



AGENDA

Ordinary meeting of the Nelson City Council Tasman District Council

Joint Shareholders Committee

Friday 17 April 2015
Commencing at 1.30pm
Council Chamber
Civic House
110 Trafalgar Street, Nelson

Membership: Her Worship the Mayor of Nelson, Rachel Reese, Deputy Mayor of Nelson, Paul Matheson, Nelson City Councillors Pete Rainey, Brian McGurk, Ian Barker, and Eric Davy; His Worship the Mayor of Tasman, Richard Kempthorne (Chairperson), Deputy Mayor of Tasman, Tim King, and Tasman District Councillors Michael Higgins, Judene Edgar, Trevor Norriss, and Stuart Bryant

Guidelines for councillors attending the meeting, who are not members of the Committee, as set out in Standing Orders:

- All councillors, whether or not they are members of the Committee, may attend Committee meetings (SO 2.12.2)
- At the discretion of the Chair, councillors who are not Committee members may speak, or ask questions about a matter.
- Only Committee members may vote on any matter before the Committee (SO 3.14.1)
- It is good practice for both Committee members and non-Committee members to declare any interests in items on the agenda. They should withdraw from the table for discussion and voting on any of these items.



Joint Shareholders Committee

17 April 2015

A1339411

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1	Confirmation	of Order	of Rusiness
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- 2. Interests
- 2.1 Updates to the Interests Register
- 2.2 Identify any conflicts of interest in the agenda
- 3. Public Forum
- 4. Confirmation of Minutes 28 November 2014

6-8

Document number A1281364

Recommendation

<u>THAT</u> the minutes of the meeting of the Nelson City Council, Tasman District Council – Joint Shareholders Committee, held on 28 November 2014, be confirmed as a true and correct record.

5. Port Nelson Limited – Half Yearly Report

9-14

Document number A1337680

Recommendation

<u>THAT</u> the report Port Nelson Limited – Half Yearly Report (A1337680) and its attachment (A1332461) be received.

6. Nelson Airport Ltd - Half Yearly Report (December 2014)

15-32

Document number A1339437

Recommendation

<u>THAT</u> the Joint Shareholders Committee receives the Nelson Airport Ltd - Half Yearly Report (December 2014) report.

7. Tasman Bays Heritage Trust Statement of Intent 2015/16 and Half Yearly Report

33-53

Document number A1332722

Recommendation

THAT the report Tasman Bays Heritage Trust Statement of Intent 2015/16 and Half Yearly Report (A1332722) and its attachments (A1334660, A1333055 and A1334741) be received;

AND THAT the Tasman Bays Heritage Trust Board be asked to make the following changes to the draft Statement of Intent (A1333055):

• Complete targets for each of the strategic objectives

AND THAT a final Statement of Intent be reported back to the Joint Shareholders Committee in August 2015.

PUBLIC EXCLUDED BUSINESS

8. Exclusion of the Public

Recommendation

<u>THAT</u> the public be excluded from the following parts of the proceedings of this meeting.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

Item	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Particular interests protected (where applicable)
1	Joint Shareholders Committee – Public Excluded Minutes – 28 November 2014 These minutes confirm the minutes of 7 October 2014.	Section 48(1)(a) The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7	The withholding of the information is necessary: • Section 7(2)(a) To protect the privacy of natural persons • Section 7(2)(i) To carry out negotiations
2	Nelson Airport Ltd 2015 Statement of Intent	Section 48(1)(a) The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7	The withholding of the information is necessary: • Section 7(2)(h) To carry out commercial activities • Section 7(2)(i) To carry out negotiations

9. Re-admittance of the public

Recommendation

<u>THAT</u> the public be re-admitted to the meeting.



Minutes of a meeting of the Nelson City Council Tasman District Council Joint Shareholders Committee

Held in Ruma Marama, Civic House, 110 Trafalgar Street, Nelson

On Friday 28 November 2014, commencing at 1.04 pm

Present: Her Worship the Mayor of Nelson (R Reese) (Chairperson),

His Worship the Mayor of Tasman (R Kempthorne), Nelson City Councillors E Davy, I Barker, B McGurk, P Rainey

Tasman District Councillors J Edgar, S Bryant, T Norriss

In Attendance: Tasman District Council: Chief Executive (L McKenzie)

Nelson City Council: Chief Executive (C Hadley),

Administration Adviser (S McLean)

Apologies: Deputy Mayor of Nelson (P Matheson), Deputy Mayor of

Tasman (T King), Tasman District Councillor M Higgins

1. Apologies

Resolved

<u>THAT</u> apologies be received and accepted from the Deputy Mayor of Nelson, the Deputy Mayor of Tasman, and Tasman District Councillor M Higgins.

Her Worship the Mayor of Nelson/Edgar

Carried

2. Confirmation of Order of Business

There was no change to the order of business.

3. Interests

No interests were declared with respect to items on the agenda.

4. Confirmation of Minutes – 7 October 2014

Document number A1259620, agenda pages 5-9 refer.

Joint Shareholders Committee Minutes 28 November 2014 <u>THAT</u> the minutes of the meeting of the Nelson City Council, Tasman District Council – Joint Shareholders Committee, held on 7 October 2014, be confirmed as a true and correct record.

Barker/His Worship the Mayor of Tasman

Carried

5. Updated delegations and terms of reference

Document number A1251959, agenda page 10 refers.

The updated delegations and terms of reference were noted.

6. Exclusion of the Public

Resolved

<u>THAT</u> the public be excluded from the following parts of the proceedings of this meeting.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

Item	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Particular interests protected (where applicable)
1	Joint Shareholders Committee Minutes- Public Excluded - 7 October 2014	Section 48(1)(a) The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7	The withholding of the information is necessary: • Section 7(2)(b) To protect information that may disclose a trade secret or the commercial position of a person • Section 7(2)(h) To earry out commercial activities • Section 7(2)(i) To carry out negotiations • Section 7(2)(a) To protect the privacy of natural persons

A1281364 2

Section 48(1)(a) 2 Appointment of The withholding of the **Director to Port** information is necessary: **Nelson Board** The public conduct of • Section 7(2)(a) this matter would be To protect the privacy This report contains likely to result in of natural persons information disclosure of Section 7(2)(i) regarding the information for which To carry out good reason exists appointment of a negotiations director to the Port under section 7 Nelson Board Her Worship the Mayor of Nelson/His Worship the Mayor of Tasman Carried The meeting went into public excluded session at 1.07 pm and resumed in public session at 1.15 pm. Re-admittance of the Public

THAT the public be re-admitted to the meeting.

Chairperson

There being no further business the meeting ended at 1.15 pm.

Confirmed as a correct record of proceedings:

Joint Shareholders Committee Minutes 28 November 2014

Carried

Date

7.

Resolved

Bryant/Norriss



17 April 2015

REPORT A1337680

Port Nelson Limited - Half Yearly Report

1. Purpose of Report

1.1 To receive the half yearly report to 31 December 2014 from Port Nelson Limited (Attachment 1).

2. Delegations

2.1 The Joint Shareholders Committee is responsible for all matters relating to jointly owned Council Controlled Organisations and Council Controlled Trading Organisations, including statements of intents, statements of corporate intent, half yearly reports, the appointment of directors and setting of directors fees.

3. Recommendation

<u>THAT</u> the report Port Nelson Limited - Half Yearly Report (A1337680) and its attachment (A1332461) be received.

4. Discussion

Haif Yearly Report

- 4.1 The half yearly report of Port Nelson for the period ending 31 December 2014 is included as Attachment 1.
- 4.2 For the first six months of this financial year Port Nelson reported profit before tax (PBT) of \$4.2 million which is 14% ahead of budget. Cargo volumes for the first half of the year were slightly behind budget with 1.23 million revenue tonnes handled as against the budget of 1.256 million.
- 4.3 Profit before tax was 27% lower than the same time the previous financial year. This mainly reflects that the previous financial year's numbers included the Raroa maintenance and this year's lower cargo volumes and container through put.
- 4.4 The report shows that Port Nelson have met their SOI targets for the first six months except for the volume targets covered in 4.2 above.

4.5 The Statement of Corporate Intent for Port Nelson Limited is not due to be received until 31 July 2015 and will be brought to the August Joint Shareholders Committee meeting.

4.6 **Options**

4.7 There is no decision to be made on the half yearly report. The company has complied with the legislation in preparing and presenting the report to Council.

5. Assessment of Significance against the Council's Significance Policy

5.1 This is not a significant decision.

6. Alignment with relevant Council Policy

6.1 This decision is a statutory process.

7. Consultation

7.1 No consultation has been carried out in relation to the recommendations.

8. Inclusion of Māori in the decision making process

8.1 No specific consultation has been carried out with Maori.

9. Conclusion

9.1 Port Nelson has complied with the Local Government Act 2002 in preparing a half yearly report.

Nikki Harrison

Group Manager Corporate Services

Attachments

Attachment 1: Port Nelson Ltd Half Yearly Report July – December 2014 A1332461

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PORT NELSON

SHAREHOLDER UPDATE

To:

Nelson City Council / Tasman District Council

From: Phil Lough, Chairman

Date: 15 January 2015

Re: Six Monthly Report to Shareholders

PURPOSE OF THE PAPER

To update the shareholders on company performance for the six month period ended 31 December 2014 period.

CARGO



Cargo volumes for the first half of the financial year ended up very slightly behind budget with 1,230,000 revenue tonnes handled as against the budget of 1,256,000. During the same period last financial year we handled 1,298,000 tonnes.

The main areas of variance to date are logs, processed forestry, fruit and wine which are all a little lower than budgeted and these are offset by motor vehicle imports which were higher than anticipated.

