

ANNUAL REPORT 2018

Pūrongo ā-Tau 2018



Te Rāhui Rēhia o Kaitereterē

Kaiteriteri

Recreation Reserve

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PERFORMANCE

Te Hua Mahi



49 Full-time
EMPLOYEES



101 Peak season
EMPLOYEES



Kaiteriteri Store
\$1.89m
REVENUE



Kai & GoneBurgers
\$1.92m
REVENUE



Restaurant refurbishment
\$420k
INVESTMENT



Events, community & marketing promotions
\$120k
INVESTMENT



Camp & Apartments
\$2.26m
REVENUE



Concessions & Sundry
\$140k
REVENUE



Kaiteriteri Mountain Bike Park
\$35k
INVESTMENT



Maintenance of beach, grounds & assets
\$228k
INVESTMENT

CHAIR/ CEO REPORT

Te Pūrongo a te Heamana
me te Tumu Whakarae



2018 was a year of change with an emphasis on aligning the Reserve for the implementation of new product development, product management and delivery of the desired customer experience. Our journey to become a genuine four-season destination has been aided by the efforts of our management team, staff and partners and revenue has increased. Climatic impacts affected our operations and expenditure during specific periods reinforcing some of the challenges of our operating environment.

FINANCIAL PERFORMANCE

The financial year concluded the Board's significant refurbishment and upgrade of key infrastructure, in particular the restaurant with some smaller components remaining to be completed. The construction of a firewall at the back of the store is required as part of the fire protection code of compliance. The capital works impacted on the financial result with the restaurant bearing the brunt of the process by having to close for over three months. There were also human resources impacts as new systems and operational procedures had to be adapted and this also influenced the financial results for the year.

Kaiteriteri Store

From a difficult start two years ago, the store has made a notable turn around which reflects the dedicated efforts by all. The seasonal and coastal location distanced from regular traffic flow or a reasonable residential population is never going to be easy so the results achieved are commendable. Total sales at \$1,894,326 are up 5% on last year and up on budget by 3%. Equally significant is the GP has been lifted to 35% against last year's 34% and the

budget figure of 34%. Expenses have been better controlled particularly in wages as difficulty has been experienced in this area in previous years. Budget objectives were set to the ratio of 22% to gross income and this figure was almost achieved at 23%. It compares very favorably against last year's result of 25%. Extra costs on budget related to refrigeration issues over the peak summer period. The costs to income ratio of 30% (\$572,177) against a budgeted 28% (\$506,091) were very close to last year's 31%. Despite unbudgeted factors, control of other costs has kept results in parallel with last year on an increased income. The net result, before depreciation and including other income was a surplus of \$129,093.

Guest Services and Operations

In addition to our traditional sources of revenue, results now include the Reserve's apartments and conference room. The Board's and CEO's efforts to extend the visitor season has seen an increase in planned activities that is reflected in all our business groups' income. Activity includes mountain biking, events, meetings and conferences.

This is a long-term strategy to extend our prime season for the delivery of sustainable income and mitigate profit variability by reducing the duration and extent of the traditional low season. Gross income of \$2,264,550 was a 2% increase on budget and up 13% on last year. Income from the apartments came in at \$412,500 against a budget of \$310,000 and \$258,000 last year. Expenditure at \$1,735,200 was up on budget by 12% which is attributed to increased labour resources and costs required to appropriately service new assets including the apartments and additional new grounds and public courtyard areas. Management are very conscious of maintaining very high standards in hygiene and cleanliness across the whole Reserve which is part of H&S requirements. This comes at a cost which although is regularly reviewed for efficiency and consolidation, contributed to the net result of \$529,300.

Food and Beverage

Results for the year are very mixed and with the main restaurant closed for refurbishment for over 3 months, there was always going to be an impact on the result. Although budgeted, there were a number of variables and other issues to be considered with the new layout including work flows, procedures, processes, systems, menu adjustments and new staff all which had to be trialed during an earlier than forecast start to the season. Systems required finetuning and results, whilst not ideal, were not from areas unexpected. Income at \$1,915,700 was

expected to be down with the closure but in fact was 1% above last year with GP sitting at 62%. This was the second highest level of F&B income in the Reserve's history. Expenses and particularly wages had the most impact. There was a 14% increase in budgeted wages and peak season wet weather had a significant effect as maximum staff were engaged to cover what was expected to be a very busy period. When wet weather arrived and customer counts dropped we were left with high fixed labour costs. Other increases incurred through repairs and maintenance leading to total expenses of \$1,191,000, up on last year by 12%. These expenses resulted in a trading loss of \$3,000 for the year. From a positive perspective, the formula for sustaining and building income is in place. The biggest strategic issues are sourcing appropriate labour and managing it well with the restrictions and challenges of location and weather. We believe this has been thoroughly reviewed and with focused management discipline, the objectives will be met. Delivering to customer expectations will match the quality of the location and new facilities. The Board and CEO are of the view that the Reserve is now in a position to build and capitalize on the refurbishment and remediation works and we are looking forward to a positive 2019 financial year.

RESERVE MANAGEMENT

With a focus on delivering an optimum experience to guests and customers, the Reserve implemented change in 2017-18 and split Operations into two

separate business groups. The Operations business group retains responsibility for maintenance, grounds and housekeeping but has now been extended across the Reserve and includes H&S, civil defence, facilities and assets, telecommunications and IT. The new Guest Services business group is responsible for the guest experience, customer service standards and training, QA and commission sales product and business development. This realignment ensures better accountability across key facets of the Reserve's management.

Other changes in 2018 included the introduction of staff accommodation in Bethany Park. Although limited in numbers, this has helped alleviate rostering constraints and will be improved through the use of split shifts. The Reserve replaced its standard telecommunications system with cloud-based Voice Over Internet Protocol (VOIP) which has provided better flexibility, reliability and cost savings. We also changed power providers in order to get better service and price.

A significant review of the Reserve's concession fees was undertaken in conjunction with the Department of Conservation (DOC) with changes coming into effect in 2019 and 2020 subject to final confirmation. Finally, our new car was leased and this Rav-4 has a very impressive paint display and is a great advertisement for the Reserve throughout the region.

H&S AND WELLBEING

The Reserve is a 24 hour, 7 day a week multi-faceted business operating throughout the year and much emphasis has been placed on staff and visitor H&S. The H&S committee, led by the Operations Manager, is at the heart of risk management and reporting, with the CEO responsible for setting expectations, enabling the work and monitoring outcomes with the Board. Wellness is a particular area of importance and research has been conducted in 2018 with the view to implement programmes in 2019. Another area of improvement for 2019 concerns measurement against benchmarks and improved dashboard reporting.

RESERVE DEVELOPMENT

Infrastructure development on the Reserve included the refurbishment of the restaurant and the associated brand and product work including Kai, GoneBurgers and Origin. This was the last major business unit capital spend after the projects were completed on the office, apartments and store. The Reserve signed a new management agreement with Kaiteriteri Mountain Bike Incorporated which has directed more planning and resources at park development, marketing, events and communications. A new bike hub was built by the main carpark complete with industrial pumps, maintenance facilities, e-bike charging station, wash facilities, racks, tables and chairs and covered with a shade sail.

CONCESSIONS

The Reserve received \$65,875 in revenue from businesses who hold a Department of Conservation Concession agreement enabling them to commercially operate on the Reserve. In addition the Reserve received a total of \$27,973 from telecommunications concessions including Spark New Zealand, Vodafone and 2Degrees. As with all revenue we generate, this is invested back into the Reserve for the benefit of guests, visitors, staff and operators. Concessionaires are a core component of Tasman's vital tourism offer and include:

- Abel Tasman Sea Shuttles & Kaiteriteri Kayaks
- Wilsons Abel Tasman
- Abel Tasman Sailing Adventures
- Abel Tasman AquaTaxi
- Golden Future Environmental Ltd
- Abel Tasman Kayaks
- Waka Abel Tasman
- Mapua Ventures Ltd
- Wheelwoman
- Whenua Iti Trust Inc
- Watersports Kaiteriteri Ltd
- Coffee & Cruise Absolute Adventures Ltd.



BRAND AND MARKETING

In addition to the activity surrounding our new restaurant, a focus has been on updating our existing website and the creation of the new mountain bike park website. Supporting this has been effective social media, search engine optimisation, online advertising and chat bot development.

We have made much improvement to our interaction with trade and online travel agents in order to drive ROI through our Capstone partnership. The Reserve takes a partner centric approach to channel development especially in the trade space and conferences. Community centric events are core to our engagement strategy and we hosted and supported five large events covering sport, fundraising, education and conservation.

OUTLOOK

2019 will be a year of research, preparation and some implementation of the Reserve's exciting new project titled *Sustainability, Restoration and Resilience* involving cultural, environmental, business and H&S components. This project will require significant community engagement to enable the implementation of the major landscaping, restoration, waste and business sustainability improvements required.

