

Te Rāhui Rēhia o Kaiteretere

Kaiteriteri

Recreation Reserve

Pūrongo ā-Tau 2022

ANNUAL REPORT 2022





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PERFORMANCE

Te Hua Mahi



Precinct Store

\$2.21m

REVENUE



**Waterfront
Restaurant**

\$1.81m

REVENUE



Accommodation

\$2.67m

REVENUE



Concessions

\$166k

REVENUE



53 Permanent
EMPLOYEES



133 Peak season
EMPLOYEES



**Cleaning, utilities
& consumables**

\$221k
EXPENDITURE



**Events, community
& marketing**

\$262k
INVESTMENT



**Kaiteriteri
Mountain Bike Park**

\$50k
INVESTMENT



**Maintenance of
beach & grounds**

\$66k
INVESTMENT

CHAIR / CEO REPORT

Te Pūrongo a te Heamana
me te Tumu Whakarae





FY2022 will be remembered as one of the most challenging years in the Reserve's history. In a reversal of last year's robust demand following the main nationwide lockdowns, this year the Reserve has experienced significant interruptions due to a resurgent Covid-19 impacting domestic travel, operating restrictions linked to Covid rules and staff shortages, all combined with poor weather during key trading periods. Revenue, particularly across the Hospitality and Retail precinct, fell below forecast for the first time since Covid-19 arrived in 2020 and after many years of substantial increases.

Despite our pre-Covid international market growth, over the past two years the Reserve has benefited during peak, shoulder and winter seasons through our long-standing domestic appeal and compelling offer. Kaiteriteri is, and always will be, an affordable, family-orientated recreation destination. In the face of recent industry-wide challenges, our team have been outstanding in delivering great standards of service, supported by effective operating policies and communications across safety, wellbeing and operations.

It must not be forgotten that we are a self-funding Crown entity with an operating model where all profits are invested back into the Reserve for social, economic, environmental and cultural prosperity. After a pause from Covid-19, the Board and management are committed to continuing the improvement of the Reserve's spatial and destination qualities and our partner WSP has completed and presented their phase two Opportunities and Constraints report. This will significantly inform the master plan's options generations and comparison of alternative phases that are still to be completed. There are exciting times ahead as we position the Reserve to better service the needs of our valued visitors, partners and community.

BUSINESS GROUP FINANCIAL PERFORMANCE

The combined result (before depreciation) for the Reserve is a deficit of \$139,616 which reflects the revenue difficulties and increased costs experienced during the year. We also made the deliberate and appropriate decision to maintain staff numbers as per normal yearly requirements as it was necessary for peak operational stability. While this trading loss can primarily be attributable to the negative impact of Covid-19, the Board and management have also instigated tight controls of hospitality and grocery costs. Despite the impacts of these rising costs, the quality and frequency of financial reporting through Xero and our improved POS systems has provided our teams with insights and tools for better cost management.

Revenue, for the three business groups:

	2022 (\$)	Budget	2021 (\$)
Store	2,215,777	2,450,180	2,337,091
Camp	2,699,599	2,599,330	2,748,139
Restaurant	1,818,798	2,413,806	2,179,664



Kaiteriteri Store

The Kaiteriteri Store provides an essential service with commensurate opening hours and staff retention throughout the year. Total revenue for FY2022 is \$2.216m which is 10% below budget and 5% below last year due to reduced demand. Despite good operating management by the Store's team across GP and expenditure, it also experienced the rising costs of remuneration and goods. Covid-19 restrictions affected numbers in-store and there were additional staff costs incurred to implement specific Covid-related operating requirements.

Guest Services and Operations

Our accommodation business has seen robust growth over recent years and FY2022 was also reasonably strong. While discretionary spending was down in our retail and hospitality services, our affordable destination offer has held up well. Extensive periods of wet weather during the year were challenging with revenue at \$2.699m, below last year by 2%, but 4% above budget. Expenditure sits at \$1.975m, which is 4% above last year, reflecting increased wage costs and investment in operations.

Food and Beverage

In terms of product, the launch of the Waterfront brand has been successful with great reviews and growing loyalty. Full credit must go to the front of house and kitchen teams for this effort. However, from a financial perspective it has been a particularly tough year. The hospitality industry nationwide has endured the worst of Covid-19, including staff shortages and

Kaiteriteri has been no exception. Revenue is down on the budget by 25% and below last year by 17%. GP sits at 56% against a budgeted 62% and this also contributed to the result, reflecting the difficulties experienced in managing the costs of goods. Further to this, wage pressures resulted in a 28% cost increase compared to last year. The frequency of COG and pricing reviews has been increased and this will remain an ongoing priority.

RESERVE MANAGEMENT AND DEVELOPMENT

The Reserve's Five Year Objectives and Strategies clarifies our intent with detailed ambition, priorities, structure and resources. Fundamental to these are the vision, mission and values which form the Reserve's foundations and our partnerships with Ngāti Rārua, Te Ātiawa and Ngāti Tama. While availability of suitably qualified staff and vaccine mandate implications were some of our biggest challenges, our policies relating to Covid-19 vaccines for staff, customers and guests were grounded in good risk assessment, risk mitigation, duty of care, H&S regulations, employment law and wellbeing. The efforts and commitment of all managers and staff throughout an incredibly difficult year are to be commended.

The Reserve works closely with Hothouse for specific creative support, Capstone for accommodation industry support, Holiday Parks Association New Zealand (HAPNZ), Nelson Regional Development Agency (NRDA), SKAL and the Nelson Tasman Chamber of Commerce for destination activity.

The Reserve received \$164,984 in concessions and communications rental income in FY2022. This revenue is normally paid by those businesses operating on the Reserve through concession agreements for rent and beach crossings. All concession revenue is invested back into the Reserve, including amounts paid by Spark New Zealand, Vodafone and 2Degrees. Tourism concessionaires are an important component of Kaiteriteri as a destination and include:

- Abel Tasman Sea Shuttle and Kaiteriteri Kayaks
- Wilsons Abel Tasman
- Kaiteriteri Watersports
- Abel Tasman Sailing Adventures
- Kaiteriteri Boat Charters
- Waka Abel Tasman
- Kiwi Journeys
- Wheel Woman
- Whenua Iti
- Abel Tasman Aqua Taxi
- Split Apple Rock Cruises
- Gravity Nelson NZ

The Reserve's Spatial / Destination Master Planning and the new statutory Management Plan have been delayed due to Covid-19, but we have re-commenced the process and are looking forward to completion in 2023. WSP presented their comprehensive Issues and Opportunities report which consolidated the project's purpose, processes, current state, state change, future regenerative state, plans and actions. An extensive wananga-workshop was also held with all stakeholders to inform the design and direction of the planning. The Kaiteriteri Recreation Reserve is clearly valued and appreciated, as there was an overwhelming response from the participants.

Kaiteriteri continued to play an important role in the development of Nelson Tasman's 2021–2026 wider destination planning with the Nelson Regional Development Agency. This planning will improve the long-term wellbeing of our region and residents by placing environment and community at the heart of visitor sector planning.