SHIPPING



For the first six months of the 2014/15 financial year shipping visits were very slightly behind budget with 356 visits versus the budget of 372. The variance was mainly in smaller fishing type vessels and revenue wise marine vessel related income is in line with expected levels.

A number of vessel operators are currently working through restructuring of their various services which will result in different 'berthing windows' through the Port along with a change in vessel sizes. At the time of preparing this report there is also the possibility of an additional weekly container service being introduced and this will become clearer by mid-February.

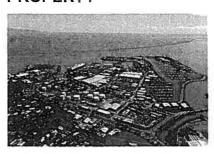
STEVEDORING



The workload for our Stevedoring staff remains steady, particularly in Picton as a number of new parties commence exporting logs through the Port. The relocation of our Stevedoring staff to new premises beside our main administration building has gone well as has the move to utilising new portable smoko rooms closer to vessel operations. As we head into another busy period from mid-March onwards with fruit exports we are currently undergoing quite extensive staff training for new casual employees in particular.

PORT NELSON SHAREHOLDER UPDATE

PROPERTY



Further discussions have taken place with Plant and Food regarding the proposed development on the northern end of Akersten St with the current focus on trying to reach final agreement on proceeding by the middle of 2015.

Agreement was reached with Nelmac for the purchase of their Vickerman St site and PNL assumed ownership of this land on 1 November. At this stage it is anticipated Nelmac will relocate to their new Bullen St site around 1 May.

HEALTH AND SAFETY



LTI rates for the last 12 months continue to sit within the targeted figure within our SCI which is pleasing but there remains plenty of work to do in this area, particularly with the new H & S legislation due to come into effect later this year.

We are currently consulting with Port Users on a new updated code of practise for all parties operating on the Port which will include the introduction of random drug and alcohol testing for all parties, probably from early March.

CAPITAL EXPENDITURE



The last quarter was a busy one on the capex front with the purchase of the Nelmac site, the project to relocate Stevedoring and Marine staff from the amenities building area and ongoing container yard stabilisation work. In additional to this we also purchased another small forklift for the QuayPack operations and undertook an upgrade to our Navision financial system.



FINANCIALS

STATEMENT OF COMPREHENSIVE INCOME For the 6 month period ended 31 December 2014

	Actual	Budget	Last Year
REVENUE			
Operations	17,362	16,553	18,787
Property	2,817	2,715	3,044
TOTAL REVENUE	20,179	19,268	21,831
Operating Expenses	14,973	14,556	14,872
RESULTS FROM OPERATING AND PROPERTY ACTIVITIES	5,206	4,712	6,959
Net Finance Costs	954	1,018	1,143
PROFIT AFTER FINANCE COSTS	4,252	3,694	5,816
Share of Profit from Associate	(26)	-	(36)
NET SURPLUS BEFORE TAXATION	4,226	3,694	5,780
Taxation	1,192	1,036	1,615
NET SURPLUS AFTER TAXATION	3,034	2,658	4,165
BALANCE SHEET			
As at 31 December 2014	Antural	Dudant	Last Vass
Current Assets	5.693	9,677	Last Year 6,371
Current Liabilities	4,007	3,591	4,781
WORKING CAPITAL	1,686	6,086	1,590
Non-Current Assets	183,077	183,930	188,947
Non-Current Liabilities	36,145	38,864	42,199
TOTAL NET ASSETS	148,618	151,152	148,338
SHAREHOLDER FUNDS	6,046	6,046	6,046
Issued Capital Retained Earnings	49,581	50,678	47,687
Asset Revaluation Reserves	94,180	95,270	95,270
Other Reserves	(1,189)	(842)	(665)
TOTAL SHAREHOLDERS' FUNDS	148,618	151,152	148,338
STATEMENT OF CASH FLOWS			
For the 6 month period ended 31 December 2014			
	Actual	Budget	Last Year
FUNDS FROM OPERATING ACTIVITIES	4.000	2.004	<i>5</i> 700
Net Surplus Impairment (profit on sale of assets)	4,226	3,694	5,780
Depreciation	2,618	2,810	2,725
Tax Paid	(2,552)	(2,086)	
Working Capital Movements	(774)	(899)	(410)
Net Cash flow from Operating Activities	3,518	3,519	5,669
FUNDS PROVIDED FOR INVESTING ACTIVITIES	(2,789)	(2,525)	2,070
FUNDS PROVIDED FOR FINANCING ACTIVITIES	(2,750)	(3,200)	
NET INCREASE / (DECREASE) IN CASH HELD	(2,021)	(2,206)	
OPENING CASH BALANCE	2,358	2,358	, ,
CLOSING CASH BALANCE	337	152	
PERFORMANCE TARGETS AND OTHER MEASURES	331	132	230
For the 6 month period ended 31 December 2014			
	Actual	Budget	Last Year
Shareholder funds to total assets ratio	79%	78%	
Return on average shareholder's funds	6%	6%	
Return on funds employed	8% 1.2M	7% 1.3M	
Annual cargo tonnes (t)	1.2M	1.3M	1.3M

Annual ships visits

408



STATEMENT OF CORPORATE INTENT

PERFORMANCE TARGETS AND OTHER MEASURES For the 6 month period ended 31 December 2014

Objectives	Performance Measure	Actual	Budget	Last Year	2015 Target	Last Year
			(6 months to 31 Dec. 2014)		Full Year	Full Year
People	Lost Time Injury ("LTI") frequency rate	1.33	<1.5	3.17	< 1.5	1.8
Financial Results	Shareholder funds to total assets ratio	79%	78%	76%	80%	77%
	Debt to Equity ratio	18%	16%	20%	< 45%	17%
	Dividends declared	\$1.0M	\$Nil	\$Nil	\$4.2M	\$4.2M
	Return on average shareholder's funds	6%	6%	6%	4%	5%
	Return on funds employed	8%	7%	8%	6%	7%
	Revenue	\$20M	\$19M	\$22M	\$39M	\$43M
	Capital expenditure	\$3.2M	\$3.1M	\$0.6M	\$4.0M	\$1.7M
Environment and Community	Incidents leading to pollution of harbour	Nil	Nil	Nii	Nil	Nii
	Note: This measure relates to port operational area only (excludes port lease areas)					
	Compliance with all resource consent conditions	100%	100%	100%	100%	99%
	Compliance with NZ maritime safety standards in respect of;	100%	100%	100%	100%	100%
	- Dredged channels compliant with charts					
	- Navigation aids					
	- Pilotage					
	Compliance with Noise Variation	100%	100%	100%	100%	100%
	Maintain ISO14001 certification	100%	100%	100%	100%	100%
Customer	Annual cargo tonnes (t)	1.2M	1.3M	1.3 M	2.6M	2.6M
	Annual ships visits	356	372	408	697	730
	Gross shipping tonnes (gross registered t)	4.3M	4.3M	4.5M	8.5M	7.8M

LOOKING FORWARD



With apple exports for the 2015 season due to commence in mid-March we should start to get a reasonable indication then of to what extent the export crop will reduce due to the hailstorms experienced towards the end of 2014.

Advice to date from the EDA and other industry sources is that something like 20% of the export crop may have been lost, which based on the 2014 season would equate to somewhere in the region of 1 -1.2 million cartons of fruit.

If these predictions prove correct then this will of course have an effect of our full year financial result but at this point we are still hoping for a full year performance somewhere close to what was budgeted back in the middle of 2014.

The first three cruise vessels of the year have visited with each of these calls going well and interest in this area continues to grow.



0.0 NELSON AIRPORT LTD - HALF YEARLY REPORT (DECEMBER 2014)

Decision Required

Report To:

Joint Shareholders Committee

Meeting Date:

17 April 2015

Report Author:

Mike Drummond, Corporate Services Manager

Report Number:

1 Summary

- 1.1 The Nelson Airport Limited interim report for the six month period ended 31 December 2014 is attached. The Board presented to the Joint Committee of the Tasman District and Nelson City Councils meeting in March 2015. Included in the presentation was commentary on the half year performance of the Company.
- 1.2 The interim report does not discuss or report on the valuation of assets work programme being undertaken by the Company. This is a significant matter for shareholders and was specifically referred to in this year's Letter of Expectation.
- 1.3 The directors report that the Company has recorded a net profit before tax of \$981,000 for the six months which is 20% ahead of budget. The year-end expectation is a result in line with, or slightly ahead of, budget. The Company has retired its long held \$3 million borrowing facility.
- 1.4 The major works programme to improve airport access, parking and terminal facilities are progressing well but the 30 June 2015 target for completion will not be met.
- 1.5 Aviation activity rose during the six months with regional capacity, up 2% on last year.
- 1.6 The six months saw the receivership of a national helicopter operator and the withdrawal of Air New Zealand from some provincial routes. The Company expects alternative operators stepping in to fill the market gap created.
- 1.7 The CEO Kaye McNabb retired after 11 years with the Company. Robert Evans was appointed as the new CEO.
- 1.8 Overall the Company continues to trade profitably and is on track to meet most performance targets set out in the SOI.

2 Draft Resolution

That the Joint Shareholders Committee receives the Nelson Airport Ltd - Half Yearly Report (December 2014) report.