We also seek to achieve accreditation under ISO 9001 and ISO 14001 and position the Reserve as a civil defence hub. It will be an exciting year and we particularly look forward to working very closely with our Iwi partners and Tasman District Council.

We would like to express our thanks and appreciation to our staff, management team, the Board, partners and suppliers. Although a crown entity, we receive no funding from the government and 100% of the profits from our business groups are directed back into the Reserve. Without the support of our guests, visitors, partners and the local community, Kaiteriteri would not be the special place it is.



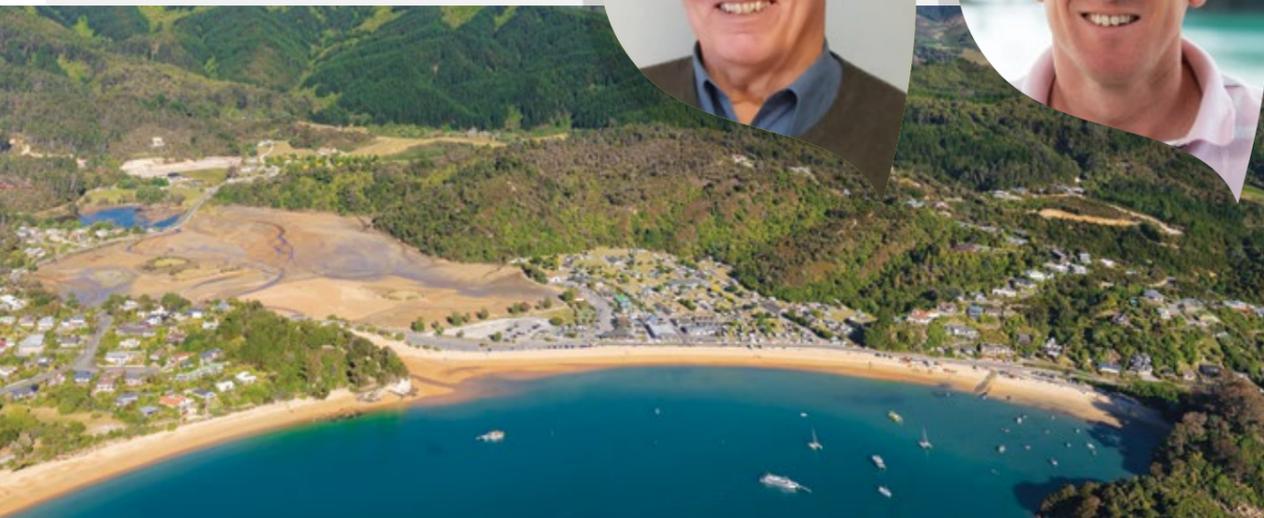
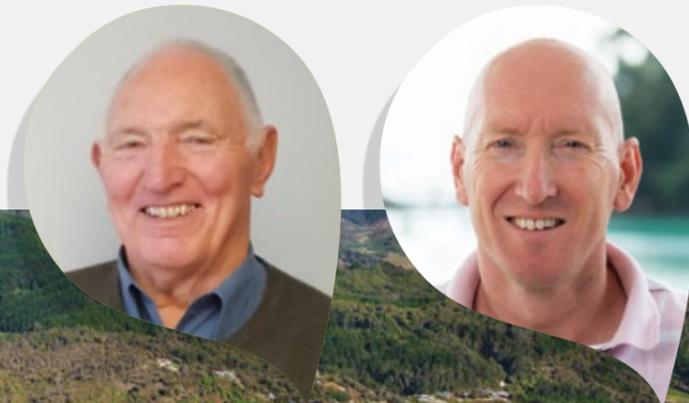
Chair

Chris Hawkes



CEO

David Ross



VISION, MISSION, VALUES

Moemoeā, Whāinga, Uara

VISION

Kaiteriteri Recreation Reserve is acknowledged as New Zealand's premiere coastal outdoor recreation destination.

MISSION

Deliver a unique and inspiring experience for all visitors through the provision of exceptional family orientated recreation, cultural, conservation, accommodation, hospitality and retail facilities. Our values are enhanced through long term partnerships with Iwi, Department of Conservation, community and local government.

VALUES

- Quality** – The pursuit of ever greater quality and excellence in customer service.
- Integrity** – Relationships are based on integrity and respect.
- Innovation** – Success is built on innovation rather than convention.
- Team** – One team.
- Kaitiakitanga** – Guardianship, protection and preservation.



ANNUAL PLAN

Mahere ā-Tau



ACHIEVE OUR VISION THROUGH FOCUSED LEADERSHIP AND TEAMWORK

Reserve Strategy

- Three year strategic roadmap reviewed and updated.
- Annual Plan completed.
- Strategy, annual plan and budgets approved and presented to all staff.

ENHANCE THE APPRECIATION OF OUR VALUES THROUGHOUT ALL TARGETED MARKET SEGMENTS

Brand Management

- Brand and logo protocols developed.
- Reserve and Kaiteriteri Mountain Bike Park stories integrated.
- Restaurant brands and stories developed and implemented.
- Social Media plan developed incl live chat.
- Website development phase 2: MBP component / mobile responsiveness / booking integration / new restaurant.
- Search engine optimisation and on line advertising scheduled.
- Key signage and aesthetic overlay – Reserve, MBP, vehicle completed.

STRATEGIC AND SUSTAINABLE BUSINESS GROWTH

Reserve Development

- Restaurant and courtyard refurbishment completed.
- Camp and office capital works completed.
- Restaurant and apartments product development plan completed.
- Glamping product – research evaluated.
- Agreements established with Mountain Bike Park and Great Taste Trail.
- Reserve mountain biking development plan completed – incl ROI on infrastructure.
- Commission Sales R&D and implementation timeframe established.

HARNESSING AND MAXIMISING LONG TERM RELATIONSHIPS AND BENEFITS

Partnerships

- Ongoing engagement regarding a partnership framework with appropriate Iwi stakeholders.
- Worked with DOC to ascertain appropriate conservation-restoration priorities.
- Worked with NRDA, TIA and TNZ to develop business opportunities, with a focus on shoulder and winter seasons.

ACHIEVE OPERATIONAL EXCELLENCE IN ORDER TO MEET CUSTOMER AND GUEST NEEDS, DELIVER WHAT WE PROMISE AND ENSURE THE WELLBEING AND SAFETY OF OUR STAFF

Reserve Management: QA / Capability / Performance

- Prosper H&S and HR QA system implementation pathway established.
- ISO9001 requirements identified and critical paths established.
- Best practice thinking, methodology and tools harnessed from H&S Business Leaders Forum.
- H&S dashboard and benchmark reporting framework researched for implementation.
- Qualmark accreditation completed.
- All staff have a clear understanding of the Reserve's vision, plans and policies.
- Guest Services Manager is appointed.
- Customer and guest service standards completed – restaurant and accommodation/conferencing.

- Recruitment – training – coaching plan and schedule developed.
- Staff accommodation finalised and implemented.
- Security – Ranger seasonal feasibility completed.
- NewBook management system – full capability review completed.
- IdealPOS set-up completed.
- Foodstuffs SAP system optimised for our stock requirements and review of contract.
- Management reporting – weekly review of: revenue, creditor, COG, GP, expense, wage, profit.
- Cost and service consolidation and rationalisation for suppliers and utilities.
- Vehicle leased.
- Telecommunications systems implemented.
- Review of concession fees completed.
- Internal review ByLaws.
- Sustainability R&D planning commences for Reserve and individual business groups.
- Developed and built relationship with Sustainable Business Network and other resources.



INNOVATIVE MARKETING AND PROMOTIONS MANAGEMENT TO SUPPORT SALES AND EFFECTIVELY POSITION THE KAITERITERI EXPERIENCE

Marketing Strategy and Activity

- Direct and trade pricing completed for Kaiteriteri Reserve Apartments.
- Conference pack and pricing completed and ready for distribution.
- Pricing completed for other Reserve accommodation offers.
- Capstone contract evaluated for renewal.
- Developed consumer analysis including target reach and support requirements.
- Channel – business development – accommodation, conferencing, retail, F&B, biking with a shoulder and winter focus.
- Analysis and implementation: online travel agents, inbound trade and other on line listings.
- Networked with consumer and trade media – digital and print.

- Networked with key focus groups and individuals with influence.
- Communications strategy implemented incl press releases managed and distributed.
- Developed a momentum of product reviews within key media channels.
- Selective advertising and editorial completed.
- Product placement and endorsement within appropriate media and industry sectors.
- Tourism and trade shows attended including TRENZ.
- Implemented joint promotion and social media campaigns – community local / regional / national.
- Article, forum and vlog marketing.
- Direct database marketing.
- Consolidated events programme providing ROI and delivering on communications objectives.
- Worked with the local community to raise engagement with the Reserve's businesses and development plans.