THANKS AND FAREWELL FROM THE CEO

My decision to move on from Kaiteriteri has been difficult as it has been such a major part of my life for the past seven years, and the journey has been rewarding. There is a very capable and passionate team in place on the Reserve, and one which the new CEO, Mason Fitzgerald, will take pleasure in leading. In addition to Chris Hawkes and the Board, I would like to thank all team members, guests, visitors, conservation volunteers and the local community for your dedication and support. I would like to express gratitude to my management team – Nicola Bensemann, Rachelle Parkins, Ross Maley, Dennis Petch, Lorna Harrison, Paul Jennings, Ali Kimber, and Martin Brock. I would also like to thank previous managers Rick Bensemann and Grant Dicker for their efforts, and to Craig Buckland as a new member of the team. The hard-working volunteers on the Kaiteriteri Mountain Bike Park Committee led by David Ryder particularly deserve significant recognition.

A shortlist of some of the achievements by the Reserve's team since 2015 includes:

- Ensuring that Kaiteriteri continues to be a resilient and much-loved destination for all visitors, community, and staff.
- Building a well aligned and cohesive structure of business groups and shared services that delivered significant and sustainable growth.
- Increasing total Reserve revenue by 70%.
- Fostering a culture based on teamwork, customer service, staff development and performance management.
- Development of the new store, apartments, courtyard area and restaurant facilities.
- Implementing new systems across bookings, revenue management, QHSE, finance and accounting, HR, POS (retail, F&B), and resilient IT architecture.
- Creating and product managing new F&B brands and retail offers.
- Investing in marketing and communications for maximum ROI.
- Driving the creation and development of our critical destination and spatial master planning project with WSP.

- Focusing on community-environmental projects, civil defence resources and ensuring the Reserve is outward looking, partnered, and networked.
- Better engagement with mana whenua around our treaty obligations and destination planning.
- Integrating, resourcing, and promoting our Kaiteriteri Mountain Bike Park to be one of the best in the country.
- Successfully leading the Reserve through the rigours of Covid-19 and other H&S challenges including cyclonic activity, bush fires, earthquakes, slips, tsunami evacuations and medical emergencies.

Kaiteriteri's future is exciting, and I look forward to experiencing it as a visitor over the coming years. Over to you Mason and all the best.

COMMENTS FROM THE CHAIR ON THE DEPARTURE OF DAVID ROSS AS CEO

Seven years ago, David stepped into what could be described as a substantial commercial "whirlpool." Peak summer season was upon us, and we had just started a major construction project involving the building of a new retail operation, new apartments and updating hospitality facilities. In addition to the immediate delivery of seasonal requirements to visitors and guests, managerial positions and structures had to be re-aligned and David led the many day-to-day decisions involved with our unprecedented major infrastructure project.

It stands on record that David handled all these complex challenges very well, and the Reserve today is very much improved from where we were then. David brought with him a professionalism that was incorporated into all aspects of the business, setting standards and levels that enabled the Reserve to grow and develop into a well organised, forward-looking organization with modern business practices, systems, and ethics. This includes improved structures, vision, purpose, a review and reset of the Reserve's values and providing direction for resilience and sustainability. Improving the relationship with mana whenua through collaboration on future directions of the Reserve was a key component.

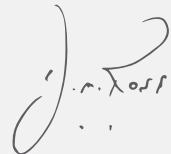
A key feature of David's approach was to challenge the historical status quo around future thinking, planning and the generation of new opportunities. The current, transformative spatial-destination enhancement programme is a good example of this. The Board congratulates and thanks David for his leadership, loyalty, and dedication, along with the standards and professionalism he brought to the Reserve.

We extend our best wishes for his future and are confident he will make a success of his new ventures.



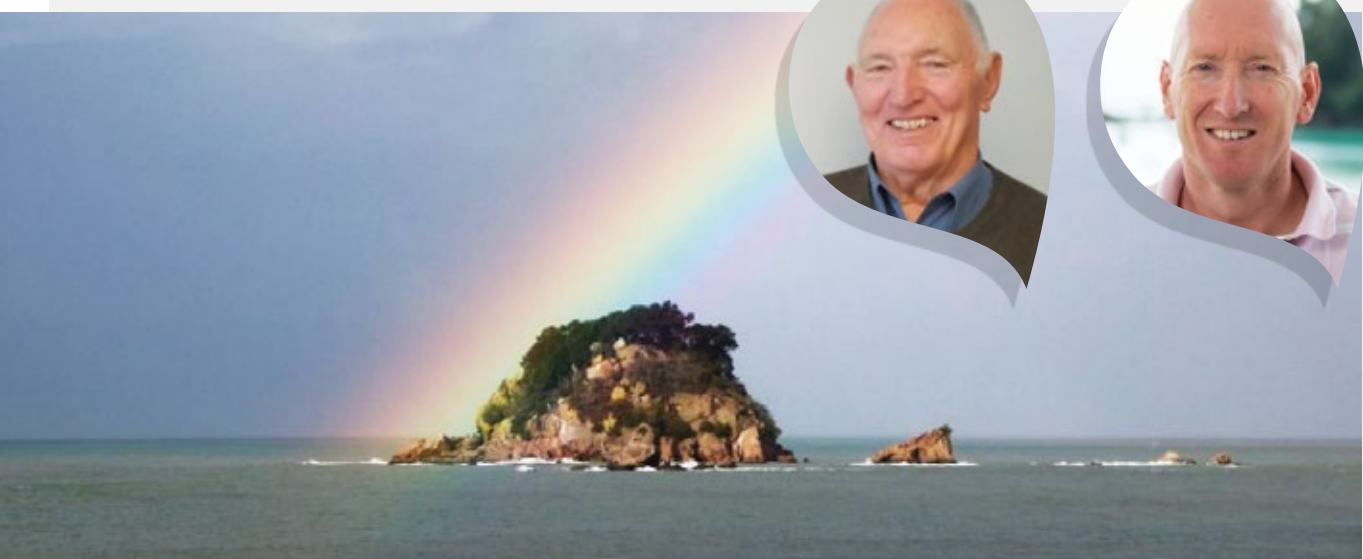
Chair

Chris Hawkes



CEO

David Ross



SUMMARY OF FIVE YEAR OBJECTIVES AND STRATEGIES

JULY 2020 – JUNE 2025

Mahere Rautaki

In July 2020, the Board approved the Reserve's Five Year Objectives and Strategies. These objectives and strategies form the five year 'road map' for the Kaiteriteri Recreation Reserve and clarifies our intent with detailed ambition, priorities, structure and resources. Fundamental to this are the vision, mission and values which form the Reserve's foundations.

Covid-19 is still providing some of the biggest impacts in New Zealand's history, and while the full extent of the global pandemic is still with us, the economy and tourism are in an uncertain state. Our objectives and strategies not only account for these ongoing uncertainties but are also based on thorough reviews of our strengths, weaknesses, opportunities and threats.

This document will be the basis from which annual plans, financial budgets and marketing strategies are developed, and the annual plans will provide specific, aligned objectives measured against key performance indicators. This five year strategy is also consistent with the legislative requirements set out in the Kaiteriteri Recreation Reserve – Kākā Point Historic Reserve Management Plan. That Management Plan is a Ministerial approved set of 'instructions' to ensure that the Reserve is managed in accordance with the Reserves Act 1977, Resource Management Act 1991 and the Heritage New Zealand Pouhere Taonga Act 2014. The development of a new Management Plan alongside a transformational spatial framework are key components within this document's intent.

