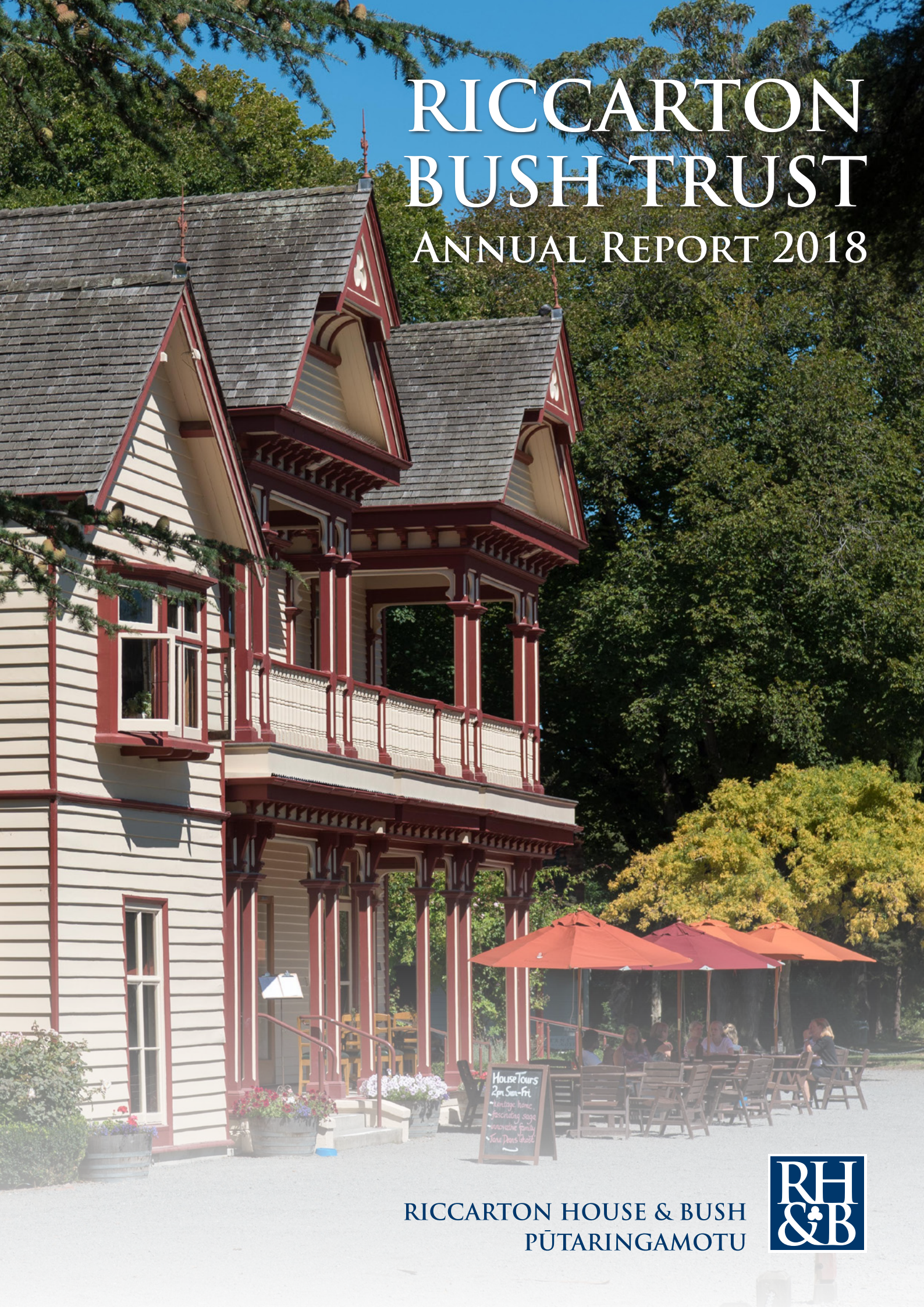


RICCARTON BUSH TRUST ANNUAL REPORT 2018



RICCARTON HOUSE & BUSH
PŪTARINGAMOTU



Our Vision

The Riccarton Bush / Pūtaringamotu, Riccarton House, Deans Cottage and the Grounds are collectively recognised as the premier natural and cultural heritage site in Christchurch/ Ōtautahi and Canterbury/Waitaha.

Value Statement

Heritage conservation of the Riccarton Bush property/Pūtaringamotu is the primary consideration.