NELSON AIRPORT LTD - HALF YEARLY REPORT (DECEMBER 2014)

3 Purpose of the Report

3.1 To receive the six monthly interim report of Nelson Airport Ltd.

4 Background and Discussion

- 4.1 The six monthly report for the period ended 31 December 2014 is attached as part of this report. The report was received within the timeframe set in the Local Government Act 2002 and the Company's Statement of Intent (SOI). The report meets the requirements set out in the SOI.
- 4.2 The report does not discuss or report on the valuation of assets work programme being undertaken by the Company. This was a key matter in setting the current SOI.
- 4.3 The directors' report included as part of the half yearly report covers the key matters affecting the Company for the half year, including:
 - Positive operating conditions resulting in a half year profit of \$981,000 (pre tax) which
 is approximately 20% above budget. Deferred costs will impact the second half of the
 year and therefore the Board expects the full year result to be in line, or slightly ahead
 of budget.
 - The major capital works programme is progressing well. It is not expected that the infrastructure development target in the SOI will be met. This requires the completion and commissioning of the new terminal facilities and car parking by 30 June 2015.
 - Aviation activity rose during the six months. Carrier capacity is up 2% on the same period last year. There has been an expansion of Air New Zealand servicing at Nelson. The six months also saw the receivership of a national helicopter operator and the withdrawal of Air New Zealand from some provincial routes. The Company expects alternative operators to step in to fill the market gap created.
 - The CEO Kaye McNabb retired after 11 years with the Company. The Board acknowledged Mrs McNabb's stewardship during a solid period of growth. Robert Evans was appointed as the new CEO. Mr Evans brings experienced airport management skills to the Company.

5 Policy / Legal Requirements / Plan

- 5.1 In accordance with the Nelson Airport Ltd Statement of Intent, the Directors are to deliver a half yearly report to the shareholders, within two months of the period end.
- 5.2 The Local Government Act 2002 section 66 also requires :
 - A CCO to deliver a half yearly report to shareholders within two months of the end of the first half of each financial year.
 - That report must include the information required to be included by the SOI.



NELSON AIRPORT LTD - HALF YEARLY REPORT (DECEMBER 2014)

5.3 The Joint Shareholders Committee has delegated authority for all matters relating to jointly owned Council Controlled Organisations and Council Controlled Trading Organisations, including statements of intents, statements of corporate intent, half yearly reports, the appointment of directors and setting of directors fees.

6 Attachments

- 1. Half Yearly Report to 31 December 2014
- 2. Cover Letter

NELSON AIRPORT LIMITED

INTERIM FINANCIAL REPORT

For the 6 Months Ended 31 December 2014

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The financial statements have not been subject to an audit and should be read in conjunction with accompanying Notes to the Financial Statements

Directors' Report For the 6 Months Ended 31 December 2014

Generally positive operating conditions, in line with expectations, saw the company record a net profit before taxation of \$981k for the six months ended 31 December 2014, some 20% above budget.

Directors are pleased with the six months' performance and believe that while some deferred costs will impact in the second half, continuing buoyant operations will see growth in landings and other revenues ultimately delivering net results in line or likely slightly ahead of budget.

The major works required to improve the airport access and parking facilities along with the expansion of Terminal facilities are progressing well. Concept plans are being evaluated, industry expertise is providing forecast activity growth linking through to our development plans. All of which is tied to a comprehensive review of our Masterplan for the airport. These key projects require significant consultation with stakeholders as to their own expectations along with careful management to minimise disruption to users while continuing to ensure a positive image as the region's most important gateway. This work and a review of our landing charges are exciting activities requiring the energy and expertise of all involved. We look forward to reporting further positive progress in the next six months.

Aviation activity rose during the six months with capacities for major regional carriers through Nelson Airport up 2% on the same period a year ago including strong rises of 5% for the months of September and October. Air New Zealand's key engineering maintenance activity at Nelson has seen an expansion of ATR configuration service. Growth in ATR servicing is expected to continue to rise including on behalf of overseas carriers, further embedding the significant value of this high-skilled facility for regional GDP.

The capex and cashflow profile over the medium term allowed the company to retire our long held \$3m borrowing facility, delivering immediate savings. This supported the positive net financing income for the period versus the budgeted net cost. The Board are confident that additional funds can be secured going forward, at favourable rates, when required.

Aviation can be a challenging business and we saw the receiverships of a significant national helicopter operator, along with a long term charter aircraft operator plus the announced withdrawal of Air New Zealand's Nelson/Palmerston North route during the six months. While delivering an unexpected marginal impact to financial performance in the period, supply in the aviation market tends to respond and we anticipate seeing alternative operators of those services stepping up in the months ahead.

A significant event towards the close of the half was the retirement of Kaye McNabb after 11 years' service as Chief Executive. In acknowledging Mrs McNabb's stewardship during a solid period of growth, Directors were pleased with the quality of interest shown in the vacancy created and delighted to appoint Robert Evans as the new Chief Executive. Mr Evans brings experienced airport management skills including niche marketing allied with tourism targets, property and project management plus quality strategic relationships with key stakeholders.

The financial statements have not been subject to an audit and should be sead in conjunction with accompanying Notes to the Financial Statements



Performance Targets

For the 6 Months Ended 31 December 2014

Increase Economic Returns

Ref	Performance Target	Measurement	Achievements
1	Achieve Financial Performance Targets.	Compare actuals to targets.	Expect to hold to, or better, Budgeted performance full year.
2	Increase car parking revenue post completion of the car park redevelopment in line with financial performance targets.	Compare parking revenue actuals to targets.	The Terminal Access Project, incorporating carpark redevelopment, is aligned to the Terminal Expansion Project which is currently underway.

Infrastructure Development

Ref	Performance Target	Measurement	Achievements
3	Complete the construction and commissioning of the new terminal access and car park extension during the 2014/15 Financial Year.	Access infrastructure built and fully commissioned by 30 June 2015.	Likely to extend beyond target (see comments in 2 above).
4	Review five year forecast, including developments, at least annually.	Five year forecasts reviewed and issued.	Five year forecast is reviewed quarterly. Material changes will be communicated to Shareholders as appropriate.

Business Diversification and Development

Ref	Performance Target	Measurement	Achievements
5	Exploit opportunities for business diversification and development.	Include in Annual Report commentary.	A number of positive leads are currently under negotiation.

Operations, Safety and Compliance

Ref	Performance Target	Measurement	Achievements
6	Pass all Civil Aviation Authority certification audits with no findings and fully consider any recommendations.	Civil Aviation Authority Audit Reports.	All CAA Security & Safety audits passed with no findings of non-compliance.
7	Complete essential works (if any) on the terminal as identified in the seismic engineering report.	Completed by 30 June 2016.	The Terminal Redevelopment Project, currently underway, will incorporate addressing seismic requirements.
8	Facilitate regular airport security meetings to ensure compliance with aviation security requirements.	Report on number of meetings & number and trend of security breaches.	Airport Safety/Security meetings held three monthly with major stakeholders. Annual Regional Security meeting held Oct 2014.No new issues.
9	Continue to work with the appropriate authorities to ensure an appropriate level of management is achieved in respect of the birdstrike risk in the vicinity of the airport.	Good management plans and processes agreed with local authorities for management of the birdstrike risk in the vicinity of the airport.	Good progress with Councils/DOC/Fish and Game regarding activities in the vicinity of the airport which have the potential to increase bird strike risk. Active bird management activities continue as part of daily operations.

The financial statements have not been subject to an audit and should be read in conjunction with accompanying Notes to the Financial Statements

Performance Targets

For the 6 Months Ended 31 December 2014

Strong, Effective Relationships

Ref	Performance Target	Measurement	Achievements
10	Measure and report on "good employer" key indicators.	Nil staff grievances. Report on staff turnover.	No staff grievances. CEO retired after 11 years at the helm. No other staff changes.
11	Maintain a safe working environment for employees.	Zero Medical Treatment Injuries or Lost Time Injuries for employees.	No medical treatment or LTI's for staff.

Environment, Sustainability and Community

Ref	Performance Target	Measurement	Achievements	
12	Facilitate regular meetings of the Nelson Airport Noise Environment Advisory Committee (NANEAC) and provide this Committee with appropriate monitoring data, advice and information.	Facilitate NANEAC meetings, at least every 2 months where complaints have been received or where there are issues that require addressing.	NANEAC meetings held every tw months. All complaints addressed an monitoring data provided. No ne issues or increase in complaints	
13	Comply with The Noise Management Plan noise level requirements.	Noise from aircraft operations over a rolling 3 month average not to exceed 65 Idn at or outside the noise boundary.	Monthly noise measurement readings within limits. Five yearly independent noise monitoring audit completed 2014.	

Paul Steere Chair

26 February 2015

Paul McGuinness Deputy Chair 26 February 2015

The financial statements have not been subject to an audit and should be read in conjunction with accompanying Notes to the Financial Statements

5



Condensed Statement of Comprehensive Income For the 6 Months Ended 31 December 2014

	Note	Dec 2014	Budget	Dec 2013
Revenue	2	2,562,854	2,519,631	2,491,522
Operating costs	3	1,159,709	1,285,229	1,051,752
Administration expenses	3	455,299	396,774	449,819
		1,615,008	1,682,003	1,501,571
Operating Profit		947,846	837,628	989,951
Interest Revenue		99,071	60,063	72,008
Interest Expenditure		(66,800)	(77,625)	(63,518)
Net Financing Income		32,271	(17,562)	8,490
Profit before Tax		980,117	820,066	998,441
Income tax expense	10	274,815		279,563
Total Comprehensive Income		705,302	820,066	718,878

The financial statements have not been subject to an audit and should be read in conjunction with accompanying Nates to the Financial Statements

Condensed Statement of Changes in Equity For the 6 Months Ended 31 December 2014

	Note	Dec 2014	Dec 2013
Opening Retained Earnings as at 30 June		7,909,553	7,034,233
Total Comprehensive Income for the period		705,302	718,878
Distributions to Equity Holders	6		(150,000)
Retained Earnings as at 31 December		8,614,855	7,603,111
Share Capital		2,400,000	2,400,000
Closing Equity as at 31 December		11,014,855	10,003,111

The financial statements have not been subject to an oudit and should be read in conjunction with accompanying Notes to the Financial Statements