There is an emphasis on people, culture, our responsibilities to the Treaty of Waitangi and our formal partnerships with mana whenua and the Department of Conservation. Also included is the Reserve's approach to performance, safety and wellbeing, sustainability and how we structure, resource and direct the Reserve for durability and growth.

There are uncertain years ahead for business, tourism and recreation in New Zealand. The Reserve is well positioned to successfully push through this period and approach the five year timeframe with confidence and ambition to ensure that Kaiteriteri is the best coastal outdoor recreation experience in New Zealand.

The detailed contents of the Five Year Objectives and Strategies are not included in this report, but a summary can be found on the following page.

Te Rāhui Rēhia o Kaitereterē

Kaiteriteri

Recreation Reserve

”

The best coastal
outdoor recreation
experience in
New Zealand

”

Our Purpose

Inspire all visitors and our community through memorable Reserve experiences, sustainable practices and the preservation of our taonga and wāhi tapu for generations to enjoy.

Our Values

Kaitiakitanga: guardianship, sustainability, protection, and preservation.

Kotahitanga: one team with a diverse, progressive, and inclusive culture.

Quality: pursuit of excellence in our products, service, and operations.

Integrity: relationships and partnerships are based on integrity and respect.

Innovation: our success is built on innovation and adaptability rather than convention.

Whanaungatanga: we share our experiences, strengthen each other and our community.

Key Objectives



Combined Reserve revenue of \$8 million.



B-Corporation
accreditation awarded.



Minimum of 4.5 star customer
service rating across the Reserve.



Crown restrictions to
capital funding are eased.



Destination-Spatial Master Planning
and the Reserve Management Plan is
completed. Projects are being implemented
including sustainability and infrastructure.



Civil Defence Hub established
including training, assets,
plans and partnerships

Strategic Planning 2020 – 2025 Summary

PEOPLE & CAPABILITY

Optimum performance through engaged teams

- A safety culture with zero harm and committed to best practice standards
- Mango QHSE 100% optimised for team assessment, expectation setting, enabled work and monitored outcomes
- Benefits of durability, antifragility and safe to fail integrated across all teams
- Addressing sector wide labour shortages through communications, partnerships, packages and benefits.
- Investment in the development and coaching of people and high performing teams.
- 100% annual feedback engagement with the Reserve wide team
- Wellbeing framework utilised: protect, foster, reclaim, support

BUSINESS & CUSTOMERS

Delivering growth and guest satisfaction

- Reserve split into two mutually supporting operating components
- Business Groups: customer focused centres of product and business. Includes Hospitality & Retail Precinct / Accommodation / KMBP
- Shared Services: supports and enables performance: Finance & Administration / People & Safety / Communications & Marketing / Facilities & Environment
- Products and systems further developed to meet demand through peak and off-peak seasons
- Destination marketing focus supported by enhanced digital channels and platforms, agency partners and aligned strategies across regional F&B hub, cycling connectivity, customer engagement and retail operating model review

FINANCIAL

A sustainable business platform with social enterprise values

- Government finance restrictions addressed to facilitate balanced and sustainable lines of capital investment including bank lending, cash reserves and government grants.
- 5% increase in combined revenue through customer engagement, product diversification, pricing and leveraged recreation activity

- GP minimums F&B 65% and Retail 36% held through managed supply agreements and expenditure management
- Minimum accommodation price increases of 3% per annum for apartments and 5% every two years for sites
- Xero, iPayroll, TimeDock, Hubdoc, SAP, IdealPOS and Deputy systems fully optimised
- Improved fixed asset management register

PARTNERSHIPS

The Reserve is the heart of our community

- Strong working relationships with mana whenua enhanced through quarterly meetings after destination spatial master planning completed. Treaty of Waitangi principles incorporated into Reserve operations.
- New management agreement completed with KMBP Inc by November 2022
- Tasman Environmental Trust Coordinator role funded by the Reserve to best manage our significant financial and operational support for Reserve and community conservation projects
- Financial and operational support provided to key community events, environmental partners and local schools
- Youth scholarship based on business sustainability and iwi is funded and operational

DESTINATION & SPATIAL

Inspired and sustainable solutions

- Destination-Spatial Master Plan completed by WSP FY2022/23
- Reserve Management Plan completed by WSP FY2022/23
- Sustainability projects implemented and B-Corporation accreditation achieved
- Landscaping, cultural, restoration, connectivity, KMBP and disability access projects underway
- Civil Defence Hub incorporated into Reserve operations involving planning, training, community engagement, assets, and liaison with NZ Civil Defence Authorities
- Infrastructure projects implemented including Block 1 rebuild, guest accommodation remediation, retail operating model and staff accommodation solutions

DESTINATION & SPATIAL MASTER PLANNING

Te Whakamahere Whaitua Matawhānui



A Spatial Plan and new Reserve Management Plan are required to achieve the vision and objectives for Kaiteriteri Recreation and Kākā Point Historic Reserves. The creation of these plans provides the opportunity to reimagine what it will take to move from the current state to a future state that is resilient, abundant, and underpinned by authentic people and place values. The Kaiteriteri Recreation Reserve vision for Kaiteriteri is “To be the best coastal outdoor recreation experience in New Zealand”.

The Kaiteriteri Recreation Reserve, with assistance from consultants WSP, has continued to work on this significant project over the past 12 months. Despite challenges with Covid-19 during the last year progress has been made in the following areas:

- Community Engagement Survey (online and onsite) May 2021.
- Greenhouse Gas Emissions Inventory report – March 2022.
- Kaiteriteri Recreation and Kākā Point Historic Reserves Issues and Opportunities Report June 2022. This includes and identifies:
 - » Project purpose and process.
 - » Engagement with Mana Whenua.
 - » The current reserve state and the need for change.
 - » Distinct precincts.
 - » The key issues and potential opportunities.
- Key partners and stakeholders workshop on issues, opportunities, and options – held 7 July 2022.
- Draft Options Generation Report October 2022.

This work will continue to progress, refining the options before determining a preferred approach. This will then be released for consultation with stakeholders and the community. The feedback will be used to refine the Spatial Plan for the future of the Reserve.

The next step will be to review the Reserve Management Plan for consistency with the Spatial Plan. The Spatial Plan will be finalised to incorporate any changes arising through the formal reserve management plan process.

The final plan for the Reserve will enable Kaiteriteri Reserve to take action in relation to the effects of climate change, and help achieve our vision...



**To be the best coastal
outdoor recreation
experience in New Zealand**



ACCOMMODATION & GUEST SERVICES

Ngā Ratonga Manuhiri



The 2021/22 financial year brought its fair share of challenges for the Accommodation and Guest Services team at Kaiteriteri, but with strong domestic visitor numbers, an evolving high quality accommodation offering and thanks to our superb team, we made the most of a challenging situation and ended the year on a positive note.