Management Goals

Goal 1: Protect and enhance the indigenous flora and fauna of the Riccarton Bush indigenous forest, including mahinga kai and taonga species.

Goal 2: Protect and conserve Riccarton House and Deans Cottage and their Grounds.

Goal 3: Promote the natural and cultural heritage values of the Riccarton Bush property/Pūtaringamotu.

Goal 4: Increase visitation to the Riccarton Bush, Riccarton House, Deans Cottage and their Grounds.

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Annual Financial Statements for the Year Ended 30 June 2018



Report from the Chairman and Manager

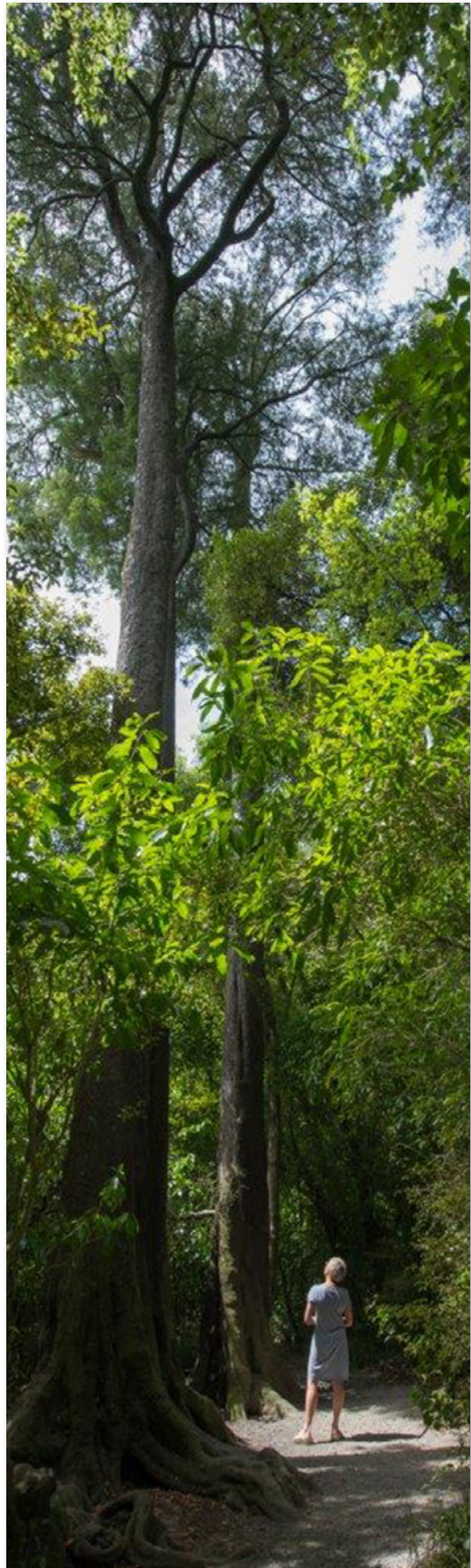
This past year has been one of consolidation. With most of the major alterations and improvements completed the finishing touches are now being added. A number of pieces of furniture have been restored, additional furniture purchased and also the replacement of interior furnishings has been completed. All of this adds to providing visitors with a practical interpretation of the past. A living museum.

Visitor numbers have doubled since last year and this is contributed to by the “two for one” deal for Christchurch residents, increased exposure on both social and written media and also the initiative to place a flier in the rates demand.

The café lease was extended for another three years. Sam and Amanda Marchant are continually building on their reputation, and feedback from café patrons and venue users has been really positive. The restaurant stayed open throughout the winter and this proved worthwhile.

The Board and staff worked closely with the Christchurch City Council in facilitating the construction of the enhanced cycleway through the Grounds from Kahu Road to Ngahere Street. Works were completed in the latter part of last year and although the construction phase did impact on patronage at the restaurant, it was completed on time with disruption as limited as possible.

Since 2007 the Board had looked at numerous options to extend the car park area and provide a bus turning area. Eventually the northern end of the property adjacent to Kahu Road was agreed as having the least impact and the Board had concept drawings developed. Subsequent discussions and enquiries indicated there would be considerable opposition from residents and an impact on heritage values. The Board



subsequently determined, that rather than commit additional funds to a project that may not succeed, to abandon the project.

The house frontage has been of concern for some time, particularly with gravel tracking through the house. A project to renovate the driveway and paved area around the rose garden is underway and will be completed by the end of August. We are grateful to Isaac's Construction for giving this project the same careful attention it committed to the cycleway.