Condensed Statement of Financial Position

As at 31 December 2014

	Note Dec 2014	Dec 2013
Assets	W-2	
Current Assets		
Trade and Other Receivables	627,92	8 714,965
Cash and Cash Equivalents	145,04	8 1,411,907
Other Financial Assets	3,288,00	0 2,588,261
Total Current Assets	4,060,97	6 4,715,133
Non Current Assets		
Property, Plant and Equipment	9,096,14	1 9,466,998
Intangible Assets	6,52	1 5,640
Total Non Current Assets	9,102,66	2 9,472,638
Total Assets	13,163,63	8 14,187,771
Liabilities		
Current Liabilities		
Trade and Other Payables	329,25	8 284,564
Current Income Tax Liability	40,72	1 33,283
Employee Entitlements	70,79	2 82,179
Interest Bearing Loans	1,93	4 1,460
Total Current Liabilities	442,70	5 401,486
Non Current Liabilities		
Deferred Tax	705,28	1 780,444
Interest Bearing Loans	1,000,79	7 3,002,730
Total Non Current Liabilities	1,706,07	8 3,783,174
Total Liabilities	2,148,78	3 4,184,660
Net Assets	11,014,85	5 10,003,111
Equity		
Issued Share Capital	2,400,00	2,400,000
Retained Earnings	8,614,85	5 7,603,111
Total Equity	11,014,85	5 10,003,111
For and on behalf of the Board		
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The financial statements have not been subject to an audit and should be read in conjunction with accompanying Notes to the Financial Statement

Paul McGuinness Deputy Chair 26 February 2015

Chair

26 February 2015



Condensed Statement of Cash Flows For the 6 Months Ended 31 December 2014

	Note	Dec 2014	Dec 2013
Cash Flows from Operating Activities			
Cash was provided from:			
Receipts from airport users		2,581,476	2,523,465
Interest received		81,163	75,708
		2,662,639	2,599,173
Cash was disbursed to:			
Payments to suppliers and employees		(1,320,849)	(1,324,699)
Interest paid		(66,800)	(62,392)
Income tax paid		(411,625)	(453,859)
Net GST Movement		19,481	(30,151)
		(1,779,793)	(1,871,101)
Net Cash Flows from Operating Activities	4	882,846	728,072
Cash Flows from Investing Activities			
Cash was provided from:			
Decrease in term deposit/other financial assets		296,756	· ·
Sale of property, plant & equipment			4
		296,756	9
Cash was disbursed to:			
Increase in term deposit/other financial assets		-	(63,701)
Purchase of property, plant & equipment		(129,035)	(355,025)
Purchase of Intangible Assets		-	-
		(129,035)	(418,726)
Net Cash Flow from Investing Activities		167,721	(418,726)
			
Cash Flows from Financing Activities			
Cash was provided from:		-	_
		-	
Cash was disbursed to:			
Dividends paid	6	_	(150,000)
Decrease in loans		(2,000,766)	(793)
		(2,000,766)	(150,793)
Net Cash Flow from Financing Activities		(2,000,766)	(150,793)
Net increase/(decrease) in cash and cash equivalents		(950,199)	158,553
Opening cash and cash equivalents		1,095,247	1,253,354
Closing cash and cash equivalents		145,048	1,411,907
crosmile cash and cash edininatelits		143,048	1,411,50/

The financial statements have not been subject to an audit and should be read in conjunction with accompanying Rotes to the Financial Statements



Notes to the Condensed Financial Statements For the 6 Months Ended 31 December 2014

1. Statement of Accounting Policies

REPORTING ENTITY

Nelson Airport Limited (The Company) is an Airport Company pursuant to Section 3 of the Airport Authorities Act 1996 and is a Council Controlled Trading Organisation under Section 6 of the Local Government Act 2002. The Company is registered under the Companies Act 1993.

Nelson Airport Limited operates and manages the Nelson Regional Airport. The major activities are the provision of facilities for aircraft landing and servicing, and the airline processing of passengers and freight to and from the aircraft.

Nelson Airport Limited is jointly controlled by both Tasman District Council (50%) and Nelson City Council (50%). Neither of these entities has the ultimate control over Nelson Airport Limited.

The unaudited interim financial statements for Nelson Airport Limited are for the six months ended 31 December 2014.

BASIS OF PREPARATION

The unaudited interim financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand as required by the Companies Act 1993, Financial Reporting Act 1993 and financial reporting standards adopted by the New Zealand Institute of Chartered Accountants.

The interim financial statements are presented in New Zealand dollars. The interim financial statements are prepared on an historical cost basis with the exception of financial instruments.

- a. The unaudited interim financial statements have been prepared in accordance with the New Zealand Equivalents to International Accounting Standard No. 34 (Interim Financial Reporting) and should be read in conjunction with the previous annual report.
- b. There have been no significant changes in accounting policies. All policies have been applied on bases consistent with those used in the previous annual report. To ensure consistency with the current period, comparative figures have been restated where appropriate.

2. Revenue

The six month revenue is inclusive of all operating and non-operating income for the period 1 July 2014 to 31 December 2014.

The six month comparative revenue is inclusive of all operating and non-operating income for the period 1 July 2013 to 31 December 2013.

The financial statements have not been subject to an audit and should be read in conjunction with accompanying Notes to the Financial Statements



3. Expenses

Operating costs include total direct costs and depreciation for the period 1 July 2014 to 31 December 2014.

The six month comparative operating costs include direct costs and depreciation for the period 1 July 2013 to 31 December 2013.

Administration costs consist of total administration costs, insurance, rates, water rates and accounts receivable write-offs for the period 1 July 2014 to 31 December 2014.

The six month comparative administration costs consist of total administration costs, insurance, rates, water rates and accounts receivable write-offs for the period 1 July 2013 to 31 December 2013.

4. Reconciliation of comprehensive income to net cash flow from operating activities

	Dec 2014	Dec 2013
Comprehensive Income to 31 December	705,302	718,877
Add/(less) non cash and non operating items:		
Depreciation and Amortisation	317,666	334,507
Movement in working capital:		
(Increase)/Decrease in receivables	714	(101,079)
Increase/(Decrease) in current tax payable	(136,810)	(175,295)
Increase/(Decrease) in payables	(4,026)	(48,938)
Net cash flows from operating activities	882,846	728,072

5. Transactions with Related Parties

Transactions with Shareholders

The Company is jointly owned by Nelson City Council (NCC) (50%) and Tasman District Council (TDC) (50%).

The Company paid rates and maintenance costs to the NCC amounting to \$24,080 (2013:\$31,221) and the balance included as owing in trade payables as at 31 December 2014 is \$14,536 (2013: \$7,666).

The Company pays a peppercorn rent to the Nelson City Council in respect of aerodrome reserve land.

Transactions with entities owned by Shareholders

Nelmac Limited is a 100% subsidiary of Nelson City Council. The Company paid grounds maintenance and other fees to Nelmac Limited amounting to \$44,332 (2013: \$36,057) and the balance included as owing in trade payables as at 31 December 2014 was \$6,620 (2013: \$6,649).

Tourism Nelson Tasman Limited was jointly owned by Nelson City Council and Tasman District Council. In August 2014, Tourism Nelson Tasman Limited became 100% owned by Nelson City Council. The Company paid for tourism marketing services from Tourism Nelson Tasman Limited of \$15,000 as at 31 December 2014 (2013: \$10,000) and the balance included as owing in trade payables as at 31 December 2014 is Nil (2013: Nil).

The financial statements have not been subject to an audit and should be read in conjunction with accompanying tioles to the Financial Statements



Transactions with entities related to key management personnel

During the period the Company paid for no services with NZ Red Cross Society, in which Paul Steere was previously a Director. These services amounted to \$105 in 2013 and the balance owing in trade payables as at 31 December 2014 was Nil (2013: Nil).

All related party transactions are at arms-length and were charged on normal terms and conditions and outstanding accounts are payable on normal trading terms. No related debts have been written off or provided for as doubtful. All related party balances are unsecured.

6. Distribution to shareholders

No dividend was declared during the first 6 months of the financial year (2013: \$150,000).

7. Contingencies

There are no known contingencies as at 31 December 2014 (2013: Nil).

8. Subsequent Events

In January 2015, the Company repaid in full the Westpac No.2 Loan with a balance of \$1,000,000 as at 31 December 2014. There were no comparative events subsequent to 31 December 2013.

The Company appointed a new CEO (Robert Evans) who began with the Company on 9 February 2015.

9. Capital Commitments

Nelson Airport Limited has no capital commitments contracted or provided for as at 31 December 2014 (2013; Nil).

10. Income Tax

The income tax provision for the 6 months ending 31 December 2014 has been calculated on a prima facie basis at 28%. No taxation adjustments, permanent or otherwise, have been reflected in the calculation.

	Dec	Dec
Current year income tax provision	2014	2013
	274,815	279,563
	274,815	279,563

11. Approval of interim financial statements

The interim financial statements were approved by the board of directors on 26 February 2015.

The financial statements have not been subject to an audit and should be read in conjunction with accompanying Notes to the Financial Statements

Directory

Directors

Paul Steere (Chair)
Paul McGuinness (Deputy Chair)
Matthew Clarke
Catherine Taylor
Judene Edgar

Registered Office

Nelson Regional Airport Airport Terminal P O Box 1598 Nelson 7040

Telephone Facsimile

03-547-3199 03-547-3194

Email

office@nelsonairport.co.nz

Chief Executive

Kaye McNabb (Retired 19 December 2014) Robert Evans (Appointed 9 February 2015)

Managers

Operations: James Middlewick Commercial: Simon Orr

Auditor

Audit New Zealand on behalf of the Auditor-General

Accountant

Crowe Horwath Nelson (to 30 June 2014)
Johnston Associates Chartered Accountants Limited (Appointed from 1 July 2014)

Bankers

Westpac Banking Corporation

Solicitors

Pitt & Moore

The financial statements have not been subject to an audit and should be read in conjunction with accompanying Notes to the Financial Statements

27 February 2015



The Shareholders of Nelson Airport Ltd

Helping Velson Take Off For The

C/- The Chief Executive Officer

Nelson City Council

Tasman District Council

P O Box 645 Nelson 7040 Private Bag 4 Richmond 7050

Dear Clare and Lindsay

On behalf of the Board I attach our Interim Report for the six months to December 2015.