GUEST SERVICES

Ngā Ratonga Manuhiri

A FOCUS ON THE GUEST EXPERIENCE AND MAXIMISING OCCUPANCY

He aronga ki te wheako manuhiri me te whakanui ake i te nōhanga.



A significant development in 2017 saw the creation of the new Guest Services Manager position and the Reserve welcomed Jeremy Lawrence into the role for a fixed term of one year. Reporting to the CEO, this important role is responsible for the leadership of accommodation and conference business activity.

The Reserve has eight premium apartments, 17 cabins, conference facilities and over 400 powered campsites. The accommodation assets are extremely busy over the peak season from November to April and in addition to providing a high standard of operating discipline, a key component of this role is developing further shoulder and winter season business growth. Other areas of focus include quality assurance, generating commission sales from tourism products and harnessing the full capability of the Newbook reservation management system.

The Kaiteriteri Reserve Apartments were in their second year of operation and have grown in rate and occupancy with income up on 2017 by 60% and up on the 2018 budget by 33%. Nearly 32% of bookings now come from booking.com followed by agent and trade bookings at 17%. It is great to see that even with just a small number of apartments, they are really making an impact within the industry. Looking forward, trade rates for 2019 have been added to cover a 3-season period which better compliments our important direct pricing strategy.

We developed sales channels for our better positioned conference facilities which now include the Ngaio and Aorere rooms and our conference pack is being reworked for distribution. A focus for 2018 onwards is to grow the customer base for day meetings aimed at local business, but also tailoring packages for multi day destination conferencing, bringing business in from around New Zealand.

From a service perspective there has been a concentration on all guest touch points to piece together their journey and deliver the relevant and personalized experience required. This has involved training and mentoring with emphasis on attentiveness, courtesy, enthusiasm, friendliness, listening skills, patience and responsiveness. Tablets were utilised around the reserve to be able to make future accommodation and restaurant bookings and enhance communications within the team. Weekly guest surveys have been implemented and a live chat function for enquiries has been launched on our website.



BOOKINGS REPORT

| Source | Total bookings | Average revenue per booking (\$) | Average length (nights) | Booking source (%) |
|---------------------|----------------|----------------------------------|-------------------------|--------------------|
| Walk in | 5,184 | 94.77 | 3 | 41.22 |
| Phone | 1,719 | 207.45 | 4 | 13.67 |
| Return client | 1,707 | 401.11 | 28 | 13.57 |
| Kaiteriteri website | 112 | 195.1 | 3 | 8.84 |
| Email | 861 | 166.29 | 4 | 6.85 |
| NewBook Online | 461 | 237.04 | 4 | 3.67 |
| Other | 462 | 211.95 | 10 | 3.67 |
| Booking.com | 377 | 409.51 | 2 | 3.00 |
| Agents | 297 | 207.41 | 2 | 2.36 |
| Expedia | 170 | 419.19 | 2 | 1.35 |
| Staff | 143 | 165.26 | 16 | 1.14 |
| i-Sites Other | 25 | 93.72 | 2 | 0.20 |
| i-Site Motueka | 20 | 82.5 | 2 | 0.16 |
| My Bookings Ent | 13 | 138 | 4 | 0.10 |
| i-Site Nelson | 13 | 100.92 | 2 | 0.10 |
| Facebook | 9 | 78.14 | 2 | 0.07 |
| HAPNZ | 2 | 296 | 5 | 0.03 |
| Total | 12,575 | | | |

STAFF PROFILE

Michelle Mony

GUEST SERVICES SUPERVISOR



Michelle and her husband Paul moved to New Zealand from Cape Town, South Africa in December 2015 and she started working with the Reserve's Guest Services team in February 2016. Michelle's infectious personality and dedication to providing great service led to her promotion to Guest Services Supervisor in 2018.

Michelle was a key member of the team that researched and implemented NewBook, the Reserve's new cloud-based booking and guest management software. The previous system and support inhibited effective

data management and innovations. The speed at which the team implemented the new system was impressive and affirmed the change was the right move for the Reserve. It provides the ability to work with real-time data and integrate all facets of the business. This has enabled the Reserve to deliver an improved experience, streamline business processes and spend more time working on further innovations and product development.

"We are really privileged to live in this beautiful part of the South Island and in such a safe and natural environment. I am passionate about customer service and enjoy the interaction with people and guests from all nations, cultures and walks of life".



OPERATIONS

Ngā Mahi

THE IMPACT OF WEATHER AND CLIMATE ON KAITERITERI

Te pānga o te huarere me te āhuarangi ki Kaitereterē



The Kaiteriteri Recreation Reserve faced two extreme weather events in February. The combination of Cyclone Fehi on the 1st and Cyclone Gita on the 20th placed considerable pressure on our team and resources in terms of preparation and response. On both occasions our staff performed very well and lessons were recorded for improved resilience planning.

Cyclone Fehi had a major effect on Kaiteriteri and the wider Nelson region as it coincided with a king tide that caused significant tidal surge and inundation. Impacts on the Reserve included severe beach erosion, flooding, road and car park damage, sand deposition, shade sail destruction and our swimming pontoon broke its moorings.

The scale of impact from this event was unexpected but our response was swift and effective. Through strong relationships with contractors we managed to get heavy machinery onto Kaiteriteri Sandy Bay Road on the day of the event and with the help of our hard-working staff, effectively cleared the road. This facilitated access to our facilities and through to Marahau. Tasman District Council also provided excellent support by committing to repair public car park damage.

The preparation for Cyclone Gita was thorough with clear communications to staff, guests and the local community. We created a buffer zone between the beach and our camp ground by moving guests to safer zones and removing assets liable to be damaged. Despite the warnings, Gita's impact on Kaiteriteri was minimal but caused a significant amount of damage to Riwaka, Marahau and Takaka Hill. Those communities required support and the region rallied including the Reserve which supplied bottle water and supplies.

From a different perspective, the Kaiteriteri Mountain Bike Park faced extreme fire risk in December and we worked closely with the Principal Rural Fire Officer to coordinate planning and communications. In addition to daily readiness broadcasts we decided to close off the top of the park and communicated through signage, posters, social media and our website.



17,720m³
WATER
USED



806,306kWh
ELECTRICITY
USED



146,800L
FUEL
USED



47.35T
WASTE
RECYCLED



170.6T
WASTE
DISPOSED

STAFF PROFILE

Graham Milne

OPERATIONS: GROUNDSMAN AND NIGHT SUPERVISOR



Graham has been employed by the Kaiteriteri Recreation Reserve for sixteen years and his vast knowledge of our grounds and maintenance requirements is unsurpassed. Originally employed as a cleaner in 2002, he moved to maintenance in 2005 with a responsibility for lawns, tree care, waste and general handy man work.

Prior to commencing with the Reserve, Graham had his own landscaping business in Oamaru where he designed and built gardens and looked after several significant properties. His experience in grounds,

horticulture and a desire for a more stable climate brought him to the Tasman region. Graham takes great pride in supervising a small but very dedicated grounds and maintenance team and keeps Kaiteriteri Beach and the wider Reserve in top condition.

The 2018 summer in Kaiteriteri was very busy and placed many ongoing demands on the grounds and maintenance team but it was the preparatory work through winter and spring that a lot of the unseen work was completed.

“I take great care with my work at Kaiteriteri, as it is a special place for many returning guests and new visitors. I would love to work here till I retire – if ever!”



KAITERITERI STORE

Te Toa o Kaitereterere

A YEAR OF STRONG PERFORMANCE AND GROWTH

He tau o te mahi me te tipuranga pakari.





The Kaiteriteri Store trades throughout the whole year to provide a service to guests and the local community.

It offers a comprehensive range of grocery, tourism, hardware and soft-goods products with an appropriate pricing policy in line with Foodstuff's OTE guidelines. The store has had a strong year with sales exceeding budget by 3% and last year's result by 5%. Gross profit has been lifted from 34% to 35% and together with solid operating discipline delivered a net result (excluding depreciation) 45% above last year. This is a testament to the great work by Rick Bensemann and his team.

One of the most unusual and unwelcome incidents during the year concerned the ram raid in September. A stolen 4WD vehicle was driven up the ramp into the courtyard and reversed through the glass doors into the store. The main target was the ATM inside but this could not be removed and the vehicle departed causing lots of damage but no theft. Damages totalled \$11,000 and were reasonably extensive including the doors, walls, floor and other aspects of the structure. The Police unfortunately did not manage to arrest the perpetrators. It is a salient reminder that even in Kaiteriteri, serious crime does happen and we have as robust security measures as reasonably possible in place.