A project to improve the interpretation signage throughout the bush and grounds commenced with bi-lingual signage installed throughout the bush in June.

The Board was privileged to hold its November 2017 meeting in the refurbished buildings at Christchurch Boys' High. The Trust was impressed at how the school had interwoven the contemporary with the remarkable heritage value of the farm buildings.

With the retirement of long-serving Chairman Charles Deans mid-way through last year, Board Chair Bob Shearing has thoroughly enjoyed his first full year in the position. Mr Shearing takes this opportunity to thank Manager Shona Willis, Ranger Gavin Ruckledge and all other staff at Riccarton House and Bush for the commitment and professionalism they bring to their jobs each day. He also thanks his fellow Board members for their ongoing help and support through the year.

Working together, the staff and Board have completed another very successful year in the life of Riccarton House, the Bush and the Grounds and are proud to be the current custodians of this magnificent piece of Christchurch history.



Bob Shearing



Shona Willis

Governance

In November Linda Tame resigned to take up the Principal's position at Golden Bay High School. Linda was a highly valued member of the Board and is missed.

Also this year Pam Wilson, a long-standing Board member, passed away on 11 February 2018. Pam was co-opted to the Board in 1992 as a representative of the Historic Places Trust and remained until her resignation in February 2016. She was a dedicated, determined and private contributor to Christchurch-Otautahi and Westland's built heritage.



Pam Wilson

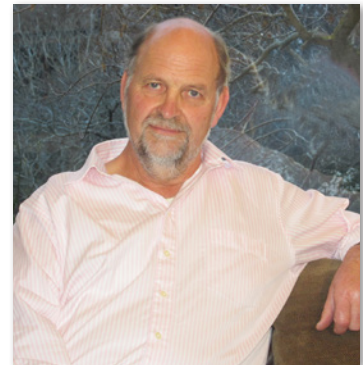
Board Members



David Norton



Bob Lineham



Tim Deans



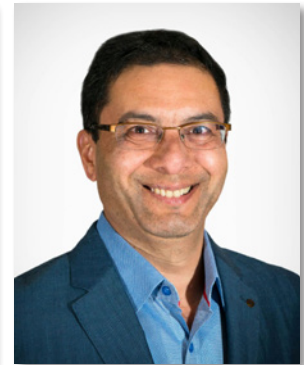
Jimmy Chen



Mike Mora



Pippa Ensor



Shirish Paranjape

The Riccarton Bush Trust held eleven formal meetings in the financial year ending 30 June 2018.



Visitors

Numbers have increased steadily with the biggest increases in January, February and March. This is directly attributable to the flier that went out with the Christchurch City Council rates demand. The “2 for 1” deal was circulated to 142,000 households and certainly had an impact.

| 2017/18 | Jul | Aug | Sept | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | June | Totals |
|---------------|-----|-----|------|-----|-----|-----|-----|-----|-----|-----|-----|------|--------|
| Groups | 36 | 42 | 118 | 55 | 106 | 25 | 297 | 243 | 383 | 53 | 79 | 120 | 1557 |
| Schools | 0 | 192 | 0 | 94 | 267 | 75 | 211 | 321 | 302 | 0 | 0 | 47 | 1509 |
| Individuals | 93 | 86 | 94 | 126 | 109 | 74 | 157 | 192 | 174 | 108 | 48 | 55 | 1316 |
| Totals | 129 | 320 | 212 | 275 | 482 | 174 | 665 | 756 | 859 | 161 | 127 | 222 | 4382 |
| 2016/17 | 107 | 95 | 94 | 319 | 234 | 256 | 182 | 559 | 536 | 198 | 107 | 85 | 2772 |

We have also had a significant increase in the number of schools visiting the house and the grounds. These were either part of the Canterbury Museum’s Learning Experiences Outside the Classroom (LEOTC) or booked directly through us.

Starting last spring we trialled ‘mini’ tours on Saturdays. The Christchurch Farmers’ Market brings a huge number of visitors to the grounds so we thought the tours would provide an opportunity to have a brief glimpse of the house interior. Despite our best intentions they weren’t as successful as we had hoped.

We currently have a pool of eight guides led by Antonia Allison. These guides are incredibly knowledgeable, thoroughly enjoy their roles, and the feedback we receive from our visitors is very positive.

We are also getting increased numbers of social clubs and community groups coming on organised tours – often combined with a morning or afternoon tea.