The challenges posed by Covid-19 and the lack of ability to be able to travel internationally created a thirst for New Zealanders to get out and explore their own backyard. Kiwis have certainly accepted this challenge and here at Kaiteriteri we have been privileged to have been able to welcome many New Zealanders to our little corner of paradise. A large number were visiting Kaiteriteri for the first time and ticking off their bucket list of being able to stand on the golden sand of Kaiteriteri Beach and explore the Abel Tasman National Park.

In November we made the difficult but necessary decision to introduce a Vaccine Pass only policy for all guests. Naturally this received some negative feedback but we found that this was in the minority and for the most part, people were very supportive

and often grateful to us for adopting this stance. It certainly helped to provide a sense of safety and security and lead to no real Covid related issues for us. Demand over peak season was just as strong as ever and the Guest Services Team handled the complications of mask wearing, and Covid pass scanning in an exemplary manner.

For the 2021/2022 financial year, we set a fairly ambitious budget for the Accommodation Business Group, particularly given the uncertainty at the time around the potential for more lockdowns and ongoing financial and social impacts of the pandemic. Budget was set at just under \$2.6 million, only \$149k less than our result from the previous year. We not only managed to meet our budgeted figure but exceeded this by \$100k with total revenue of \$2.699 million.

GUESTS FROM NEW ZEALAND

Region	Bookings	Average revenue per booking (\$)	Average length (nights)
Auckland	257	177.87	5
Bay Of Plenty	135	132.50	3
Canterbury	2025	443.61	13
Gisborne	9	64.62	1
Hawke's Bay	35	270.44	10
Manawatu-Wanganui	66	344.59	8
Marlborough	400	312.90	7
Nelson	758	249.28	16
Northland	39	357.53	13
Otago	311	212.73	9
Southland	31	191.80	7
Taranaki	37	185.68	5
Tasman	597	309.39	18
Waikato	134	163.59	6
Wellington	298	320.18	7
West Coast	108	342.15	11
Unknown	4215	269.15	7
Total	9455	304.10	10



BOOKINGS REPORT

Source	Total bookings	Average revenue per booking (\$)	Average length (nights)	Booking source (%)
Walk in	3605	145.85	4	28.33
NewBook online	2611	244.74	4	20.52
Phone	1872	208.15	5	14.71
Rebook	1181	863.97	17	9.28
Email	983	193.05	5	7.72
Return client	689	322.78	21	5.41
Booking.com	680	356.85	2	5.34
Agents	337	277.57	2	2.64
STAAH	259	847.89	3	2.03
Staff	141	148.63	34	1.10
In person	129	281.59	11	1.01
Storage van	85	224.00	155	0.66
Expedia	62	342.19	2	0.48
Other	44	195.32	4	0.34
CamperMate	25	75.04	2	0.19
Kaiteriteri website	9	153.84	3	0.07
None	4	57.60	2	0.03
Destinations of the World / WebBeds	3	604.07	3	0.02
Facebook	2	0.00	3	0.01
Information centre	2	170.63	3	0.01
Newbook self-service kiosk	1	104.00	2	0.00
Total	12,724	287.22	8	100.00

TEAM MEMBER PROFILE

Jeff Rowland and Ana Jara

MAINTENANCE / SENIOR HOUSEKEEPER



Jeff and Ana have been a key part of the Reserve team for four years, helping us ensure that our facilities are in great condition to welcome guests throughout the year.

After moving to the South Island five years ago and experiencing jobs at several campgrounds, they now live on-site at Kaiteriteri. “We really love the scenery at Kaiteriteri, it’s hands down the best work venue and perfect year round.”

“We love the native bush here in Kaiteriteri, it’s stunning and teeming with native birds – their morning chorus is amazing. Of course the beach and also the

accessibility to all the surrounding National Parks is a big part of what makes the Reserve so special.”

Ana is our senior housekeeper and Jeff is involved in everything to do with maintenance at the Reserve.

“The best part is living and working in such stunning surroundings – it’s such a perk of the job. We also love the change of seasons, from the more chilled out winter months with the cool, calm weather, to the full on busy summer period with thousands of visitors each day. It’s the year round attraction of Kaiteriteri that helps make this such a great place to work and help look after.”



HOSPITALITY & RETAIL PRECINCT

Te Kai me te Inu
Te Toa o Kaiteretere



on the
spot

KĀKĀ POINT
COFFEE

KAITERITERI
Waterfront
EST 1956

GONE
BURGERS

The Hospitality and Retail Precinct underwent some significant redevelopment during the winter months. The changes focused on improving customer satisfaction throughout the year, with better quality products, improved customer service and removing summer bottlenecks the priorities.

As a result of extensive customer-led insights we created “Waterfront” restaurant to replace the existing “Kai” restaurant, offering customers rustic, authentic, and local food and wine, showcasing the Nelson Tasman region.

The quality of the food prepared by our New Head Chef, Niall Aird alongside the much-improved customer service led by Joel Naff has led to an average 4.5 star rating on TripAdvisor.

Our top selling dishes for the year, were the kiwi classic of Fish & Chips, and the NZ grass-fed Beef fillet, accompanied by our local Moutere Hills Sauvignon Blanc or Rimu Grove Pinot Noir.

Gone Burgers also received a facelift with a new kiosk fit-out and licensed outside seating area allowing summer visitors to enjoy a cold refreshing Cassels craft beer brewed with local Riwaka hops, alongside the new improved burgers which proved to be a great success and a highlight of the summer. We also re-engineered our packaging, significantly reducing waste.

Within the Kaiteriteri On the Spot Store, we focussed on improving the shopper experience through implementing a better and easier-to-shop flow throughout the store, with a core range of products reflecting the needs of our shoppers. The major change was the addition of the Kākā Point Coffee food to go area, providing daily barista-made coffee and a large range of food to go produced by our restaurant kitchen team. The store also offered an additional pop-up Barista coffee kiosk, successfully removing the previous summer bottlenecks and significantly reducing wait times. Real Fruit Ice Creams remained a Kaiteriteri summer must-have, with the team serving almost 900 per day!

Unfortunately, despite all these positive changes, Covid had a major impact on the Precinct throughout the year, significantly reducing foot traffic and increasing labour shortage pressure. Peak summer weeks remained busy but without the usual high levels of demand, and the bad weather decimated Waitangi weekend, which is our 2nd highest trading period of the year.

The restaurant experienced the main brunt of this, as we lost 35 days of trading through Covid lockdown and re-development and suffered due to operating under Covid Vaccination pass restrictions throughout the summer. Our plan was developed on the assumptions of business as usual and was over before it began.

The Store remained open throughout the year, servicing both visitors and locals and through diligent management of the P&L delivered a profitable outcome.

This could not be said for the Food & Beverage aspect of our business, which alongside many others throughout the New Zealand hospitality industry suffered heavy losses, despite our efforts to reduce our overheads, the headwinds created through reduced foot traffic and significant increases in the cost of goods from suppliers proved to be too strong. In some cases, key product lines such as canola oil increased by almost 200% within the year. The labour shortage also presented us with major challenges, the national average hourly wage has risen 8.9% to \$24.43 from 2021 to 2022, and the average salary has risen 10.5% to \$72,558. (Hospitality NZ Remuneration Survey July 2022, representing over 14,000 employees.)