DEPARTMENT SALES COMPARISON

| Department | Sales FY 2017-18 | % of Sales | Sales FY 2016-17 | % of Sales |
|-----------------------|------------------|------------|------------------|------------|
| Alcoholic RTDs | \$8,772 | 0.4% | \$10,323 | 0.5% |
| Bakery | \$16,965 | 0.8% | \$13,157 | 0.6% |
| Beer | \$92,155 | 4.3% | \$67,461 | 3.3% |
| Tourist lines | \$139,400 | 6.5% | \$6,433 | 0.3% |
| Butchery | \$19,403 | 0.9% | \$21,078 | 1.0% |
| Café | \$124,945 | 5.8% | \$117,907 | 5.7% |
| Dairy | \$150,307 | 7.0% | \$129,816 | 6.3% |
| Frozen | \$229,913 | 10.7% | \$204,970 | 9.9% |
| General merchandise | \$217,532 | 10.1% | \$370,300 | 17.9% |
| Grocery | \$694,898 | 32.3% | \$672,048 | 32.5% |
| Produce | \$49,415 | 2.3% | \$39,330 | 1.9% |
| Product services | \$53,522 | 2.5% | \$59,624 | 2.9% |
| Seafood | \$10,634 | 0.5% | \$11,490 | 0.6% |
| Service delicatessen | \$87,572 | 4.1% | \$76,090 | 3.7% |
| Spirits | \$3,722 | 0.2% | \$2,546 | 0.1% |
| Tobacco | \$154,284 | 7.2% | \$166,403 | 8.0% |
| Wine | \$97,715 | 4.4% | \$101,302 | 4.9% |
| Customer count | 188,021 | | 185,631 | |
| Average spend | \$11.44 | | \$11.15 | |



STAFF PROFILE

Jacqui McCullough

**KAITERITERI STORE:
FLOOR MANAGER**



Jacqui has been associated with Kaiteriteri from an early age when her parents purchased one of the original cottages opposite Kaka Pa Point in 1963 and she jumped at the opportunity to become Floor Manager at the Kaiteriteri Store two years ago.

Jacqui has grocery and retail in her blood and worked at her family Four Square store in Motueka for eleven years, starting in primary school. Having then worked in a local bakery for many years, the grocery trade beckoned again when she became a bread merchandiser for Goodman Fielder. Jacqui then moved to their dairy department culminating in being appointed

Territory Sales Manager for the Nelson/Marlborough/West Coast region with a staff of 14 merchandisers. Immediately prior to joining the Kaiteriteri Store, Jacqui sold real estate for seven years.

This background not only enables Jacqui to work well with staff and customers but her significant experience greatly enables the successful performance of the operation.

“I am very passionate about the Kaiteriteri area and I enjoy sharing my knowledge with customers. After all these years, that first glimpse as I come down the hill every morning still makes me go “WOW”. Having travelled extensively overseas Kaiteriteri is still my favourite place”.

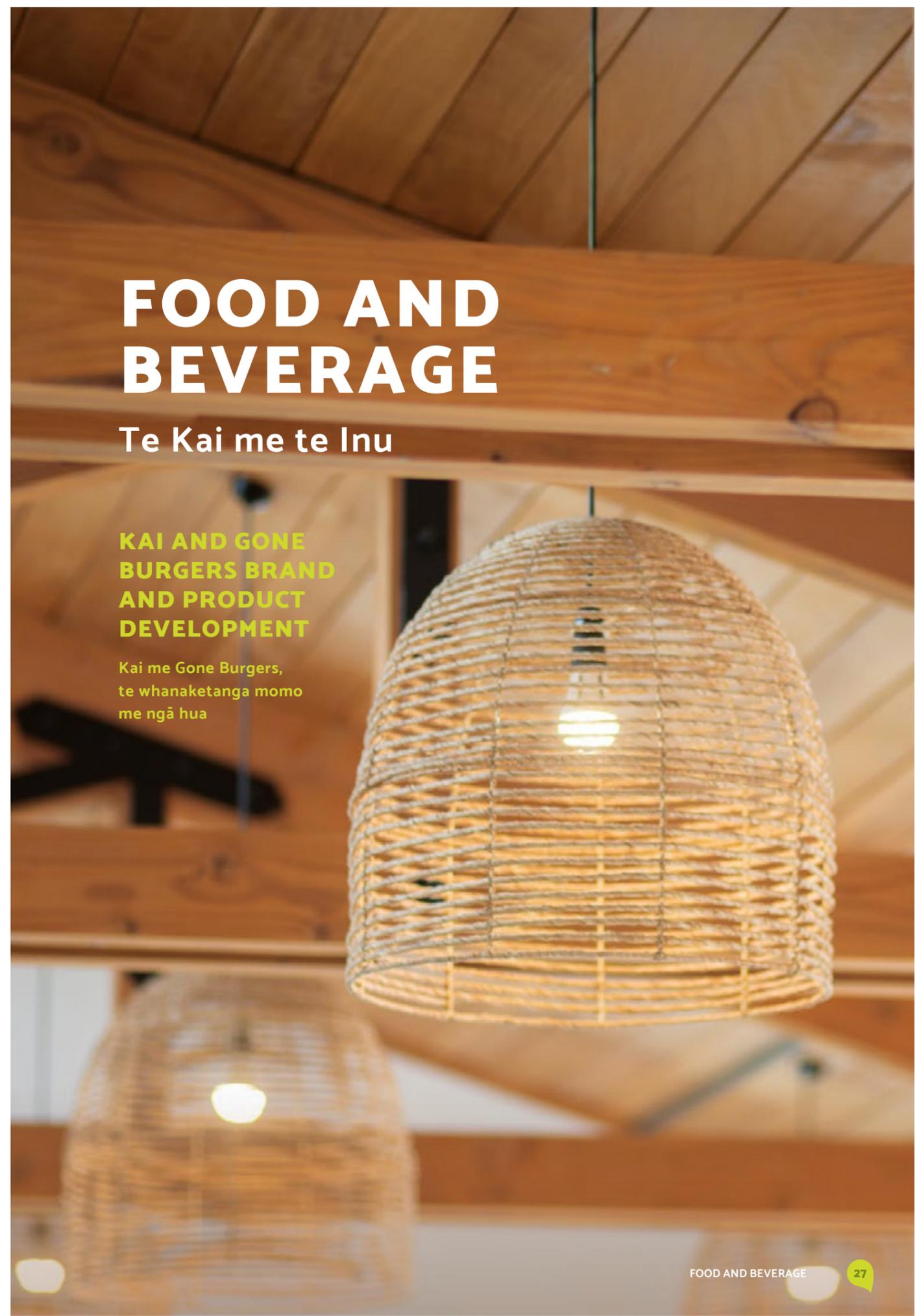


FOOD AND BEVERAGE

Te Kai me te Inu

KAI AND GONE BURGERS BRAND AND PRODUCT DEVELOPMENT

Kai me Gone Burgers, te whanaketanga momo me ngā hua





2018 was a significant year for the restaurant as it transitioned from Shoreline to Kai. This process involved a complete refurbishment of the facility together with major brand development, product development and new systems and processes. It was a year of developing and bedding in the operating model, refining operations and learning how to better manage flows.

Given that the restaurant was closed for over three months, the business delivered revenue of \$1.9 million, the second largest in the Reserve's history. Despite this, some wage management issues, unexpected repairs and weather-related peaks and troughs contributed to a less than ideal net result. The restaurant however is now well positioned to deliver a great experience and net result in 2019.

The three new F&B elements include:

Kai is now the main restaurant offering a quality, locally sourced and affordable menu within a natural and relaxed setting. This is supported through key partnerships with Pomeroy's coffee and local wine and beer suppliers. Seating has been increased and warmth and intimacy in winter was achieved through partitioning and adding in a wood burning fireplace.

GoneBurgers is our exciting new burger product with both a courtyard takeaway and dine-in offer. Brand and product equity have well and truly been established and reinforced through direct connection to our

Kaiteriteri Mountain Bike Park. This has been achieved through branding elements, packaging, product naming, theming and promotions. The Big Bike Giveaway was an example of one of our promotions where we gave away a premium mountain bike valued at \$5,000. Media Works Radio and social media advertising was scheduled and we received over 550 people buying burgers to enter. The lucky winner was announced live on More FM in June.

Origin is our premium and relatively unique seasonal pop-up dining experience that is based on sustainable sourcing and a focus on high quality, guest chefs, wine and food matches, art integration, cultural and degustation elements. The objective is to develop something special that generates demand and waiting lists. The story will be positioned through specific marketing, social media, table settings, menus and wall decorations. The pop-up also provides us with flexibility to keep our story fresh, genuine, authentic and ensure longevity. Origin will be launched in 2019.