If you have any queries or questions please contact the undersigned.

Regards

Simon Orr

Commercial Manager

ct:

Nikki Harrison Mike Drummond Mark Wright, Audit NZ

New Zealand Airports Association
"Airport of the Year 2008, 2010 & 2012"

Trent Drive Nelson Airport, PO Box 1398, Nelson 7040
Tel 64 3 547 3199 Fax 64 3 547 3194
Email office@nelsonairport.co.nz www.nelsonairport.co.nz



17 April 2015

REPORT A1332722

Tasman Bays Heritage Trust Statement of Intent 2015/16 and Half Yearly Report

1. Purpose of Report

- 1.1 To receive the half yearly report to 31 December 2014 from Tasman Bays Heritage Trust.
- 1.2 To consider Tasman Bays Heritage Trust's draft Statement of Intent for 2015/16.

2. Delegations

2.1 The Joint Shareholders Committee is responsible for, and has the powers to decide on, all matters relating to Council Controlled Organisations and Council Controlled Trading Organisations, including Statements of Intent and half yearly reports.

3. Recommendation

<u>THAT</u> the report Tasman Bays Heritage Trust Statement of Intent 2015/16 and Half Yearly Report (A1332722) and its attachments (A1334660, A1333055 and A1334741) be received;

<u>AND THAT</u> the Tasman Bays Heritage Trust Board be asked to make the following changes to the draft Statement of Intent (A1333055):

• Complete targets for each of the strategic objectives

<u>AND THAT</u> a final Statement of Intent be reported back to the Joint Shareholders Committee in August 2015.

4. Background

4.1 The Tasman Bays Heritage Trust (TBHT), along with the other Council Controlled Organisations (CCO's), must deliver a half yearly report to Council (s66 of the Local Government Act 2002). This should report on the organisation's operations during that half year, and include any information required by its Statement of Intent. The report allows the

- Council an opportunity to monitor the performance of the CCO in relation to its set objectives and Council's overall aims and outcomes.
- 4.2 The half yearly report of TBHT for the period ending 31 December 2014 is attached (Attachment 1).
- 4.3 Each CCO must also submit a draft Statement of Intent (SOI) to the councils by 1 March indicating its proposed activities for the following financial year (s). TBHT's draft SOI is attached (attachment 2). Schedule 8 of the Local Government Act outlines the purpose of a SOI, what is to be included, and how it is to be approved. Relevant extracts from the Schedule are attached (Attachment 3).
- 4.4 The Chairperson, Terry Horne, and Chief Executive, Peter Millward, will be in attendance at the meeting to present the information and answer questions. The Trust has chosen to develop a three year SOI. This will still need to be reviewed and updated annually.
- 4.5 TBHT presented to the Joint Committee of Tasman District and Nelson City Councils 17 December 2014. In relation to TBHT Statement of Expectation, the Joint Committee decided that it should:

... collaborate with other heritage sector organisations and district museums, and comply with health and safety obligations, and respond to current review, incorporating implementation within current councils' contributions - including increasing visitor numbers.

4.6 The draft SOI is a first opportunity for TBHT to demonstrate its response to the strategic review.

5. Discussion

Half Yearly Report

- The half yearly report shows TBHT made a surplus of \$104,737 for the 6 months to Dec 2014, compared with a budget deficit of \$6,281. Visitor numbers are up on last year. The WW1 exhibition has contributed to both the surplus (through sponsorship) and to the increased visitor numbers.
- 5.2 The Trust completed the Strategic Review and has identified the following issues/opportunities:
- 5.3 A clear strategic purpose is needed with a clarified purpose on creating value.
 - The need for a tighter and more robust collection policy.
 - A cultural divide between the collection and exhibition facilities and the geographic split accentuates this.

A1332722 2

- The need for a realigned organisation framework to enhance external revenue generation.
- Visitor numbers need to grow based on benchmark figures of the ratio of visitor numbers to grants from Councils.
- There is a need for greater collaboration with other heritage / community groups and regional museums.
- Branding / identity should be clarified given the number of names and slogans the Museum operates under.

Draft Statement of Intent 2015/16

- 5.4 TBHT has structured its SOI differently from previous years in order to show the link between TBHT's strategic goals (as identified in the Strategic Review), its objectives (from the Trust Deed) and its strategic objectives for the 2015/18 period.
- 5.5 It is seeking specific feedback from the Joint Committee on the objectives. Once these have been agreed to, TBHT will develop targets for each of them in order to allow measurement of performance.
- 5.6 Officers believe that this structure is of value and that TBHT has shown it understands its strategic direction and is planning ahead accordingly.

6. Options

- 6.1 There is no decision to be made on the half yearly report. TBHT has complied with the legislation in preparing and presenting the report to Council.
- 6.2 In relation to the SOI, TBHT is seeking agreement on its strategic objectives. The Committee can choose to accept the objectives as stated, or it could decide to request the addition or removal of one or more objectives. In either case TBHT will be required to complete targets for the final objectives
- 6.3 The final SOI will be brought to the Joint Shareholders Committee in August 2015.

7. Assessment of Significance against the Council's Significance Policy

7.1 This is not a significant decision.

8. Alignment with relevant Council Policy

8.1 This decision is a statutory process. Support for TBHT is consistent with the councils' outcome of 'Our communities have opportunities to celebrate and explore their heritage, identity and creativity.'

9. Consultation

9.1 No consultation has been carried out in relation to the recommendations.

10. Inclusion of Māori in the decision making process

10.1 No specific consultation has been carried out with Maori. There is iwi representation on the Trust Board.

11. Conclusion

11.1 TBHT has complied with the Local Government Act 2002 in preparing a half yearly report and draft SOI. The Joint Committee has the opportunity to request changes or additions to the draft SOI. TBHT will then submit a final SOI by 30 June 2015, as required under the Act.

Chris Ward

Group Manager Community Services

Attachments

Attachment 1: Tasman Bays Heritage Trust Half Yearly Report to Dec 2014

(A13346<u>60</u>)

Attachment 2: Tasman Bays Heritage Trust Draft Statement of Intent 2015/18

(A1333055)

Attachment 3: Extract from Schedule 8 of the Local Government Act 2002

(A1334741)

A1332722 4

REPORT TO STAKEHOLDERS OF NELSON CITY COUNCIL AND TASMAN DISTRICT COUNCIL (JSC) Half Year Period 1 July 2014 – 31 December 2014

REPORT FROM THE CHAIRMAN

The major focus on the first six months has been on finalising the Strategic Review, developing and coordinating the World War 1 Exhibition and other commemorations within the region, and acceleration of the Glass Plate Project.

1. Strategic Review

A strategic review was completed during the six months. This was carried out by Tim Walker and Associates who specialise in museum and art gallery consultancy. This review was driven by the Trustee's questioning of the established proposition that the collection facilities at Isel Park should be redeveloped.

The review concluded that a single site was to be preferred. There were a number of options achievable at a lower cost than the original estimate for a rebuild at Isel Park.

Other aspects of the report included:

- A clear strategic purpose is needed with a clarified purpose on creating value.
- The need for a tighter and more robust collection policy.
- A cultural divide between the collection and exhibition facilities and the geographic split accentuates this.
- The need for a realigned organisation framework to enhance external revenue generation.
- Visitor numbers need to grow based on benchmark figures of the ratio of visitor numbers to grants from Councils.
- There is a need for greater collaboration with other heritage / community groups and regional museums.
- Branding / identity should be clarified given the number of names and slogans the Museum operates under.

The Trust is pleased with the opportunities the Review raises and Trustees are working through a process of implementation.

2. Finances

The Trust reported a surplus of \$104,737 for the six months compared to budget deficit of \$6,281.

There are some favourable timing differences which relate to sponsorship and external grants for the WW1 Exhibition. Further expenses for this will occur during the second half of the year without matching cash grants. However we are confident that we will be ahead of our budget for the full year which is for break even.

Overhead costs were \$625,772, they have been well controlled and are below plan.

TBHT – Nelson Provincial Museum Pupuri Taonga o Te Tai Ao

Page 1

External interest bearing debt (Westpac) has reduced to \$191,116 down by \$103,426 over the 6 months. This has further strengthened the balance sheet of the Trust.

3. Visitor Admissions

Visitor numbers (including school visitors) were 19,788, an increase of 734 (3.8%) compared to the same period last year.

We have changed our marketing programme and hope with the new and planned exhibitions to complement the WW1 exhibition that we will continue to improve on visitor numbers in the second half.

4. Sponsorship / Grants

During the six months we received grants and sponsorship from the following:

- Nelson Pine / Golden Edge (WW1 Exhibition)
- NZ Lottery Grants Board (WW1 Exhibition)
- City of Nelson Civic Trust (WW1 Exhibition)
- Canterbury Community Trust (To digitise tape recorded history)
- Nelson City Council (WW1 Exhibition)

We appreciate this support.

5. Health and Safety

There have been no lost time or other injuries. The Trust has an active Health and Safety Committee and reports are made monthly to the Board.

6. Glass Plate Negative Project

The long-standing Glass Plate Negative Project has been accelerated following the delays caused by the earthquake proofing issues of the previous year. 103,831 plates have now been digitised and 48,496 are accessible online. This compares with 88,927 and 33,926 at 30 June 2014. We have approximately 170,000 glass plates in the collection.