Riccarton House and Dean's Cottage

Ongoing maintenance was carried out on the building and fittings including: repainting the fine dining room, refurbishment of the large dining room table, reinstating an upstairs toilet and providing a wooden skin on the stairs to the woodshed. Ongoing rodent and insect proofing was carried out and also additional treatment for our borer infestation.

Purchases included a large leather sofa for the entrance hallway, a collection of flow blue china for the old kitchen dresser, additional bedroom furniture as well as replacement bedcovers and drapery. These touches all help to keep the house looking loved and still in period.



Riccarton Bush

One of the projects undertaken this year was a GPS survey of the major trees within the Bush, namely the adult Kahikatea trees. This gave us an idea of the numbers, distribution, and health of the adult trees, to help with our future maintenance. This survey will be extended to other trees within the Bush, to give us an overall picture of the species distribution.

Ongoing maintenance included the removal of two large sections of redundant concrete pipes from the drain and the drain being cleared of debris to ensure a smoother flow of water. Pruning continued to clear vegetation from the inside of the predator fence and this is ongoing.

Wild (Rock) Pigeons have been a huge issue in the Bush and were also nesting on the roof of the house. We installed spikes to discourage nesting and are also carrying out a culling programme in the bush. Numbers have reduced, but not significantly, and this will remain an ongoing problem.



The “people counter” at the entrance to the bush was replaced and this more accurately reflects the number of visitors to the Bush. Approximately 71,000 people visited us last year.

| Visitor Numbers - Riccarton Bush | | | | | | | | | | | | |
|----------------------------------|------|------|------|------|------|------|------|------|------|------|------|------|
| | Jul | Aug | Sept | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | June |
| 2017/18 | 4342 | 5174 | 4965 | 6770 | 5750 | 6287 | 7814 | 6279 | 7902 | 6146 | 4650 | 4979 |



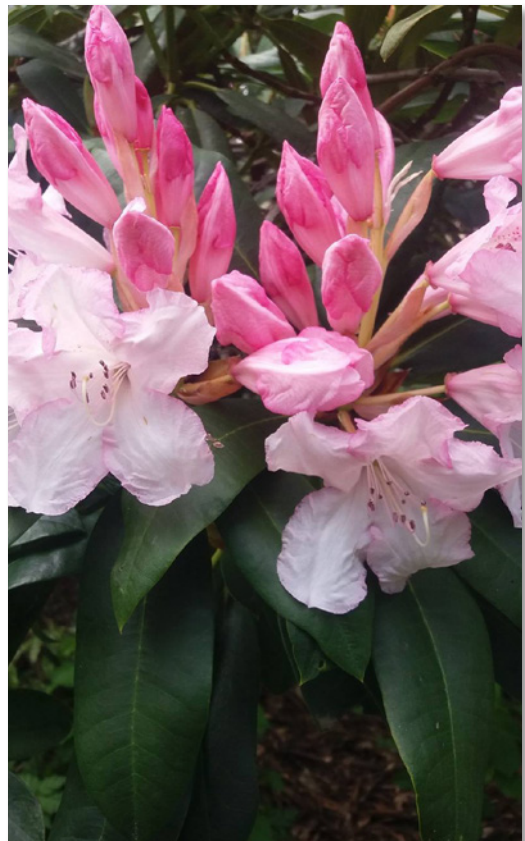
Ranger's House and Yard

The Ranger's house, which was severely damaged in the earthquake, was demolished and rebuilt with the Ranger and his family moving in last August. Provision of hard and soft landscaping is almost complete.

The Nursery area was extended to cater for the increasing number of trees being grown.

Several trees from the nursery were donated to Environment Canterbury to help regenerate an area between Christchurch Airport and the banks of the Waimakariri River.

As well, 110 trees grown from seed collected in Riccarton Bush were donated to the planting at Bridgestone Reserve, the former site of the Papanui Bush, where a programme of re-establishment is underway. It was important to try to source seedlings of local provenance. The trees included Kahikatea (*Dacrycarpus dacrydioides*), Pokaka (*Elaeocarpus hookerianus*), Hinau (*Elaeocarpus dentatus*), Lancewood (*Pseudopanax crassifolius*), Totara (*Podocarpus totara*), and Milk Tree (*Streblus heterophyllus*).



House Grounds

The Ranger carried out a full survey of the major trees within the House Grounds. This included the numbers, distribution and health of the trees. This will help in creating and maintaining our Combined Landscape and Development Plan, which will incorporate where and when succession trees will be planted.