A special thanks must go to our Hospitality and Retail Precinct team, who have implemented all these changes whilst operating under Covid restrictions, wearing a mask every day for almost a year, and successfully providing excellent customer service to our customers. The team were on the front line of receiving some horrible verbal attacks from people frustrated by Covid mandates, despite them just doing their jobs. We encourage you to keep this in mind when visiting us next time, and thanks to the vast majority of our customers who were fantastic, we appreciate your support.



TEAM MEMBER PROFILE

Denise Puha

SENIOR FRONT OF HOUSE TEAM LEADER



*E kore au e ngaro, he kākano i ruia mai i Rangiātea. Kia ora tātou.
I will not be lost, I am a seed sown from Rangiātea.*

Ko Horouta te waka, Ko Hikurangi te maunga, ko Wiapu te awa, ko Ngati Porou te iwi, ko Hunara te hapu, ko Matahi o te tau te marae, ko Denise toku ingoa.

As a child I lived in Upper Moutere, and I loved every second of it. I grew up on Te Awhina Marae, so I have never left the area. I am born and raised in Motueka and it will always be home to me. My family has five members, my father, mother, elder sisters and younger brother, they are the roots of my existence and I love them very much.

During my spare time, I enjoy doing a variety of things, including sports and working with young people. I do a lot of volunteer work and hold the rank of Lieutenant, in the role of Unit Commander for the Motueka Army Cadets, a youth organisation for boys and girls aged 13–18 years of age, preparing New Zealand's successful leaders for tomorrow.

My career pathway into the hospitality and tourism industry began as I was growing up on Te Awhina Marae, manaakitanga. This is one of the most important concepts to Māori people as it secures the strength of whānau (families) and communities. Nurturing relationships, looking after people and being very careful about how others are treated.

Waterfront Restaurant is the gateway to the Abel Tasman, a stunning view of our golden beaches, outstanding food and wine all from the Tasman region. An amazing location – that's where you'll find me. Working as a front of house member, to ensure quality customer service. It has its challenges, when you become the friendly face of a place, it's hard to maintain excellent standards especially when you're short staffed as many hospitality businesses are experiencing at the moment. But... "It's not what you achieve, it's what you overcome," and I am proud of the work our team is doing to maintain the highest customer experience and satisfaction. It's a very rewarding place to work.

I love my job because everyone shares the same vision and is dedicated to the mission. "A mind that is stretched by new experiences can never go back to its old dimensions."

Sending you all good vibes and positive energy.
I look forward to seeing you at Waterfront soon.



**It's not what you achieve,
it's what you overcome.**



COMMUNICATIONS & MARKETING

Te Whakatairanga Matihiko



Kaiteriteri Recreation Reserve has a place in the heart of Kiwis as the family beach holiday destination of choice, and is a bucket list destination for people around the world. With such a diverse audience, it's vital that our sales and marketing strategy builds on our existing relationships and audience, while constantly striving for new ways to connect with those who haven't visited us before.

While 2022 was a challenging year for tourism in general, it was also filled with opportunities to take a step back, re-evaluate what we did, what we said and how we presented ourselves, ensuring that our products and services provided what the market wanted and inspired them to visit Kaiteriteri.

At the core of our 2022 sales and marketing activity was the refurbishment, rebranding and product development of Waterfront, Gone Burgers, Kākā Point Coffee and food to go.

After seeking feedback and input from our customers it was agreed that there were opportunities to improve our food and beverage products, creating a higher quality offering while ensuring clear separation between the services. The main goals were to create memorable, high quality and good value products that struck the right balance between the Reserve's values and what our customers told us they wanted.

Waterfront led the changes with a complete overhaul – everything from the decor and staff uniforms to the menu, where our ingredients were sourced and the way we marketed the restaurant. With such a premium location and facility we nudged the quality of Waterfront's offering higher, along with the level of service we provided, bringing it more in line with what the market indicated it expected from such a venue.

The reception we have had to the changes have been excellent. Customer satisfaction (measured and anecdotal) has been incredibly positive with the creativity and execution of Niall's menu being the centre piece. 95% of all Waterfront's ingredients and 100% of our wine is now sourced locally, positioning Waterfront as the place to visit to experience an authentic and unique taste of the Nelson Tasman region.

To balance the higher quality offering at Waterfront it was vital that we also refreshed Gone Burgers and food to go to ensure that each of our visitors had food and beverage choices that met their needs.

Gone Burgers menu was refined along with the ingredients that we used in the burgers to meet our customers expectations of a premium burger product. Again, Niall and his team went to work deconstructing

every aspect of the offering to ensure it made the most of our amazing local produce, and also supported the Gone Burgers brand story. We honestly believe that Gone Burgers is now the home to New Zealand's best burgers – and feedback is supporting that aspiration.

Food to go was given its own space within the Kaiteriteri Store with improved coffee, chiller food and fresh baked goods. Striking the right balance between convenience, quality, price and service is always a challenge when it comes to take-away food services and we have strived to make sure Kaiteriteri's food to go offer ticks all the boxes. As well as the extended and improved range, we also invested in staff training to ensure the consistency of service that our locals and guests expect.

While many of these changes were operational they were conceived on the back of robust market and customer data and set us up for success in our sales and marketing strategies going forward.

Kaiteriteri guests now have three great choices when it comes to food and beverage at Kaiteriteri Recreation Reserve, each with a unique identity that meets our customer's needs around price, value, quality and experience.





Digital channels remain our primary outbound tools for engaging with existing and new audiences. They provide a very cost effective way for us to display our values and encourage visits. Comparing 2022 to our 2021 performance we had a positive gain of 7.8% new users to the website – 75,818 in 2021 growing to 81,730 in 2022.

Website sessions via social media referral had a growth of 32.26% indicating that our social channels were successfully targeting people that are interested in Kaiteriteri and converting them to website traffic. This was particularly helpful during the post-Covid regional push to encourage domestic travellers to return to Nelson Tasman.

We received 2600 new ‘fans’ on the Kaiteriteri social channels page, a steady growth across the year.

For 2022/23 our sales and marketing strategic objectives are to focus on improved connections with our customers through targeted digital marketing, social media, electronic direct marketing, web content and Google search optimisation. The key component of this work will be a complete rebuild of the Kaiteriteri Recreation Reserve website to ensure it provides us with a foundation for successful marketing campaigns. We will be working with industry leading web developers and digital marketing experts Tomahawk on this project and are excited by the opportunities it will create to build better connections with our audience.



**Digital Strategy
& Delivery**



**Website Build &
Optimisation**



**CRM & Database
Marketing**



**Customer Service
Enhancement &
Automation**



**Operational
Enhancements**



**Marketing
Automation**



**Technical
Integration**



**Reporting &
Attribution**

WEBSITE AND SOCIAL MEDIA HIGHLIGHTS 1 July 2021 to 30 June 2022



81,730
VISITORS TO
OUR WEBSITE



32.26%
GROWTH IN WEBSITE
REFERRALS VIA
SOCIAL MEDIA



2600
NEW FANS ON
OUR SOCIAL MEDIA
CHANNELS

KAITERITERI MOUNTAIN BIKE PARK

Te Papa Eke Pahikara
Maunga o Kaiteretera





© Henry Jaine

PARK MAINTENANCE AND DEVELOPMENT

The year to date has been one of consolidation and building resilience in the Kaiteriteri Mountain Bike Park. A new maintenance schedule to manage drainage, assess and remove dangerous trees, and remediate storm driven slips has been a success. This preemptive action was rewarded recently when KMBP was the only Mountain Bike Park in Te Tau Ihu to remain open during the destructive winter storms of 2022.