REPORT FROM THE CHIEF EXECUTIVE OFFICER

1. World War 1 Exhibition

The major public focus of the first half of this financial year has undoubtedly been the commemorations associated with World War One. Following on from the joint Mayoral launch of the service database of men and women from the Province of Nelson the exhibition has now been launched. The service database has had more than a hundred additional names added since its launch and the Cenotaph database that sits behind the records has benefited from the addition of almost 300 additional photos of servicemen provided by the families. A recent highlight was the visit to Nelson by the Director-General of the Commonwealth War Graves Commission, taking in

the 'true graves' of Nelson men who died back in New Zealand. Of the 2600 names on the wall in the Community Hall almost 550 now have a red poppy stamp indicating that family members have been by and recognised the names. Starting in January 2015 the wall will take on a more sombre feeling as the names of those who die are recalled with a small black cross. The first name -George Burlinson died of typhoid, the second [and the first NZ soldier to die of wounds] was William Arthur Ham of Ngatimoti and his death will be a major feature of the coming few months along with the national focus on Gallipoli in April. We are in a unique position to add something really significant to the National story with the photos and Gallipoli model created by a previous Museum Curator [Col Cyprian Brereton] and the launch of a new publication of his book "Tales of Three Campaigns" timed for the two weeks ahead of Anzac Day itself. Anzac Day 2015 will be a huge international event and we will certainly be playing our part in that event along with the Civic and family memories that will come to the fore. The exhibition itself has been extremely well supported with sponsorship and grants and has been very well received by the families of local servicemen and women as indeed it should be. The addition of some more family focused activities and exhibitions on other themes [such as the new one on NZ Parrots] will balance the offering. The exhibition owes an enormous debt to a small group of men and women who along with staff have been researching the people and their stories for ten years or more. The bulk of the stories are supported by material already held in the various parts of the Museum Collection which has been extremely heavily used to create the exhibition. In turn the exhibition will leave a permanent legacy of photos, stories and objects that have been linked to Collection records in a way that would have been almost impossible even ten years ago.

2. Pandemonium of Parrots Exhibition

The Pandemonium of Parrots is another example of how the Museum can provide an exhibition that complements the work of colleagues at the Brook Waimarama Sanctuary. Created by Stephen and Imogen McCarthy this is the fourth in a series of small scale Natural History exhibitions we have done in recent years and it will undoubtedly be of real value for the Primary School science curriculum work in the same way that Plants did last year. The partnership between Brook Sanctuary and Nelson Provincial Museum has already attracted favourable comment from local educators and from the Ministry of Education. It is I suspect the way of the future.

3. Collection Database

One of the really significant changes in recent months has been the migration of the Collection database to a new version of the Vernon Collection Management System with a greatly improved web browser functionality. Not only does this allow and encourage feedback from the public [more than 50 responses in the first month]; it also enables Digital NZ to harvest the metadata from the records which become our part of a 28 million record database that attracts more than 5000 international visitors each and every day. As such we are now one of 150 contributing institutions. Our on-line presence continues to flourish and in the past year we have attracted more than 60,000 on-line visitors — almost certainly the first time we have ever been in a position to know that fact. At the heart of the offering almost 50,000 images from the 102,000 glass plates that have been digitised so far — including over a thousand images of World War One servicemen. To be able to provide fresh copies of images to families to replace fading photos taken a hundred years ago has been one of the real joys of the project. Such a broad public offering has attracted a

lot of attention and inevitably a corresponding workload. The trick lies in finding a way that people can contribute financially to the project and the general income stream, rather than simply reap its benefits. Having said that we ought not to neglect the research base that such an on-line presence affords to the public at large.

4. Regional Museums

The small travelling exhibition launched on Anzac Day 2014, "Memories of WW1" has already been displayed in Hokitika, Havelock and the Elma Turner Library. Over the next 12 months it will visit at least five other regional venues. The "Kiwi Keith" exhibition was very well received during its visit to Motueka Museum last summer and plans are in hand to extend the range and number of exhibitions we offer to other venues in the region including the Library in Richmond. We sponsored an Oral History Workshop for regional libraries and museums which should result in some more projects in the coming years.

5. Research

Research is at the heart of exhibitions we create internally but it is also at the heart of the work done by local researchers in particular, as they piece together the many strands of local heritage in publications of various sizes and significance. One major publication in recent months that deserves mention [but not a huge amount of credit on our part] is Volume 4 of the iwi history put together by John and Hilary Mitchell in telling the history of local iwi in Te Tau Ihu. The number of people from Te Atiawa and Ngati Tama who attended the book-launch was a huge tribute to many years of work.

6. Review

Thankfully the workload associated with the earthquake strengthening and flood damage of 2013 is now a distant memory but both venues are in a better condition now than they were before those events thanks largely to the efforts of staff who made it possible for external contractors to undertake the necessary repairs. This work essentially secures those two venues as safe places in which to care for our regional heritage Collection while the recently completed Walker Review looks at the options for future operation of the Museum that looms large for the stake-holder Councils, Trust Board and staff alike. The Walker Report draws on the findings of earlier reports but offers a significantly more strategic focus than has been previously achieved. Earlier in the year Kim Young, a Museum Marketing specialist reviewed the marketing and communications strategies currently being used by the Museum and she made a number of recommendations with respect to the external appearance of the town site and the look and feel of the foyer. The Walker Review has endorsed those findings and gone several steps further in the same direction; aimed at increased visibility and increased use of the foyer and the town venue as a whole. The first changes are already under way to take advantage of the summer season.

It is timely that on the tenth anniversary of the shift from Stoke to the central business district of Nelson City that the Trust reviews its activities. While in many respects the shift was a huge success it did create some inherent issues that remain un-addressed. In the immediate future the external image of the Museum building will be addressed in order to overcome the confusion

TASMAN BAYS HERITAGE TRUST – Half Year Report 2014-15

caused by the plethora of names by which we are known and the lack of visibility of what one can expect to find on display inside. It is well known that the street front signs and images are the major marketing opportunity and we will seek to use the opportunities far more strategically. A second series of workshops was run for staff and while the focus of the workshops was largely internal some of the outcomes from the workshops will hopefully have significant impact on the way we work together and our interactions with the public which are equally important.

7. Collaboration

The Museum continues to play its role in development of activities surrounding the Centenary of WW1 but it has also taken a lead role in the "Late Night on Hardy Street" initiative. Hardy Street now boasts in excess of 30 establishments serving food as well as a wide range of retail outlets. The Museum contributes its own special character to the street and more recently as the host of one of the 'public pianos' we have been delighted to see such a range of music made available in the street. Most days would see 3 to 4 hours of music being played and the initiative should be both applauded and encouraged. Further collaboration continues with shared education programming undertaken with the Brook Waimarama Sanctuary [almost 500 students] and we have recently joined with the Elma Turner Library to secure an additional year of digitisation of the Nelson Evening Mail through to 1920.

8. Education

The 2014 school year has been a busy one for the Education team who have provided education services to 245 school groups from 35 of the regions 57 schools. In addition but outside of the LEOTC contract they have provided programmes for Probus, Homeschoolers, Early Childhood and Blind Citizens groups. The Plants exhibition was extremely popular with schools as was the Canterbury Quakes exhibition. Programmes based on the stories and objects related to local Iwi remain very popular with junior classes.

TASMAN BAYS HERITAGE TRUST – Half Year Report 2014-15

STATEMENT OF COMPREHENSIVE INCOME For the Period 1 July – 31 December 2014

	Actual	Budget	Actual
	2014	2014	2013
Revenue	1,058,288	979,109	1,036,862
Less Direct Costs	625,772	641,297	564,695
Gross Profit	432,516	337,812	472,167
Less Expenses	145,172	162,959	148,080
Operating Profit	287,344	174,853	324,087
Less Depreciation	182,607	181,134	184,824
Net Surplus / (Deficit) for Period	104,737	(6,281)	139,263

STATEMENT OF FINANCIAL POSITION For the Period 1 July - 31 December 2014

	2014	2013
<u>Assets</u>		
Cash & Bank	185,315	224,202
Debtors	530,813	497,255
Term Deposit – Tagged Funds	150,000	5 .
Prepayments – Ins/ACC	28,911	27,656
Stock on Hand	4,399	5,295
Non Current Assets	19,828,258	20,131,474
Total Assets	20,727,696	20,885,882
<u>Liabilities</u>		
Creditors	51,308	36,128
GST	56,998	57,660
Grants Received in Advance	432,929	426,111
Accruals – Annual Leave	61,270	56,566
Term Liabilities	1,347,368	1,593,349
Total Liabilities	1,949,873	2,169,814
Net Assets	18,777,823	18,716,068
<u>Equity</u>		
Retained Earnings	18,673,086	18,576,805
Current Year Earnings	104,737	139,263
Total Equity	18,777,823	18,716,068
Notation:	W	

Grants Received in Advance are the Council Operating Grants Invoiced for the 3rd Quarter.

TBHT – Nelson Provincial Museum Pupuri Taonga o Te Tai Ao

STATEMENT OF CASH FLOWS For the Period 1 July – 31 December 2014

Cash Flows from Operating Activities

Council Operating Grants	865,858	
Contracts	41,095	
Interest Received	5,392	
Receipts from Other Revenue	139,780	
Payments to Suppliers & Employees	(840,825)	
Interest Paid	(6,993)	
Goods and Services Tax (Net)	(17,079)	
Net Cash from Operating Activities		187,228
Cash Flows from Investing Activities		
Purchase of Property, Plant and Equipment	(42,568)	
Purchase of Investments (Tagged Funds)	(150,000)	
Net Cash from Investing Activities		(192,568)
Cash Flows from Financing Activities		
Repayment of Borrowings	(103,426)	
Net Cash from Financing Activities		(103,426)
Net Increase (Decrease) in Cash		(108,766)
Opening Cash Balance at 1 July 2014	_	294,081
Closing Cash Balance at 31 December 2014		185,315

STRATEGIC PLAN

Tasman Bays Heritage Trust [the Trust] is developing a robust strategic plan for the next 10 years. This has been assisted by input from an independent consultant.