STAFF PROFILE

Angela Sulak

**FOOD AND BEVERAGE:
OFFICE ADMINISTRATOR**



Angela was born in Germany in 1982 to parents Guenther and Gisela. She had a wonderful first 4 years of her life until her mother passed away from cancer shortly after her 4th birthday. This created a time of emotional and financial hardship, until her father remarried in 1992 and Tirol in Austria became her new home. It was a rocky start but Austria turned out to be great place to live.

Two half-brothers and a step-brother entered their new family and finally Angela wasn't an only child anymore! After finishing high school, Angela completed a five-year course at a local tourism and economics college. After graduation she worked in a top establishment as a receptionist and restaurant manager where she met her husband Petr and after two years they decided to travel and see the world.

Their first voyage took them to Australia before heading across the Tasman to visit New Zealand for a few weeks, enough time however to fall madly in love with this country. After a quick return trip to Europe, they stored their "European lives" in boxes and found themselves back under the Southern Cross. Although Angela had never planned to migrate to the other side of the world, she has applied for Residency which has now given her the opportunity to apply for New Zealand citizenship.

Angela has significant hospitality and administrative experience and prior to joining the team at Kaiteriteri in April 2017 worked at the Park Café for five years and then the i-SITE in Motueka for three years.

"This position at Kaiteriteri is an excellent opportunity to gain more administrative experience in a beautiful environment. This is what I value working on the Reserve in addition to working alongside a great team".

KAITERITERI MOUNTAIN BIKE PARK

Te Papa Eke Pahikara
Maunga o Kaitereterere

**SPEARHEADING
SUSTAINABILITY ON
THE KAITERITERI
RECREATION RESERVE**

Te ārahi i te whakauka ki Te Rāhui
Rēhia o Kaitereterere





The 200ha Kaiteriteri Mountain Bike Park Incorporated was first conceived in 2009 and since then it has taken many years of hard work, commercial planning, environmental planning, community engagement and volunteer activity to develop it into the world class park it is today.

This recognition was formally established through the US based International Mountain Bike Association's award of Gold Level Ride Centre. Nelson-Kaiteriteri and Rotorua's trail network were the only two locations outside of the US accredited at this level. This was a significant occasion for mountain biking in New Zealand and particularly our region. The vision of the Kaiteriteri Recreation Reserve and Kaiteriteri Mountain Bike Park Incorporated is to be acknowledged as New Zealand's premiere coastal outdoor recreation destination and is committed to sustainable tourism.

ECONOMIC SUSTAINABILITY

The Kaiteriteri Mountain Bike Park is free to enter and can be accessed every day of the year. It is one of our platform products designed to address the seasonality which is prevalent in tourism and visitation in the Nelson Tasman region. From an economic perspective, our focus is on attracting more visitors and events to the region throughout the year and generating benefits for the Reserve, our guests and the local economy. How do we do this?

- In 2018 we directly invested \$40,000 into the Park to fund assets, trail maintenance and trail development.
- Our F&B product Gone Burgers is based around mountain biking and directly financially contributes to the Park. Our burgers are recognised throughout the region and in 2018 we had a promotion that gave away a \$5,000 mountain bike. This was promoted on radio through Media Works and More FM.
- We produced bundled F&B and accommodation packages with coaching, guiding and workshops with a strong focus on women and children.
- We facilitated business opportunities and the investment of services and cash through partnerships with other businesses involved in biking including Trail Journeys, Mot Bike Co, Gravity Nelson and Coppins Outdoors.
- We are an integral component of the Great Taste Trail, one of the Great Rides of New Zealand.
- The Kaiteriteri Weekender – 6 hour relay and enduro mountain bike event held in April 2018 is one of the best events of its type and attracts entrants from around the country.

VISITOR SUSTAINABILITY

The Kaiteriteri Mountain Bike Park is one of the major attractions in the region that transcends seasonality through its position as an integrated product within the wider Reserve's offering and a provider of high-quality year-round trail-based recreation and events.

We monitor the visitor experience through daily surveys from our property management system and through our partnerships and engagement in the wider mountain biking industry. We educated visitors and guests through a network of interpretation and wayfinding signage, dedicated websites with live chat, give-away maps and merchandising. 100% of profits were invested back into the Reserve and our mountain bike park.

Through local forums, media and businesses we communicated safety, environmental and social responsibility. We have a large database of visitor and competitor details and we communicated on a scheduled and opportunistic basis. We have invested over \$30,000 into a beach side bike hub that provides shelter, water, maintenance equipment and interpretation. This forms part of the wider cultural interpretation on the Reserve and the importance of our partnerships with and responsibilities to Ngāti Rārua and Te Ātiawa Ki Te Tau Ihu (Te Ātiawa), Ngāti Tama Ki Te Tau Ihu (Ngāti Tama) and Ngāti Apa who have an historical relationship with Kaiteriteri from prior to 1827.

HOST COMMUNITY SUSTAINABILITY

One of the key objectives of the Kaiteriteri Mountain Bike Park is to provide track-based recreation and sport participation that contributes to the improved social, mental and physical wellbeing of our local community. This also includes developing and promoting a culture of courtesy and respect between all users.

Given the growth of the park, with over 20,000 movements recoded by our track counters, community engagement is critical. The Kaiteriteri Recreation Reserve has a formal management agreement with Kaiteriteri Mountain Bike Incorporated, a group of dedicated volunteers from the local community who help run the park, maintain the trails, look after the environment and manage the events. Monthly community meetings and daily social media were integral to success of the operation. In addition, the Reserve employs a dedicated mountain bike park manager and a considerable amount of resource from our marketing manager is directed at supporting the park.

The Kaiteriteri Recreation Reserve sustains staffing levels through winter by developing such products as the Kaiteriteri Mountain Bike Park and the associated product development in accommodation and F&B. This allows us to recruit and retain high quality employees who anchor the Reserve's capability and facilitate the opportunities for growth.





ENVIRONMENTAL SUSTAINABILITY

As the Kaiteriteri Mountain Bike Park is part of the Kaiteriteri Recreation Reserve and sits in a native bush landscape, it is mandated under legislation through a management plan (including the Reserves Act, Heritage New Zealand Pouhere Taonga Act, RMA, Treaty of Waitangi) to ensure environmental, historical and conservation protection. Sensitive network planning and design reduce negative user conflict and environmental aspects within the bike park.

A key tenet is to *'provide areas for recreation and sporting activities and the physical welfare and enjoyment of the public, and for the protection of the natural environment and beauty of the countryside, with emphasis on the retention of open spaces and on outdoor recreational activities'*.

The Kaiteriteri Mountain Bike Park's conservation management plan stipulates that nobody interferes with, removes, damages, or endangers the natural features, animals, plants or historic resources on the

land, or brings any plants or animals onto the land, or deposits debris, rubbish, or other dangerous, or unsightly matter, nor contaminate any water body. This is aided through signage, interpretation, visitor and community engagement.

Active community trapping and education programmes were in place with active trap lines being managed to destroy rats and stoats in particular. In January we added a trap line around a swamp area adjacent to Martin Farm Road to protect a small population of Banded Rail. All businesses associated with our park support our environmental initiatives and are active with their time through volunteering and donations.

The Kaiteriteri Recreation Reserve and Kaiteriteri Mountain Bike Park Incorporated exerts a positive effect on the communities and environment in which it is situated. We do this by committing to fair operating practices, providing local employment opportunities to people of diverse backgrounds and supporting our local community.

CONTRACTOR PROFILE

Sam Knowles

KAITERITERI MOUNTAIN BIKE PARK: TRACK BUILDER



Sam Knowles works in the Kaiteriteri Mountain Bike Park, building and maintaining the trails. Sam grew up on a farm in the Motueka Valley where he attended Ngatimoti School and then Motueka High School. After school he did a variety of jobs including kayak guiding, apple pruning, building and engineering till in 2009 he started building mountain bike tracks professionally.

Sam has built tracks at the Wairoa Gorge Mountain Bike Park, Codgers in Nelson and when not working at Kaiteriteri is often down the West Coast as the digger operator on one of two crews building the Pike 29

Memorial Trail. Building mountain bike tracks is not just a job for Sam, it's his passion. He loves being in the outdoors and working with like-minded people. In addition to mountain biking, Sam loves tramping, camping, caving, hunting, all of which he enjoys doing with his amazing wife and two children.

Sam has been instrumental in establishing the quality of trails required for the IMBA gold status award and is in demand around the country for his trail building capabilities.

"I think Kaiteriteri is a great destination with a lot of activities to offer. I look forward to helping Kaiteriteri Mountain Bike Park park grow in the future".



VISUAL INTERPRETATION

Te Whakamāramatanga Ataata

Tasman Bay's usually calm waters has served as a highway for Waka over countless generations. Both river waka and seagoing waka were used for many purposes: transport, fishing, hunting, harvesting, trade, war, racing, politics and social visits.