Our focus has been on upgrading existing tracks, making them more attractive to our family-based target market. A big part of this is the volunteer building of Piki ki te ra (climb to the sun) up our Southern boundary with a target opening date of November 2022. Working Bees have been held every Sunday from May with over 60 adults and 10 children regularly contributing, plus the NMIT Rangers for a week in early May to kickstart us off.

This 3km challenging climb will allow KMBP users to loop the Park in both clockwise and anticlockwise directions. Previously there was only one way up via the Corkscrew trail, resulting in a long traverse from South to North if you want to ride more than one downhill track. Piki ki te ra will be open to walkers and runners in both directions for a 10+km loop. The views are magnificent!

As we build Piki we're also rebuilding the Grade 5 downhill track Rockface. Previously a one-dimensional firebreak, this track is getting a full rebuild making it fun and attractive for our downhill riders.

In response to a self-reflective audit we saw the need for an easier way out of KMBP to the South. Taniwha Handlebar is the result. A 1km Grade 3 downhill track from the water tank to the South Cog with a kid friendly name. Another volunteer dig, we've had crews from Whenua Iti and Motueka High School adding to our own dig days and plan to have this open for Christmas 2022.

The challenge for 2023 is the harvesting of the Kaiteriteri Forest, working closely with the Production Manager in keeping KMBP disruptions to a minimum. Our relationship with the Forestry Managers has always been good and we can expect a positive outcome. Rebuilds of old firebreaks Flamin Nora and Velocity are planned.

We are keen in continuing to foster events in KMBP with our annual summer Red Light races, winter Phat Nights, Enduro and Weekender. Other events organised by external groups include Hash Harriers (run), Riwaka School Cross country, Nelson MTB XC, FENZ National MTB, and Kaiteriteri Gold (run).

TRAPPING STATS 1 July 2021 to 30 June 2022



11
STOATS



102
RATS



123
TRAPS
SERVICED...



...BY 7
VOLUNTEERS

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 and 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.



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.



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.



RENEE THOMAS

Growing up in Te Taihū, visits to Kaiterere were always special. Learning about my identity and whakapapa in the rohe has enhanced my connection to these places. With its rich history, the preservation and enhancement of this area is a priority so that generations to come may also experience the special qualities of Kaiterere. With the challenges that Covid-19 presented, the Board has been proactive and courageous with decision making, only possible with the backing of a strong and professional suite of staff. I look forward to progressing relationships between the Reserve and Manawhenua, while working with the team to progress the development of the Reserve to enhance the experience for current and future visitors to Kaiterere.



LEE-ANNE JAGO

Nō Waikato ahau heoi kei konei kei Kaiterere ahau e noho ana. Kaiterere is my home and a part of my everyday life. My husband and I live, work, play and bring up our children here. For these reasons I am committed to the vision of Kaiterere being the best coastal outdoor recreation experience in Aotearoa, I believe it is! I have a strong interest in preserving our natural environment for the generations to come and understand how fortunate we are to have such an iconic location that is reserved for all people to enjoy. I am committed to a sustainable and cultural focus, providing facilities while managing the natural unique character of Kaiterere.



ANEIKA YOUNG

My connection to Kaiterere is through my whakapapa relationship with the land and the local iwi Ngāti Rāua and Te Ātiawa. I spent my childhood with my whānau swimming, jumping off the bridge, boating, waka and baching. Later, I worked in the Abel Tasman as a walk and kayak guide. Kaiterere was where we started our trips and is known as the 'gateway to the Abel Tasman'. Kaiterere is a significant place for our iwi where our ancestors welcomed and first met the New Zealand Company in an agreement to support the arrival of settlers to the Tasman region. Not only does it have a rich history, but is a valuable taonga for our community and wider society providing recreational experiences and opportunities to engage with the natural world. My interest is to enhance and sustain the ecological and cultural integrity of Kaiterere, while ensuring we, as a board, are running a smooth, efficient and viable operation that supports connection of visitors to this amazing place.

FINANCIAL REPORT

Pūrongo Pūtea

FOR THE YEAR ENDED 30 JUNE 2022



STATEMENT OF RESPONSIBILITY

FOR THE YEAR ENDED 30 JUNE 2022

The Reserve Board is responsible for the preparation of these financial statements and the judgements used in them.

The Board is responsible for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the opinion of the Board, these financial statements for the year ended 30 June 2022 fairly reflect the financial position and operations of the Kaiteriteri Recreation Reserve Board.



Chris Hawkes
Chairman



Tim King
Deputy Chair

15 December 2022

STATEMENT OF ACCOUNTING POLICIES

FOR THE YEAR ENDED 30 JUNE 2022

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
- Retail Store Operations
- Restaurant 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

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 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 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.

The information is presented in New Zealand dollars rounded to the nearest dollar.

SPECIFIC ACCOUNTING POLICIES

a. Plant, Property and Equipment

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

Cost includes expenditure that is directly attributable to the acquisition of the asset.

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: 4 – 50 years
- Shop complex: 3 – 50 years
- Vehicles and motorised plant: 4 – 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. Financial Instruments

The Board is party to financial instrument arrangements as part of its everyday operations. Financial instruments are classified into the following categories:

Loans and receivables

Loans and receivables are initially recognised at fair value and subsequently measured at amortised cost using effective interest method.

Loans and receivables include:

- Cash and cash equivalents
- Bank deposits
- Foodstuff deposits
- Trade receivables – short term receivables are recorded at the amount due, less any provision for uncollectability.

Available for sale assets

Shares in 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.

Financial liabilities measured at amortised cost

Financial liabilities are initially recognised at fair value and subsequently measured at amortised cost using effective interest method.

Financial liabilities include trade payables, they are recorded at their face value.

d. Inventories

Inventories are initially measured at cost and subsequently measured at the lower of cost and net realisable value. The cost of inventories is based on the first in first out (FIFO) principle and includes expenditure incurred in acquiring the inventories.

Net realisable value is the estimate selling price in the ordinary course of business, less the selling expense.

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. All entitlements are short-term employee benefits where the Board has a legal or constructive obligation to remunerate employees for services provided and that are expected to be settled wholly before 12 months after the reporting date. Short-term employee benefits are measured on an undiscounted basis and expensed in the period in which employment services are provided.

h. Revenue - Accounting Policy

Revenue is recognised when the amount of revenue can be measured reliably and it is probable that economic benefits will flow to the Board and measured at the fair value of consideration received or receivable.

The following specific recognitions criteria in relation to the Board's revenue streams must also be met before revenue is recognised.

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. Amounts received in advance of services performed are recognised as a liability until those services are performed.

3. Deposits in Advance

Amounts received in advance, typically for accommodation products and services, to be provided in future periods are recognised as a liability until such time as the product or service is provided.

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.