Looking beyond the current three-year Statement of Intent the Trust has identified six longer term strategic goals:

We will

- continue planning a long term solution to our collection storage and research facility needs.
 To assist in achieving this we seek to secure some funding from other than council sources.
- offer an enhanced and improved visitor experience with increased uptake
- contribute to the vibrancy of what the region offers its residents and visitors
- have an increased impact and outcomes across the region
- maximise digital and on-line opportunities
- actively seek to diversify funding sources and increase earned revenue

In the current three-year timeframe:

The aim is for a more vibrant and dynamic museum experience with increased visitation and better utilisation of our well located museum. This will be supported by an innovative and progressive exhibition and events programme. Our visitor mix will include increased numbers at public programmes, increased on line visitors and significant numbers of visitors to exhibitions we show in regional locations. We will continue to work with both formal and informal learning providers as a resource to support their work throughout the province.

The Trust will strengthen relationships with our manawhenua iwi, heritage and community groups, and with regional museums.

We will review our collection policy framework, including de-accession, to assist with the development of our collection and to optimise collection resources.

We will strive for a culture of teamwork and safety and will work to minimise the impact of the geographical divide between the current facilities.

Statement of Intent for 2015-2018

This SOI defines **seven strategic objectives** with associated activities and KPIs, which underpin the strategic plans for the next decade. The goals of that strategic plan are largely derived from the perceived priorities and stated Objectives of TBHT, combined with the expressed expectations of our two stakeholder Councils:

- 1. To grow visitor numbers and increase the impact of the organisation in the wider community
- 2. To consolidate, expand and diversify partnerships and relationships
- 3. To promote an organisation-wide operating style which supports the strategic plan
- 4. To develop programmes in response to a better understanding of our communities
- 5. To maintain, grow and diversify the revenue sources
- 6. To professionally manage and maintain all TBHT assets, including the Regional Heritage Collection
- 7. To optimise opportunities provided by on-line and social media activity

In presenting this Statement of Intent we wish to thank the Nelson City Council and Tasman District Council for their continued support of Nelson Provincial Museum. We are confident that these plans will enhance the value of the Museum to our communities and add to the vibrancy and attractiveness of the region as a destination for visitors and for those seeking a new place to call home.

REVISED MISSION STATEMENT

We have proposed the following statement as matching to a far greater extent the outcomes of this current planning round. It should be seen as a work in progress but does identify what we understand to be the key elements.

WE CONNECT YESTERDAY, TODAY AND TOMORROW FOR THE BENEFIT OF OUR VISITORS AND OUR COMMUNITIES, USING OUR COLLECTIONS AS THE INSPIRATION FOR OUR WORK.

OBJECTIVES FROM TRUST DEED [slightly abbreviated with what are understood to be pending changes in italics]

- (a) to manage and operate the *Nelson Provincial* Museum [*Pupuri Taonga o te Tai Ao*] in accordance with the Strategic Plan, to manage the Trust assets and facilities, and acquire and manage the collections and to operate them for the benefit of the residents of the region and the public generally. *The Councils, as joint stakeholders, will appoint the trustees and operate the Trust as a Council-Controlled Organisation;*
- (b) To recognise the special nature of the history of the region and the role of *Manawhenua lwi o Whakatu Marae (Te Tai Ao Komiti) to uphold kaitiakitanga and tikanga Mäori of all taonga Mäori* and their special contribution to the heritage and identity of the region;
- (c) to foster effective participation with the community on heritage matters;
- (d) to collaborate with other museums and facilities within the region to maximise community input to heritage issues;
- (e) to provide services which relate to the education of the residents of the region and the wider community, relating to the region's past history and heritage issues relating to the present time:
- (f) to consult with and seek input from the community generally to enable the services provided by the Trust and the Museum to be in accordance with the wishes of the community;
- (g) to support the strategic directions and policies of the Councils in relation to heritage issues and to enhance the special character of the region by protecting and celebrating its heritage and the vision of the regions as a destination for cultural tourism.
- (h) to establish exhibition programmes and education policies for the Trust facilities and to determine charges for viewing or using any of the Trust facilities, the collections, or the Trust assets with a view to maximising public utilisation of the Trust facilities and services;
- (i) to develop Collection Management policies for the Trust; and specifically for Acquisition, Loan and De-accession:
- (j) to provide all financial, administration, marketing, technology and other services required for the Trust facilities:
- (k) to acquire land and other assets where such land or other assets can be used in conjunction with the Trust facilities or to promote the aims and objectives of the Trust;
- (I) to ensure that all facilities are managed effectively and in particular to be a good employer;
- (m) to comply with all relevant legislation and regulations and, where practicable, observe and support all international conventions and treaties as they relate to museums and items held by museums;
- (n) to develop and maintain partnership programmes with other Museums;
- to protect and manage for the benefit of the Museum all intellectual property, including trademarks, copyright and any reproduction rights;
- (p) generally to do all acts, matters and things that the Trustees consider necessary or conducive to further or attain the object and aims of the Trust set out above.

KEY STRATEGIC OBJECTIVES FOR 2015/16, 2016/17 AND 2017/18

- 1. To grow visitor numbers and increase the impact of the organisation in the wider community [Objectives b, c, d, e, f, h, n above]
 - To grow the number of visitors to the exhibition venue in central Nelson and also to provide greater outcomes for our regional communities by taking exhibitions and programmes to them
 - To actively participate in the broad range of regional activities and events and to report both the Museum input and the community impacts and outcomes
 - To devise a methodology for determining off-site visitation and impact and report these outcomes
 - Monitor the level of satisfaction of visitors with exhibitions, services and facilities,
 triangulating results with the annual NCC Community survey and Museums Aotearoa Survey

2.To consolidate, expand and diversify partnerships and relationships [Objectives c, d, n above]

- Develop a TBHT partnership & relationship strategy & plan including social, educational, cultural, economic & environmental considerations
- Develop partnership & relationship protocols & processes
- Consolidate and increase the value of Nelson Provincial Museum ["the Museum"] to stakeholder Councils
- Consolidate & expand iwi partnerships and relationships in social, educational, cultural, economic and environmental sectors
- Maintain & expand the value of the Museum to educational agencies (including Ministry of Education, NMIT, Kura Kaupapa Maori, Schools, pre-school, formal and informal regional adult education providers etc)

3. To promote an organisation-wide operating environment which supports the strategic plan [Objectives b, c, d, e, f, l, n above]

- Undertake genuine consultation with manawhenua iwi of Whakatu with respect to acquisition, care and display of taonga
- Actively encourage and support targeted training and development opportunities for staff,
 Trustees and volunteers
- Maintain involvement of Advisory Committees in respect of Education and matters related to our Manawhenua Iwi
- Play a lead role in maintaining and activating the Museum and gallery network of the Nelson-Tasman region

4. To develop programmes in response to a better understanding of communities [Objectives b, c, d, e, f, h, n above]

- Better understand the needs, preferences and values of our communities
- Describe and maximise the demonstrable value of the Museum for individuals and groups in the community
- Broaden the range of experiences (including exhibition, virtual, online, events, education
 etc) ensure the focused and strategic use and activation of the Trust collections and
 resources

- Review the Regional History gallery and increase its appeal and level of engagement
- Maximise the use of the Museum's touring exhibition resources
- Increase virtual access to the collections and review the physical access options

5. To maintain, grow and diversify the revenue sources [Objective j above]

- Develop and implement a fundraising strategy
- Ensure fundraising and sponsor-partnership is integrated into operational planning and priorities
- Maximise the value of Museum generated revenue-producing projects and products
- Ensure costs are effectively managed to achieve the high value use and minimal waste

6. To professionally manage and maintain all TBHT assets, including the Regional Heritage Collection [Objectives c, d, I, m, n above]

- Complete a review of all Collection Policies and ensure appropriate collection development, management & research standards are achieved and maintained
- Develop and manage the Trust's facilities in a way that optimises community value, access, safety and use while meeting all mandatory standards
- Ensure Human Resources systems are managed in a way that supports organisational culture and is aligned with the operation of the Trust as a good employer
- H&S of staff, visitors and volunteers is taken into consideration through policy and practice and is specifically reported
- Develop and manage Financial Resources systems in a way that maximises community outcomes
- To monitor and maintain the conditions under which the Collections are cared for and stored

7. To optimise opportunities provided by on-line and social media activity [Objectives a, g, k above]

- Process donations according to guidelines in Collections Management Policy including progressively providing access to a broad range of Collection records on-line
- Progressively increase and monitor the engagement of the regional community through enews and social media marketing

NOTE ONCE IT IS AGREED THAT THE **7 STRATEGIC OBJECTIVES** ABOVE REPRESENT A SOUND DESCRIPTION OF THE WAY AHEAD, THEN EACH OF THE BULLET POINTS SELECTED FROM THIS SET FOR EACH OF THE THREE YEARS WILL BE DESCRIBED IN TERMS OF WHAT THE TARGET IS AND HOW IT WOULD BE MEASURED [what success would look like].

KEY ISSUES FOR 2014/15, 2015/16 AND 2016/17

Key issues identified for the planning period are:

- Sourcing external revenue streams for developing projects
- Training and monitoring in line with Health & Safety legislation
- Probable re-negotiation of Contract with Ministry of Education for LEOTC services
- Changes in regional or national economy that causes changes in tourism over which there is little local control

KEY PERFORMANCE INDICATORS FOR 2014/15, 2015/16 AND 2016/17

NOTE these will be presented in a more straight forward format in the final version and these figures should be seen as being indicative only.