Kaka Point is the home of an ancient pa, one of five defensive pa recorded on the coast between the Riwaka River and Otuwhero Inlet (Marahau). Kaka Point Pa is the largest known Pa for its internal area in the Motueka Abel Tasman Area. Kaka Island is an urupa – a traditional Maori burial ground. It lies just off Kaka Point.



In 2018, the Kaiteriteri Recreation Reserve restored important cultural interpretation panels on Kaiteriteri Beach. With prominence right along the beach, these panels convey significant historical and cultural information.

The Nelson Tasman region has been home to Maori since the Great Migration from Hawaiki in the thirteenth to fifteenth centuries, and possibly earlier.



On the 29th October 1841, Captain Arthur Wakefield sailed the Arrow to Kaiteriteri for a meeting with nine local chiefs to discuss European settlement in the district. The names of three chiefs who could not be present were recorded.



COMMUNITY AND EVENTS

Hapori me ngā Huihuinga

**SUPPORTING OUR LOCAL COMMUNITY,
HOSTING GREAT EVENTS AND
LOOKING AFTER OUR ENVIRONMENT**

Te tautoko i tō mātou hapori, te whakamanuhiri i ngā huihuinga māharo, me te tiaki i tō tātou taiao.



COMMUNITY EVENTS

The Kaiteriteri Recreation Reserve supported and hosted six significant events throughout the 2018 financial year.

These events are an important component of the Reserve's promotion of recreation and they also attract more customers and guests during shoulder and winter periods.

- Waka Ama, November
- Abel Tasman Cycle Challenge, November
- Sport Tasman Summer Events Series, January
- Kaiteri Gold Half Marathon and 10km, March
- Kaiteriteri Weekender Mountain Bike 6 Hour and Enduro, April
- Mid-Winter Swim and Duck Race Riwaka School Fundraiser, June

WASTE MANAGEMENT

To better manage waste on the Reserve, in cooperation with Tasman District Council we implemented a recycling resource located in our main carpark. This large recycling station is not just for our customers, it is for the benefit of all visitors to the area and wider Kaiteriteri community.

PREDATOR TRAPPING AT KAITERITERI

Our conservation plans state that nobody interferes with, removes, damages, or endangers the natural features, animals, plants or historic resources on the land, or brings any plants or animals onto the land, or deposits debris, rubbish, or other dangerous, or unsightly matter, nor contaminate any water body. This is aided through signage, interpretation, visitor and community engagement.

Active community trapping and education programmes were in place with active trap lines being managed to destroy rats and stoats in particular. In January we added a trap line around a swamp area adjacent to Martin Farm Road to protect a small population of Banded Rail. All businesses associated with the Kaiteriteri Mountain Bike Park support our environmental initiatives and are active with their time through volunteering and donations.

Significant wasp baiting occurred throughout aspects of the Reserve which reduced the threat. This programme was assisted by the Department of Conservation.



88
TRAPS



90ha
OF NATIVE
BUSH TRAPPED



300
HOURS
OF WORK



12
STOATS
CAUGHT



88
RATS
CAUGHT

GOVERNANCE

Mana Whakahaere



CHRIS HAWKES – Chair

Being on the Board of the Kaiteriteri Recreation Reserve is a unique and truly satisfying experience. I particularly value contributing to an organisation that is considerably different and not readily emulated elsewhere. People, health & safety, well-being, sustainability, financial stability, environmental restoration, cultural and historical factors are key elements we consider on an ongoing basis. Working with the Board and senior executive staff members who have skills, passion, initiative and a best practice business mind set is very rewarding and stimulating. I am committed to our vision of being the premiere coastal outdoor recreation destination in New Zealand.



TIM KING – Deputy Chair

As a lifetime resident of the Nelson region Kaiteriteri has always been part of my life, visits to the beach and school camps both as a child and as a parent. Great place to take visitors to show off our fantastic area and start to many adventures in Abel Tasman. More recently a great weekend destination for mountain biking. It's a privilege to be involved in the running of such an iconic location where all the proceeds are reinvested to improve the experience and meet the challenges of increasing numbers of visitors and residents.



JOY SHORROCK

Kaiterere has been my children's favourite swimming spot growing up. It is a safe place for our families and my community has enjoyed the many activities on the Reserve. With the recent developments we aim to provide improved services for the many visitors. There is more upgrades to come as we continue to complete the re-development. Food is a culture we want to be proud of so I hope you have had the opportunity to try out the new menu. It has been an honour to work with the Board members and staff who work extremely hard to ensure Kaiteriteri continues to be a great destination. Nga mihi Kia koutou.



ROPATA TAYLOR

My connection to Kaiteriteri is synonymous with my identity, as a member of the Iwi of these lands. It is a great privilege, often challenging, to contribute to the sustainable development of the reserve whilst retaining the special character of Kaiteriteri. I am very proud of the work completed on the reserve, and look forward to seeing the investment in design and infrastructure increase the quality of the visitor experience with this very special place. Kaiteriteri reflects much of what local people cherish about our iconic landscape, myself included.



MARIA FILLARY

I feel privileged to be serving on the Kaiteriteri Recreation Reserve Board whose mission is to provide affordable family recreation opportunities. I love that that the reserve offers something for everyone. I know this to be true with my own family, we love biking in the mountain bike park, playing at the playground and exploring the beach. I'm looking forward to being a part of the next phase of planning to connect all parts of the reserve and to ensure the values of the reserve are forefront so future generations can continue to enjoy all that the Kaiteriteri offers.



TERRY KREFT

Our many holidays at Kaiteriteri have always been some of my most special family memories and now our children are giving their children the opportunity to enjoy this naturally beautiful spot that is unique in New Zealand. As a Board member, I see an opportunity to give back to the community and environment that I enjoy living and recreating in. I want to ensure the natural beauty of this environment is maintained and enhanced and that as many people as sustainably possible can fully enjoy and afford this very special and uniquely beautiful destination. All profits earned from our various revenue streams are spent to effectively achieve this.



MARK TOWNSEND

Kaiteriteri resonates for me as an active family destination. I have fond memories water skiing around the bay as a child and later recreating with my own family swimming at the beach, jumping off the bridge at high tide, competing against each other at mini golf, zooming down the flying fox, or riding mountain bikes down JAWS! Lots of fun equals lots of energy to burn at this stunning location. As the local Department of Conservation representative on the Board, I'm keen to ensure the local Kaiteriteri coastal and estuarine environment is managed in a sustainable way with natural aesthetic appeal. Stage 1 and 2 of the recent re-development project is complete and I am now looking forward to contributing to Stage 3 – the landscaping of the beach frontage, car parking and estuary to enhance this iconic location.

FINANCIAL REPORT

Pūrongo Pūtea

FOR THE YEAR ENDED 30 JUNE 2018



STATEMENT OF RESPONSIBILITY

REPORTING ENTITY

The Kaiteriteri Recreation Reserve Board as defined in Section 2 of the Reserves Act 1977, is appointed to manage the Kaiteriteri Reserve, Motueka and is a Crown entity in terms of the Public Finance Act 1989.

These Financial Statements encompass the following activities of the Kaiteriteri Recreation Reserve Board:

- Camping Ground Operations
- General Store Operations
- Kai Café Operations
- Harbour and Beach Administration
- Mountain Bike Park.

The Recreation Reserve consists of 243 hectares of Crown Land of which the camp occupies approximately 13 hectares. The balance of the area is tidal estuary and bush covered hills.

BASIS OF PREPARATION

The financial statements have been prepared in accordance with The External Reporting Board (XRB) Public Benefit Entity (PBE) Accounting Standards Reduced Disclosure Regime (RDR) – Tier 2. The Reserve Board has applied these standards as it is considered a Public Sector public benefit entity with a reporting period starting on 1 July 2015 and total expenses are greater than \$2 million and less than \$30 million and is not publically accountable.

MEASUREMENT BASE

These Financial Statements have been prepared on the basis of historical cost. These Financial Statements have been prepared in terms of Section 88 of the Reserves Act 1977. These financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand and section 41 of the Public Finance Act 1989. For this purpose the board has designated itself as a public benefit entity.

The information is presented in New Zealand dollars.

STATEMENT OF ACCOUNTING POLICIES

SPECIFIC ACCOUNTING POLICIES

a. Plant, Property and Equipment

All plant, property and equipment assets other than land, which is not depreciated, are stated at cost less accumulated depreciation and impairment.

Depreciation of assets is calculated on a straight line basis so as to allocate the cost of the assets, over their estimated useful lives as follows:

- Land improvements: 12 – 67 years
- Buildings and fittings: 8 – 50 years
- Shop complex: 3 – 50 years
- Vehicles and motorised plant: 5 – 15 years
- Plant and equipment: 4 – 25 years
- Office equipment: 2 – 12 years
- Café/bar: 3 – 50 years

b. Goods and Services Tax

The financial statements have been prepared on a GST exclusive basis of accounting, except for debtors and creditors which are prepared on a GST inclusive basis.

c. Inventories

Inventories are stated at cost, FIFO method.

d. Financial Instruments

The Board is party to financial instrument arrangements as part of its everyday operations. These financial instruments include accounts receivable and payable, cash and investments. Investments are classified as held to maturity. They are measured at amortised cost using the effective interest method, i.e. interest is accounted for as it is earned.