USE OF JUDGEMENTS AND ESTIMATES

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

a. Judgements

There are no significant judgements in the financial statements.

b. Assumptions and estimation uncertainties

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 30 June 2022 include the following:

- Key assumptions underlying determining the recoverable amounts for impairment testing.
- Useful life, recoverable amount, depreciation method and rate.

c. Change in accounting estimates

During the period there have been no changes to accounting estimates.

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

FOR THE YEAR ENDED 30 JUNE 2022

2021 (\$)		2022 (\$)	2022 Budget (\$) unaudited
Revenue from exchange transactions			
2,337,091	Store	2,215,777	2,450,180
2,748,139	Camp	2,699,599	2,599,330
180,014	Reserve	227,612	222,810
2,179,664	Restaurant	1,818,798	2,413,806
7,444,908	Total revenue	6,961,786	7,686,126
Operating expenditure (Note 1)			
3,101,331	Personnel	3,505,218	3,191,884
3,765,620	Other operating expenses	3,587,079	4,123,337
441,457	Depreciation	460,579	435,427
7,308,407	Total operating expenditure	7,552,876	7,750,648
683	Total finance income	1,281	–
22,500	Total finance expenses	10,386	7,614
(55,139)	Total PPE impairment expense reversal (Note 9)	–	–
169,823	Net surplus/(loss) for year	(600,195)	(72,136)
–	Other comprehensive revenue	–	–
169,823	Total comprehensive revenue/(expense)	(600,195)	(72,136)



STATEMENT OF MOVEMENTS IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2022

2021 (\$)		2022 (\$)	2022 Budget (\$) unaudited
10,173,956	Equity at 1 July	10,343,779	9,554,597
Total comprehensive revenue/(expense) for the year			
169,823	Total comprehensive revenue/(expense)	(600,195)	(72,136)
10,343,779	Equity at 30 June	9,743,585	9,482,461

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2022

2021 (\$)		2022 (\$)	2022 Budget (\$) unaudited
Current assets			
1,610,656	Cash and cash equivalents (Note 2)	1,252,508	1,739,761
16,486	Accounts receivable – from exchange transactions	80,477	20,000
54,140	Foodstuff – deposits (Note 3)	76,888	55,000
156,176	Stock on hand (Note 5)	186,317	150,000
1,837,458		1,596,190	1,964,761
Non-current assets			
64,053	Foodstuff pref shares (Note 4) investments	59,217	59,217
9,137,979	Plant, property and equipment (Note 9)	8,917,732	8,363,245
9,202,032		8,976,949	8,422,462
11,039,490	Total assets	10,573,139	10,387,223
Current liabilities			
228,272	Accounts payable – employee	165,862	210,000
143,985	Accounts payable – from exchange transactions	126,790	150,000
296,271	Deposits in advance	298,976	300,000
27,182	Goods and services tax	17,930	25,000
–	BNZ loan – current portion (Note 6)	97,727	98,000
695,711		707,285	783,000
Non-current liabilities			
–	BNZ term loan (Note 6)	122,269	121,761
695,711	Total liabilities	829,554	904,761
10,343,779	Equity – accumulated comprehensive revenue and expense	9,743,585	9,482,462
11,039,490	Liabilities and equity	10,573,139	10,387,223

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2022

2021 (\$)		2022 (\$)	2022 Budget (\$) unaudited
Cash flows from operating activities			
<i>Cash was provided from:</i>			
7,502,622	Receipts from customers	6,844,598	7,619,970
683	Interest received	1,281	200
2,419	Dividends received	2,258	1,800
18,048	GST (net)	(19,842)	2,329
7,523,772		6,828,295	7,624,299
<i>Cash was applied to:</i>			
4,043,478	Payments to suppliers	4,240,086	4,627,173
2,663,828	Payments to employees	2,959,714	2,686,197
22,500	Bank finance expenses	10,386	7,614
6,729,656		7,210,186	7,320,984
794,116	Net cash inflow from operating activities	(381,891)	303,315
Cash flows from investing activities			
<i>Cash was provided from:</i>			
72,740	Reducing Foodstuffs investment	45,019	68,806
72,740		45,019	68,806
<i>Cash was applied to:</i>			
124,518	Purchase of plant, property and equipment	241,272	462,777
124,518		241,272	462,777
(51,778)	Net cash outflow from investing activities	(196,253)	(393,971)
Cash flows from financing activities			
-	BNZ loan funds (net)	219,996	219,761
-	Net cash inflow from financing activities	219,996	219,761
742,338	Net increase / (decrease) in cash held	(358,147)	129,105
868,317	Add cash at start of year	1,610,655	1,610,655
1,610,655	Balance at end of year	1,252,508	1,739,760
<i>Comprising:</i>			
1,610,655	Cash and cash equivalents	1,252,508	1,739,760
1,610,655		1,252,508	1,739,760

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2022

1. EXPENDITURE BREAKDOWN

2021 (\$)		2022 (\$)	2022 Budget (\$) unaudited
Operating expenditure			
2,336,986	Direct purchases	2,176,148	2,403,839
2,671,883	Wages	2,897,304	2,684,900
429,448	Management and board fees	607,914	506,984
224,180	Repairs and maintenance	221,177	247,622
193,353	Marketing and sponsorship	103,257	109,050
1,011,101	Other expenses	1,086,497	1,362,826
441,457	Depreciation	460,579	435,427
7,308,407	Total expenses	7,552,876	7,750,648

2. CASH AND CASH EQUIVALENTS

2021 (\$)		Interest Rate	2022 (\$)
20,847	Bank operational accounts	0.30%	25,330
1,569,181	On call funds in bank	0.30%	1,011,304
–	Tagged funds held on call	0.30%	177,755
20,628	Cash on hand	–	38,119
1,610,656	Total cash and cash equivalents		1,252,508

The cash and cash equivalents balance includes \$177,755 of loan funds drawn down, and tagged for, but not yet spent on the major Spatial Development planning Project.

3. FOODSTUFFS DEPOSITS

Deposits are non-transferable with variable interest rates ranging between 0% and 2.50%.

(2021: 0% – 1.50%) These relate to purchase rebates.

4. FOODSTUFFS SHARES

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

5. INVENTORY

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

2021 (\$)		2022 (\$)
100,370	Retail inventory	88,014
29,678	Food and beverage inventory	58,855
26,127	Accommodation supplies	39,448
156,176	Total inventory on hand	186,317

6. BANK LOAN FINANCE

With the necessary approval from the Minister of Finance, Bank of New Zealand by way of General Security Agreement, financed a term loan on the following terms:

Drawdown date: August 2021

Maturity date: July 2024

Purpose: Funding of working capital – WSP Spatial Development Project

Interest rate: 5.02%

Repayment term: 36 months

Opening drawdown: \$300,000

Repayments: \$80,004

Closing balance: \$219,996

Current portion repayable in next 12 months: \$97,727

7. CAPITAL COMMITMENTS

As at 30 June 2022 the Board had committed to, but not yet paid a budgeted amount of \$145,067 to WSP to undertake the Spatial Development Project work. This project work has spanned several years to date and expected to cover at least another year.

There are no other capital commitments in relation to the 2022 financial year (2021 – Nil).