2013/1		2014/15	2015/16	2016/17	2017/18
Actual		Budget	Budget	Budget	Budget
Actual		buuget	buuget	budget	budget
NELSO	N PROVI	NCIAL MUSEUM	OFFERING		
•				venue level edu	ucation student numbers]
33,055		34,000	37,500	40,000	42,500
Street or other Designation of the last of	_	s to Museum ex			12,300
2,000	er canonisie	unspecified	3,000	3,500	3,500
Not repo	rited	methodology the	4,404	3,300	1,200
•	Total n		ion student visit	tors doing muse	um related programmes (incl
		outreach, Resea		_	
7,383		7,500	6,500	????	????
High resources		LEOTC target 5000	8	see note re LEOTC C	ontract
•	Numbe	r of participants	in public progra	mmes [jointly a	rranged and promoted] 💹
Not rep	orted	not specified	1,000	1,100	1,200
•	Numbe	r of Visits to the	Research Facilit	y at Isel Park	
612		1,000	1,000	1,000	1,000
0)	Numbe	r of (unique) vis		ources	
62,767		60,000	65000	70,000	75,000
		r of subscribers			
3,500		3,500	3,500	3,500	3,500
	users of	Nelson Provin			
107,0		not specified	117,500	119,100	121,700
107,0	OOF	not specified	117,500	113,100	121,700
n .	Talkana k	papers delivered	by staff to aven	seal asauga	
					4:5
Not me		not specified	8	12	15
		n facility as a ven	_		20
Not rep	(6) (6)	not specified	10	15	20
Financ	sial				
		vonuo.			
	Party Rev		Ć212V	\$193K	¢172V
5311K		\$204K	\$213K		\$173K usion of external revenue and education numbers a
					se this is not the case if the LEOTC contract is taken
		This has been noted as	a major issue facing	the Trust.	
Satisfa					
Visitor	Satisfact	tion (based on 5	00 Museum sur	veys)	
>95%		>80%	>80%	>80%	>80%
Comm	nunity Sat	tisfaction (NCC C	ommunity Surv	ey)	
xx%		xx%	xx%	xx%	xx%

TASMAN BAYS HERITAGE TRUST

PROJECTED STATEMENT OF FINANCIAL POSITION

	2013-14	2014-15	2015-16	2016-17	2017-18
	Actual	Actual @ 31/12/2014			
Assets					
Cash & Bank	294,081	185,315	384,237	587,592	891,553
Accounts Receivable	437	530,813	946	1,000	1,000
Prepayments	-	28,911		-	_
Stock on Hand	4,399	4,399	4,399	4,399	4,399
Investments	-	150,000	200,000	250,000	300,000
Non Current Assets	19,995,864	19,828,258	19,475,620	19,120,161	18,761,858
Total Assets	20,294,781	20,727,696	20,065,203	19,963,153	19,958,811
Liabilities					
Creditors	115,434	51,308	51,718	50,000	50,000
GST	(26,571)	56,998	(7,940)	(7,940)	(7,940)
Accruals - Holiday Pay Accrual	82,038	61,270	61,270	61,270	61,270
Grants Received in Advance	-	432,929	4.4	-	-
Loan ex NCC/TDC	1,156,252	1,156,252	1,106,252	1,056,252	1,006,252
Loan ex Westpac - Fixed Term	294,542	191,116	75,471	(0)	-
Total Liabilities	1,621,695	1,949,873	1,286,771	1,159,582	1,109,583
Net Assets	18,673,086	18,777,824	18,778,432	18,803,571	18,849,228
			TY 7 (45)		
Equity					
Retained Earnings	18,576,805	18,673,086	18,777,824	18,778,432	18,803,571
Current Year Earnings	96,281	104,737	608	25,139	45,657
Total Equity	18,673,086	18,777,824	18,778,432	18,803,571	18,849,228

TASMAN BAYS HERITAGE TRUST

PROJECTED STATEMENT OF CASHFLOWS

	2014-15 Actual @ 31/12/14	2015-16	2016-17	2017-18
CASH FLOWS FROM OPERATING ACTIVITIES				
Council Operating Grants	865,858	1,738,756	1,752,666	1,766,686
Contracts	41,095	82,190	41,095	-
Interest Received	5,392	10,080	10,161	10,242
Receipts from Other Revenue	139,780	149,436	142,582	163,563
Payments to Suppliers & Employees	(840,825)	(1,565,862)	(1,565,778)	(1,536,530)
Interest Paid	(6,993)	(4,260)	(128)	-
Goods and Services Tax (Net)	(17,079)	4,227	(1,772)	
Net Cash from Operating Activities	187,228	414,567	378,826	403,961
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of Property	(42,568)	_	-	-
Purchase of Investments	(150,000)	(50,000)	(50,000)	(50,000)
	(192,568)	(50,000)	(50,000)	(50,000)
CASH FLOWS FROM FINANCIAL ACTIVITIES				
Repayment of Borrowings	(103,426)	(165,645)	(125,471)	(50,000)
	(103,426)	(165,645)	(125,471)	(50,000)
Net Increase (Decrease) in Cash	(108,766)	198,922	203,355	303,961
Opening Cash Balance	294,081	185,315	384,237	587,592
Closing Cash Balance	185,315	384,237	587,592	891,553

Tasman Bays Heritage Trust Projected Statement of Performance 2015-18

TBHT FINANCIALS	2014-15	2015-16	2016-17	2017-18
Reserve Bank CPI - 31 December	Act. CPI @ 1.6%	Act. CPI @ 0.8%	Est. CPI @ 0.8%	Est. CPI @ 0.8%
REVENUE	027 540	024.420	040 011	047 527
Operating Grant – TDC	827,518	834,138	840,811	847,537
Operating Grant – NCC	827,518	834,138	840,811	847,537
Addnl Op Grant – NCC	69,921	70,480	71,044	71,612
TOTAL COUNCILS	1,724,957	1,738,756	1,752,666	1,766,686
LEOTC Contract (Fixed)	82,190	82,190	41,095	-
Project Grants Exhibitions	28,500	32,000	32,256	32,514
Other	94,072	99,689	120,487	141,291
TOTAL REVENUE	1,929,719	1,952,635	1,946,504	1,940,491
EXPENDITURE				
Staffing	721,715	747,167	753,144	759,169
Education Contractors	82,190	82,190	41,095	-
Property	207,321	178,580	180,009	181,449
Other	93,047	91,860	92,595	93,336
DIRECT COSTS	1,104,273	1,099,797	1,066,843	1,033,954
Project Grants	45,000	45,000	45,000	45,000
Project Grants Exhibitions	28,500	32,000	32,256	32,524
Projects – Strategic	-	40,000	40,320	40,643
NCC Project Grant Contra	69,921	70,480	71,044	71,612
GROSS SURPLUS	682,025	665,358	691,041	716,758
Overheads	248,705	246,477	248,449	250,437
Interest Costs	18,013	4,260	128	-
Trustee Fees	60,888	61,375	61,866	62,361
TOTAL EXPENSES	327,606	312,112	310,443	312,798
Less DEPRECIATION	362,262	352,638	355,459	358,303
SURPLUS/DEFICIT	(7,843)	608	25,139	45,657

2015-16 NOTATIONS TO BUDGET

- 1. 31 Dec 2014 CPI rate of 0.8%. The total funding from Councils is for operational costs (including trustee fees).
- 2. Other Revenue includes admissions, donations and sponsors that fund the exhibition programme. Projects are by application.
- 3. Primary Loan (Westpac) commenced on 1st February 2013 at a fixed rate of 5.18% for 5 years however will be fully repaid by August 2016. The Trust has a total credit facility of \$300,000.
- 5. Westpac term loan principal repayments for 2016 estimated at a minimum of \$115,645 (\$19,856 2017)
- 6. These budgets contain no expectation of capital expenditure or development during the life of this document.
- 7. Funding Reserve for replacement of short life assets < 5 years expectancy (and depreciation) is \$191,214 for 2017
- 8. The Council Loans are likely to have a net fair value adjustment made to the value of the loans, but at this point no interest figure has been included.

Local Government Act 2002

Extract from Schedule 8

s9: Contents of statements of intent

- (1) A statement of intent must, to the extent that is appropriate given the organisational form of the council-controlled organisation, specify for the group comprising the council-controlled organisation and its subsidiaries (if any), and in respect of the financial year immediately following the financial year in which it is required by <u>clause 3(b)</u> to be delivered and each of the immediately following 2 financial years, the following information:
 - (a) the objectives of the group; and
 - (b) a statement of the board's approach to governance of the group; and
 - (c) the nature and scope of the activities to be undertaken by the group; and
 - (d) the ratio of consolidated shareholders' funds to total assets, and the definitions of those terms; and
 - (e) the accounting policies of the group; and
 - (f) the performance targets and other measures by which the performance of the group may be judged in relation to its objectives; and
 - (g) an estimate of the amount or proportion of accumulated profits and capital reserves that is intended to be distributed to the shareholders; and
 - (h) the kind of information to be provided to the shareholders by the group during the course of those financial years, including the information to be included in each half-yearly report (and, in particular, what prospective financial information is required and how it is to be presented); and
 - (i) the procedures to be followed before any member or the group subscribes for, purchases, or otherwise acquires shares in any company or other organisation; and
 - (j) any activities for which the board seeks compensation from any local authority (whether or not the local authority has agreed to provide the compensation); and
 - (k) the board's estimate of the commercial value of the shareholders' investment in the group and the manner in which, and the times at which, that value is to be reassessed; and
 - (I) any other matters that are agreed by the shareholders and the board.