The regional heat of the New Zealand Arboricultural Association Tree Climbing Competition was held in the House Grounds and it was a great success, as was the pipe band competition held in early February.

The northern side of the driveway was cleared and mulched ready for planting and this has raised the presentation of the entranceway and drive.

Ongoing tree maintenance occurred during the year and unfortunately two large trees had to be removed. An English Beech was removed due to severe dieback in the upper canopy and a copper beech which was damaged in the February storm had to be felled. Once removed, the extensive decay was noticeable throughout the stem and stump. The stump was chamfered around the edges and left for recreational activities.

As a new initiative monthly garden tours were held. These were primarily aimed at garden clubs and while they have had varying attendance, hopefully will increase in numbers.



Riccarton House and Bush
“GARDEN TOURS”

In the magnificent grounds of the Deans old residence, over 100 year old oaks, exotics and orchard trees continue to grow, with the pear trees still bearing fruit. The Durondeau is now the oldest introduced tree in Canterbury (171 years old) and the Jargonelle, the tallest pear tree in the southern hemisphere. Alan Bowles, Riccarton House and Grounds heritage gardener of 9 years is, for the first time, taking tours through its heritage gardens and grounds.

Garden Tours
 \$18.00 Adult \$15.00 Senior

Bookings: 03 341 1018 or 027 442 0067
 Tour Times: 11am - 12pm

Tour Dates:

| | | |
|---------------|---------------------------|----------|
| November 2017 | Tuesday 21 st | November |
| | Thursday 30 th | November |
| December 2017 | Tuesday 12 th | December |
| | Thursday 21 st | December |
| January 2018 | Tuesday 16 th | January |
| | Thursday 25 th | January |
| February 2018 | Thursday 8 th | February |
| | Tuesday 20 th | February |
| March 2018 | Thursday 8 th | March |
| | Tuesday 20 th | March |
| April 2018 | Thursday 5 th | April |
| | Tuesday 17 th | April |
| May 018 | Thursday 3 rd | May |
| | Tuesday 22 nd | May |

Combinations of House, Garden and Bush Tours are available for booked groups with generous discounts offered.
 Riccarton House 'Local' is open for morning and afternoon teas and delicious seasonal lunches.

Please inquire within House over bookings.
 Or phone 03 341 1018 or 027 443 0067

Email: contact@riccartonhouse.co.nz



Our Community

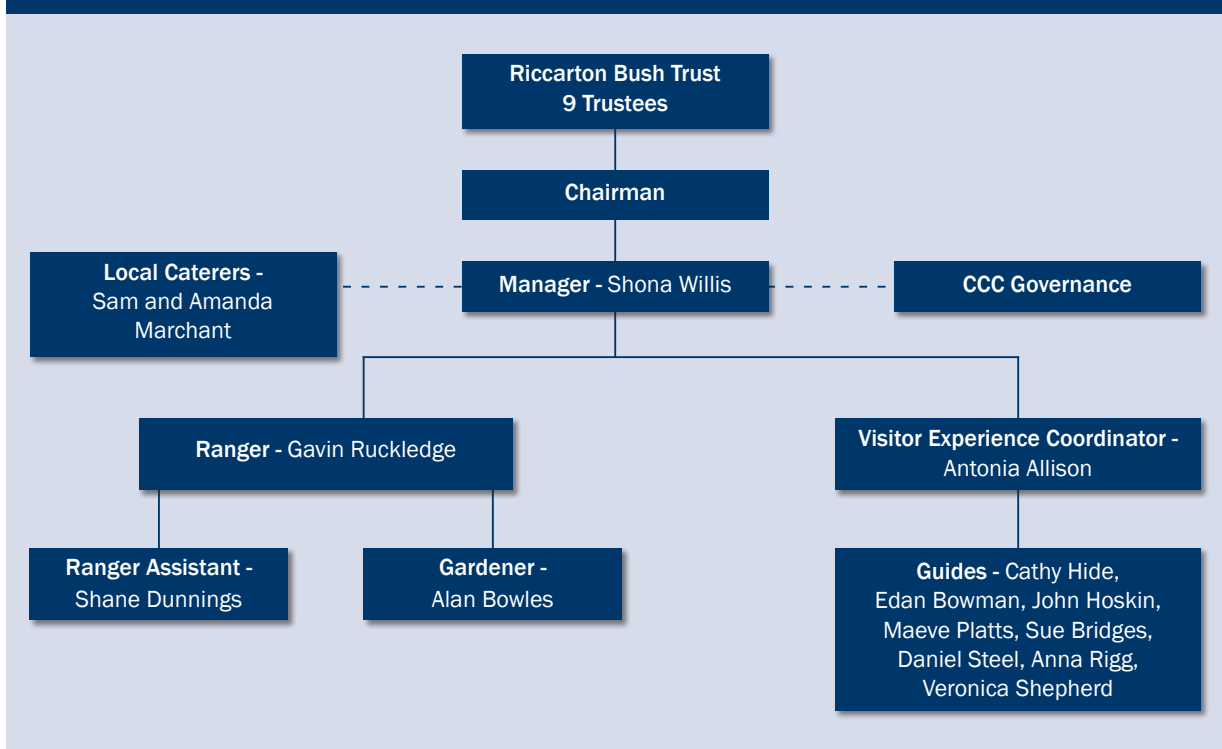
A quarterly newsletter, the Bush Telegraph, is circulated to our immediate neighbours and also to the Riccarton Bush Kilmarnock Residents Association who circulate to their membership.