8. SUBSEQUENT TO BALANCE DATE

On the 6th June 2022, the resignation of Chief Executive Officer David Ross was accepted by the board, with his last working day being Friday 29th July 2022.

Final pay included all contractual entitlements, there were no additional financial or risk implications.

9. PROPERTY, PLANT AND EQUIPMENT

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

	Cost (\$)	Purchases (\$)	Disposals (\$)
Admin and office equipment	152,678	13,601	–
Buildings and fitout	5,613,725	65,862	–
Land	383,184	–	–
Land improvements	1,585,576	–	–
Plant and equipment	904,700	4,279	–
Restaurant	2,709,436	85,183	–
Retail store	2,707,113	21,670	1,375
Vehicles and motorised plant	254,711	51,899	787
Total	14,311,122	242,493	2,162

The Bank of New Zealand hold a 'Perfected Security interest in all present and after acquired property of Kaiteriteri Recreation Reserve'.

9. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

PPE Impairment Assessment

During the year ended 30 June 2020, the worldwide pandemic caused by Covid-19 led to unprecedented disruption and uncertainty in so many areas of operations and business across the world. Additional reviews had been necessary on value of assets held against future earnings ability. An impairment of value was assessed for the year ended 2020.

As more favourable results were achieved in the year ended 2021 that \$55,139 assessment of impairment, had in total been reversed.

No impairment has been recognised for year ended 30 June 2022.

Land

The land on which the café/restaurant 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 \$14,150,000. (2020: \$12,500,000)

	Opening accum depreciation (\$)	Depreciation (\$)	Closing accum depreciation (\$)	Opening value (\$)	Closing value (\$)
	88,250	17,923	106,173	50,827	46,505
	1,540,749	147,897	1,688,645	4,007,114	3,925,080
	–	–	–	383,184	383,184
	785,477	55,590	841,067	800,099	744,509
	862,427	13,879	876,307	37,994	28,393
	913,556	131,953	1,045,509	1,710,697	1,663,927
	564,079	74,947	637,402	2,121,364	2,066,711
	176,112	18,390	193,897	26,700	59,423
	4,930,650	460,579	5,388,999	9,137,979	8,917,732



10. KEY MANAGEMENT PERSONNEL COMPENSATION

Remuneration paid during the year:

	2021 (\$)	2022 (\$)
Board remuneration paid	55,451	62,518

The Board consists of six appointed members, one new co-opted member chairing Audit & Risk Committee, one representative for the Department of Conservation and is not paid by the Reserve.

	2021 (\$)	2022 (\$)
Full-time paid management positions	649,711	751,967

During the 2022 year, eight people in total held eight positions. 30 June 2021, nine positions in place.

11. FINANCIAL INSTRUMENTS CATEGORIES

The carrying amounts of financial assets and liabilities in each of the financial instrument categories are as follows:

	2021 (\$)	2022 (\$)
Loans and receivables		
Cash and cash equivalents	1,610,656	1,252,508
Foodstuff deposits	54,140	76,888
Receivables	16,486	80,477
Available for sale assets		
Foodstuffs deposits	64,053	59,217
Financial liabilities		
Trade payables	143,985	126,790

12. STATEMENT OF CONTINGENT LIABILITIES AND ASSETS

No contingent liabilities or assets existed for the year ended 30 June 2022 (2021: nil.)

13. RELATED PARTIES

Board member T King is 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.

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF KAITERITERI RECREATION RESERVE BOARD'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

The Auditor-General is the auditor of Kaiteriteri Recreation Reserve Board (the Reserve Board). The Auditor-General has appointed me, Warren Johnstone, using the staff and resources of BDO Christchurch, to carry out the audit of the financial statements of the Reserve Board on his behalf.

OPINION

We have audited the financial statements of the Reserve Board on pages 32 to 42, that comprise the statement of financial position as at 30 June 2022, the statement of comprehensive revenue and expense, statement of movements in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion, the financial statements of the Reserve Board on pages 32 to 42:

- present fairly, in all material respects:
 - » its financial position as at 30 June 2022; and
 - » its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Accounting Standards Reduced Disclosure Regime.

Our audit was completed on 15 December 2022. This is the date at which our opinion is expressed.

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

BASIS FOR OUR OPINION

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

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

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

OTHER MATTER

The performance report for the comparative period 1 July 2020 to 30 June 2021 was not audited by BDO Christchurch. The predecessor auditor issued an unmodified audit opinion on 19 May 2022.

RESPONSIBILITIES OF THE BOARD FOR THE FINANCIAL STATEMENTS

The Board is responsible for on behalf of the Reserve Board for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand.

The Board is responsible for such internal control as it determines is necessary to enable it to prepare financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible on behalf of the Reserve Board for assessing the Reserve Board's ability to continue as a going concern. The Board is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to liquidate the Reserve Board or to cease operations, or there is no realistic alternative to do so.

The Board's responsibilities arise from the Reserves Act 1977, the Public Finance Act 1989, and the Crown Entities Act 2004.

RESPONSIBILITIES OF THE AUDITOR FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

For the budget information reported in the financial statements, our procedures were limited to checking that the information agreed to the Reserve Board's approved budget.

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

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

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

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

Our responsibilities arise from the Public Audit Act 2001.

OTHER INFORMATION

The Board is responsible for the other information. The other information comprises the information included on pages 1 to 31 and page 46, but does not include the financial statements, and our auditor's report thereon.

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

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

INDEPENDENCE

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

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



Warren Johnstone
BDO Christchurch

On behalf of the Auditor-General
Christchurch, New Zealand



DIRECTORY

BOARD OF DIRECTORS

Chris Hawkes (Chair)
Tim King (Deputy Chair)
Maria Fillary
Renee Thomas
Aneika Young
Lee-Anne Jago
Mark Townsend

SECRETARY

Nicola Bensemann

MANAGEMENT TEAM

David Ross (Chief Executive Officer)
Martin Brock (Sales & Marketing Manager)
Rachelle Parkins (Guest Services Manager)
Ross Maley (Kaiteriteri Mountain Bike Park Manager)
Nicola Bensemann (Finance Manager)
Lorna Harrison (People & Safety Manager)
Dennis Petch (Facilities & Environment Manager)
Ali Kimber (Marketing Executive)
Paul Jennings (Marketing & Communications)

SOLICITORS

McFadden McMeeken Phillips
187 Bridge Street, Nelson 7010

BANKERS

Bank of New Zealand
181 High Street, Motueka

AUDIT & RISK COMMITTEE CHAIR

John Murray

AUDITOR

BDO Christchurch (on behalf of the Auditor-General)

REGISTERED OFFICE

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Te Rāhui Rēhia o Kaitereterē

Kaiteriteri

Recreation Reserve

Reserve Apartments
Reserve Camp
Kaiteriteri Store

on the
spot

KĀKĀ POINT
COFFEE

KAITERITERI
Waterfront
EST 1954

GONE
BURGERS

Kaiteriteri
Recreation Reserve

IMAA
GOLD LEVEL
Nelson, New Zealand

QUAL
MARK
TOURISM

COMMITTED TO
SUSTAINABLE
TOURISM

tiaki
TAKE CARE OF OUR COUNTRY