Fund	\$116,000	\$138,089
Forest Restoration -Capital Fund	\$184,238	\$184,238
Estate V Anderson - Elwin Welch Memorial Scholarship	\$140,000	\$140,000

16. Wairarapa Building Society Loan

A loan facility has been arranged with the Wairarapa Building Society. The total loan drawn down to date is \$120,000.00. The term of the loan is for 1 year with the renewal date being 26 December 2010. The current interest rate applicable is 6.45%.

17. Department of Conservation - Estate V Anderson - Elwin Welch Memorial Scholarship

In the 2009 year the Board received a loan of \$140,000.00 from the Department of Conservation from the Estate of V Anderson. The loan is for a 10 year period with no interest repayable on the loan over the period of the loan. Under the memorandum of understanding only the interest accumulated on the initial deposit is available to establish a scholarship fund in the memory of Elwin Welch (50%) and for the translocation of bird species under Department of Conservation management/ supervision (50%).

Interest Received for year	\$6,421
Less Spent	
Elwin Welch Memorial Scholarship	(3,000)
Balance	\$3,421

This balance is to be spent as follows:

Elwin Welch Memorial Scholarship	\$210
Elwin Welch Memorial Scholarship - Kiwi Relocation	\$3,211
Total	\$3,421

18. Statement of Commitments and Contingencies

- (a) **Commitments**
 The Board has no commitments as at 30 June 2010 (2009 - Nil).
- (b) **Contingencies**
 There were no contingencies as at 30 June 2010 (2009 - \$Nil).

19. Events Subsequent to Balance Date

(a) **Grants Approved But Not Received**

The Board has been advised that the following grants have been approved since balance date:

Taranaki District Council	\$25,000 GST Excl
Masterion District Council	\$15,000 GST Excl
Lottery Environment & Heritage	\$300,000 GST Excl
Ministry of Tourism	\$48,250 GST Excl
Trust House Charitable Trust	\$80,000 GST Excl
Eastern & Central Community Trust	\$200,000 GST Excl
New Zealand Community Trust	\$25,000 GST Excl
Central Energy Trust	\$150,000 GST Excl
Pelorus Trust	\$20,000 GST Excl
Prime Community Trust	\$20,000 GST Excl
	\$883,250

20. Related Party

The Pukaha Mount Bruce Board has an arrangement with the Masterton District Council for the payment of expenses incurred by the Secretary/Treasurer (of the Board) for salary and office requirements. The Masterton District Council is reimbursed by the Department of Conservation for these expenses.

21. Lease Agreement

The Pukaha Mount Bruce Board is currently in negotiations with the Department of Conservation to finalise the lease arrangements between the parties for the occupancy of the land that the visitor centre operates from.