The following methods and assumptions were used to value each class of financial instrument.

- Accounts receivable are recorded at expected realisable value.
- Financial instruments (including short term deposits) are recorded at the lower of cost or market value.
- Shares in and deposits with Foodstuffs (South Island) Ltd are recorded at the value at which they were issued as rebates by Foodstuffs. The fair value of the shares is not known. They are not publicly traded and the Board does not have access to the information necessary to reliably estimate fair value.
- All other financial instruments, including cash and bank and accounts payable are recognised at their fair value.
- Interest is accounted for using the effective interest method.



e. Taxation

Kaiteriteri Recreation Reserve Board is a public authority in terms of the Income Tax Act 2007 and is therefore exempt from paying income tax.

f. Budget Figures

The budget figures are those approved by the Board at the beginning of the financial year. The budget figures have been prepared in accordance with generally accepted accounting practice and are consistent with the accounting policies adopted by the Board for the preparation of the financial statements.

g. Employee Entitlements

Provision has been made in respect of the Board's liability for annual leave. Annual leave has been calculated on an actual entitlement basis at current rates of pay.

h. Revenue

1. Goods Sold

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances,

trade discount and volume rebates. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of good can be estimated reliably, and there is no continuing management involvement of with the goods.

2. Services

Revenue from services is recognised to the extent that the service has been performed.

i. Cash and Cash Equivalents

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

CHANGES IN ACCOUNTING POLICIES

All policies have been applied on bases consistent with those used in previous years. There have been no changes to accounting policies other than disclosures required under PBE Tier 2.



STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2018

| 2017 (\$) | | 2018 (\$) | 2018 Budget (\$) |
|------------------|------------------------------------|------------------|------------------|
| | Revenue | | |
| 1,838,582 | Store | 1,927,183 | 1,859,970 |
| 2,000,088 | Camp | 2,264,552 | 2,222,281 |
| 90,366 | Reserve | 139,804 | 92,367 |
| 1,894,388 | Cafe | 1,915,654 | 2,000,434 |
| 5,823,423 | Total revenue | 6,247,193 | 6,175,052 |
| 5,682,630 | Total operating expenditure | 6,252,989 | 5,747,653 |
| 81,438 | Total finance expenses | 64,729 | 56,573 |
| 59,355 | Net surplus for year | (70,524) | 370,826 |
| - | Other comprehensive income | - | - |
| 59,355 | Total comprehensive income | (70,524) | 370,826 |



STATEMENT OF MOVEMENTS IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2018

| 2017 (\$) | | 2018 (\$) | 2018 Budget (\$) |
|------------------|--|------------------|------------------|
| 9,453,291 | Equity at 1 July | 9,512,646 | 9,512,646 |
| | Total comprehensive income for the year | | |
| (29,821) | Store | 4,190 | 9,370 |
| 576,601 | Camp | 529,295 | 670,108 |
| (527,095) | Reserve | (493,945) | (471,758) |
| 39,670 | Cafe | (110,064) | 163,106 |
| 59,355 | Total comprehensive income | (70,524) | 370,826 |
| 9,512,646 | Equity at 30 June | 9,442,122 | 9,883,472 |

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2018

| 2017 (\$) | | 2018 (\$) | 2018 Budget (\$) |
|----------------------------|--|-------------------|-------------------|
| Current assets | | | |
| (134) | Goods and services tax | 15,102 | 40,000 |
| 43,555 | Cash and cash equivalents | 49,400 | 242,986 |
| 19,200 | Accounts receivable | 58,211 | 30,000 |
| 41,702 | Foodstuff – deposits (note 3) | 45,731 | 50,000 |
| 180,519 | Stock on hand (note 1) | 234,926 | 200,000 |
| 284,842 | | 403,370 | 562,986 |
| Non-current assets | | | |
| 52,342 | Foodstuff pref shares (note 4) | 55,689 | 55,689 |
| 9,898,417 | Plant, property and equipment (note 2) | 9,972,919 | 9,828,597 |
| 9,950,759 | | 10,028,608 | 9,884,286 |
| 10,235,601 | Total assets | 10,431,978 | 10,447,272 |
| Current liabilities | | | |
| 330,999 | Bank overdraft | 443,189 | 263,800 |
| 154,984 | Accounts payable – employee | 141,204 | 100,000 |
| 98,031 | Accounts payable – supplier | 99,726 | 80,000 |
| 138,941 | Deposits in advance | 305,737 | 120,000 |
| 722,955 | | 989,856 | 563,800 |
| 722,955 | Total liabilities | 989,856 | 563,800 |
| 9,512,646 | Equity – accumulated comprehensive revenue and expense | 9,442,122 | 9,883,472 |
| 10,235,601 | Liabilities and equity | 10,431,978 | 10,447,272 |

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2018

| 2017 (\$) | | 2018 (\$) | 2018 Budget (\$) |
|---|--|------------------|------------------|
| Cash flows from operating activities | | | |
| <i>Cash was provided from:</i> | | | |
| 5,906,099 | Receipts from customers | 6,318,391 | 6,113,599 |
| 153 | Interest received | 129 | 200 |
| 1,909 | Dividends received | 2,052 | 2,000 |
| 42,873 | GST (net) | (20,933) | (43,894) |
| 5,951,034 | | 6,299,639 | 6,071,905 |
| <i>Cash was applied to:</i> | | | |
| 3,330,057 | Payments to suppliers | 3,616,214 | 3,353,238 |
| 1,885,002 | Payments to employees | 2,229,252 | 2,048,939 |
| 81,438 | Bank finance expenses | 64,729 | 56,573 |
| 5,296,497 | | 5,910,195 | 5,458,750 |
| 654,537 | Net cash inflow from operating activities (note 13) | 389,444 | 613,155 |
| Cash flows from investing activities | | | |
| <i>Cash was provided from:</i> | | | |
| 38,448 | Reducing Foodstuffs investment | 52,062 | 21,475 |
| 4,919 | Sale of plant | - | - |
| 43,367 | | 52,062 | 21,475 |
| <i>Cash was applied to:</i> | | | |
| 280,935 | Purchase of plant, property and equipment | 547,850 | 368,000 |
| 280,935 | | 547,850 | 368,000 |
| (237,568) | Net cash outflow from investing activities | (495,788) | (346,525) |
| - | Cash flows from financing activities | - | - |
| - | Net cash inflow from financing activities | - | - |
| 416,969 | Net increase/(decrease) in cash held | (106,344) | 266,630 |
| (704,413) | Add cash at start of year | (287,444) | (287,444) |
| (287,444) | Balance at end of year | (393,788) | (20,814) |
| <i>Comprising:</i> | | | |
| 43,555 | Cash and cash equivalents | 49,400 | 242,986 |
| (330,999) | Bank overdraft | (443,188) | (263,800) |
| (287,444) | | (393,788) | (20,814) |

NOTES TO THE ACCOUNTS

1. INVENTORY

No stock has been pledged as security for liabilities, or are subject to retention of title clauses.

2. PROPERTY, PLANT, EQUIPMENT AND FIXED ASSETS

Movements for each class of property, plant and equipment are as follows:

Fixed Assets (continued)

The land on which the café is situated, on the beach front, along with land on Martins Farm Road has been gazetted to form part of the Recreation Reserve and is owned by the Crown. Although this land, is not owned by the Reserve Board, it is included as an asset as the Board financed both purchases and has the use and control of them. The Crown land (including the above two properties and the additional 181.28 hectares), managed by the Reserve Board has a current Rateable Valuation of \$12,500,000 (2017 \$10,000,000).

Portions of the Reserve were included in the recent Te Tau Ihu (Top of the South Island) Treaty of Waitangi Settlement. The return of this land – 12 hectares – to Iwi occurred in August 2014. Kaka Point was returned to Iwi who then gifted it back to the crown. There will be no financial implication of this settlement shown in the Reserve's accounts, as the value of Crown land managed by the Board is not recognised in the accounts, with the exception as above already noted.

| 2. PROPERTY, PLANT AND EQUIPMENT | Land | Land improvements | Buildings and fittings | Retail complex | Vehicles and motorised plant | Plant and equipment | Office equipment | Café/bar | Total |
|---|----------------|-------------------|------------------------|------------------|------------------------------|---------------------|------------------|------------------|-------------------|
| Cost | | | | | | | | | |
| Balance at 1 July 2017 | 383,184 | 1,556,538 | 5,468,740 | 2,517,747 | 192,653 | 866,368 | 112,642 | 2,197,716 | 13,295,588 |
| Additions | - | 20,892 | 7,780 | 47,699 | - | 15,888 | 30,162 | 421,804 | 544,217 |
| Disposals | - | - | - | - | - | (3,189) | - | (114,064) | (117,253) |
| Balance at 30 June 2018 | 383,184 | 1,577,430 | 5,476,520 | 2,565,446 | 192,653 | 876,061 | 142,804 | 2,505,454 | 13,722,552 |
| Balance at 1 July 2016 | 383,184 | 1,556,538 | 5,468,740 | 2,464,341 | 191,819 | 861,761 | 110,857 | 2,184,830 | 13,222,070 |
| Additions | - | - | - | 101,118 | 834 | 5,840 | 8,424 | 12,886 | 129,102 |
| Disposals | - | - | - | (47,712) | - | (1,233) | (6,639) | - | (55,584) |
| Balance at 30 June 2017 | 383,184 | 1,556,538 | 5,468,740 | 2,517,747 | 192,653 | 866,368 | 112,642 | 2,197,716 | 13,295,588 |
| Accumulated depreciation and impairment losses | | | | | | | | | |
| Balance at 1 July 2017 | - | 568,031 | 1,014,262 | 197,187 | 152,460 | 787,972 | 67,128 | 610,131 | 3,397,171 |
| Depreciation expense | - | 54,041 | 127,342 | 124,903 | 7,639 | 33,444 | 13,091 | 96,372 | 456,832 |
| Loss on disposal | - | - | - | - | - | (2,104) | - | (102,266) | (104,370) |
| Balance at 30 June 2018 | - | 622,072 | 1,141,604 | 322,090 | 160,099 | 819,312 | 80,219 | 604,237 | 3,749,633 |
| Balance at 1 July 2016 | - | 512,692 | 884,500 | 126,387 | 144,098 | 750,729 | 63,485 | 531,948 | 3,013,839 |
| Depreciation expense | - | 55,339 | 129,762 | 118,431 | 8,362 | 38,476 | 10,282 | 78,183 | 438,835 |
| Loss on disposal | - | - | - | (47,631) | - | (1,233) | (6,639) | - | (55,503) |
| Balance at 30 June 2017 | - | 568,031 | 1,014,262 | 197,187 | 152,460 | 787,972 | 67,128 | 610,131 | 3,397,171 |
| Carrying amounts at 1 July 2017 | 383,184 | 988,507 | 4,454,478 | 2,320,560 | 40,193 | 78,396 | 45,514 | 1,587,585 | 9,898,417 |
| At 30 June 2018 | 383,184 | 955,358 | 4,334,916 | 2,243,356 | 32,554 | 59,749 | 62,585 | 1,901,217 | 9,972,919 |
| At 1 July 2016 | 383,184 | 1,043,846 | 4,584,240 | 2,337,954 | 47,721 | 111,032 | 47,372 | 1,652,882 | 10,208,231 |
| At 30 June 2017 | 383,184 | 988,507 | 4,454,478 | 2,320,560 | 40,193 | 78,396 | 45,514 | 1,587,585 | 9,898,417 |

3. FOODSTUFFS DEPOSITS

Deposits are non-transferable with variable interest rates ranging between 0% and 2.95%. (2017 0% – 2.95%) These relate to purchase rebates.

4. FOODSTUFF SHARES

Shares are non-transferable redeemable preference shares with a face value of \$1.00 each. These relate to purchase rebates.

5. FINANCIAL INSTRUMENTS

Credit Risk

Financial instruments which potentially subject the Board to credit risk principally consist of bank balances, accounts receivable and investments.

Maximum Credit Risk Exposure

Maximum exposures to credit risk at balance date are:

| | 2018 (\$) | 2017 (\$) |
|---------------------|----------------|----------------|
| Bank | 49,400 | 43,555 |
| Shares | 55,689 | 52,342 |
| Receivables | 58,211 | 19,200 |
| Foodstuffs deposits | 45,731 | 41,702 |
| | 209,031 | 156,799 |

No collateral is held on the above accounts.

Significant Concentrations of Credit Risk

Principally any risk is in respect of cash and bank, and accounts receivable.

The Board is required under the Crown Entities Act to invest in debt securities that satisfy a rating by Standards and Poor's rating of not less than A-. BNZ holds an AA- rating.

There are no major concentrations of credit risk with respect to accounts receivable.

Interest Rate Risk

Liabilities

Bank overdraft \$443,189 (2017 \$330,999)

Interest rate 10.93% (2017 10.83%)

Assets

The investment assets are on call accounts with interest rates ranging from 0.10% to 2.95% (2017 0.10% – 2.95%)

Investment Values

Fixed Deposit investments as stated in the Statement of Financial Position, include interest accrued to balance date of \$nil.

6. RELATED PARTIES

Board member T King is Deputy Mayor of Tasman District Council.

During the year, the Board was involved in various transactions with Tasman District Council, these included the payment for water, rubbish, sewerage services and annual operating licenses. These were at rates no more favourable than other similar entities.

7. KEY MANAGEMENT PERSONNEL COMPENSATION

Remuneration paid during the year:

| | 2018 (\$) | 2017 (\$) |
|------------------------|-----------|-----------|
| Six paid Board members | 32,809 | 29,172 |

The Board consists of seven members – one represents the Department of Conservation and is not paid by the Reserve.

| | 2018 (\$) | 2017 (\$) |
|---|-----------|-----------|
| Six full-time paid management positions | 525,651 | 482,648 |

During the 2018 year, seven people in total held these six positions (2017 – six people held five positions).

Clear audit opinion expressed by
Audit New Zealand on 29 October 2018.

8. RECONCILIATION OF NET SURPLUS WITH CASH INFLOWS FROM OPERATING ACTIVITIES

| 2017 (\$) | | 2018 (\$) |
|--|--|-----------------|
| (29,821) | Net surplus – store | 4,190 |
| 576,601 | Net surplus – camp | 529,295 |
| (527,095) | Net surplus – reserve | (493,946) |
| 39,670 | Net surplus – café | (110,062) |
| 59,355 | | (70,524) |
| Add/(less) non-cash/operating items | | |
| (45,888) | Foodstuffs rebates | (59,438) |
| 118,431 | Depreciation – store | 124,903 |
| 242,221 | Depreciation – camp | 235,557 |
| 78,183 | Depreciation – café | 96,372 |
| 392,947 | | 397,394 |
| Add/(less) movements in other working capital | | |
| (69,449) | (Increase)/decrease in stock | (54,407) |
| (3,405) | (Increase)/decrease in debtors | (39,011) |
| 30,530 | (Increase)/decrease in GST receivable | (16,894) |
| (63,809) | Increase (decrease) in creditors and employee entitlements | (12,086) |
| 138,586 | Increase (decrease) in deposits | 166,796 |
| 32,453 | | 44,398 |
| Add/(less) items classified as investing activities | | |
| (5,000) | Net loss /(gain) on sale of plant | - |
| 81 | Value of assets written off | 11,817 |
| 174,701 | (Increase)/decrease in capital creditors | 6,359 |
| 169,782 | | 18,176 |
| 654,537 | Net cash inflow from operating activities | 389,444 |



DIRECTORY

BOARD OF DIRECTORS

Chris Hawkes (Chair)
Tim King (Deputy Chair)
Joy Shorrock
Maria Fillary
Ropata Taylor
Terry Kreft
Mark Townsend

SECRETARY

Nicola Bensemann

SENIOR MANAGEMENT

David Ross (Chief Executive Officer)
Nicola Bensemann (Commercial Finance Manager)
Rachelle Parkins (Guest Services Manager)
Dennis Petch (Operations Manager)
Rick Bensemann (Kaiteriteri Store Manager)
Grant Dicker (Restaurant Manager and Executive Chef)
Ross Maley (Kaiteriteri Mountain Bike Park Manager)
Ali Kimber (Marketing Coordinator)

OFFICE

Kaiteriteri Recreation Reserve
5 Kaiteriteri Sandy Bay Road, Kaiteriteri 7197
New Zealand
Tel (03) 527 8010
info@krr.co.nz
www.experiencekaiteriteri.co.nz
www.bikekaiteriteri.co.nz

SOLICITORS

McFadden McMeeken Phillips
187 Bridge Street, Nelson 7010

BANKERS

Bank of New Zealand
181 High Street, Motueka

AUDITOR

Audit New Zealand (on behalf of the Auditor-General)

Kaiteriteri

Perfect... All year round



Te Rāhui Rēhia o Kaitereterē

Kaiteriteri

Recreation Reserve



Reserve Apartments
Reserve Camp
Kaiteriteri Store



ORIGIN
SUSTAINABLY SOURCED DINING EXPERIENCES