We continue to offer discount tours to Christchurch City residents by way of a “two for one” deal.



Our People

Riccarton Bush Trust - Organisation Chart





Our Supporters

The following organisations and individuals provided financial assistance to the Trust during the year. Their support is very much appreciated.

- Christchurch City Council
- Amber Park
- Halswell-Hornby-Riccarton Community Board
- Karen Smith from Casabella Interiors
- Edan Bowman

In addition we have a group of craftsmen who keep the place safe and sound. Our thanks go to Kevin Whitelaw, our builder/handyman extraordinaire, Ricky Pye and his team at Pye Electrical, Glen Fifield and his team at Plumbfast and Gareth Painter (Asplundh).



Riccarton Bush Trust

Annual Financial Statements

for the year ended 30 June 2018

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Directory

ADDRESS

16 Kahu Road
PO Box 8276
Christchurch

TRUSTEES

Bob Shearing (Chairman)
Mike Mora (Deputy Chairman)
Prof. David Norton
Tim Deans
Jimmy Chen
Bob Lineham
Shirish Paranjape
Pippa Ensor
Linda Tame (resigned November 2017)

BANKER

Bank of New Zealand
Christchurch

SOLICITOR

Grant Adams
Parry Field Lawyers
Christchurch

AUDITOR

Audit New Zealand on behalf of the Auditor-General

Statement of comprehensive revenue and expense

For the year ended 30 June 2018

| | Note | 2018 \$ | 2017 \$ |
|--|------|-------------------------|-------------------------|
| Revenue from operations | 1 | 131,030 | 119,040 |
| Other revenue | 1 | <u>439,195</u> | <u>372,389</u> |
| | | <u>570,225</u> | <u>491,429</u> |
| Employee benefits expense | 2 | 280,943 | 252,591 |
| Depreciation and impairment | 2 | 138,087 | 131,858 |
| Earthquake related repairs | 2 | - | 938 |
| Other expenses | 2 | <u>292,844</u> | <u>321,456</u> |
| | | <u>711,874</u> | <u>706,843</u> |
| Net deficit for period | | <u>(141,649)</u> | <u>(215,414)</u> |
| Other comprehensive revenue and expense | | | |
| Property, plant and equipment revaluation gain | 7 | 4,330,808 | - |
| Total comprehensive revenue and expense | | <u>4,189,159</u> | <u>(215,414)</u> |

The accompanying accounting policies and notes form part of these financial statements.

Statement of changes in net assets/equity

For the year ended 30 June 2018

| | Retained earnings \$ | Other reserves \$ | Total equity \$ |
|----------------------------------|----------------------------|-------------------------|-----------------------|
| Balance at 30 June 2016 | 1,509,152 | 10,793,607 | 12,302,759 |
| Deficit for the period | (215,414) | - | (215,414) |
| Balance at 30 June 2017 | 1,293,738 | 10,793,607 | 12,087,345 |
| Gain on revaluation of buildings | - | 4,330,808 | 4,330,808 |
| Deficit for the period | (141,649) | - | (141,649) |
| Balance at 30 June 2018 | 1,152,089 | 15,124,415 | 16,276,504 |

The accompanying accounting policies and notes form part of these financial statements.

RICCARTON BUSH TRUST

Statement of financial position

As at 30 June 2018

| | | 2018 | 2017 |
|---|------|-------------------|-------------------|
| | | \$ | \$ |
| | Note | | |
| Current assets | | | |
| Cash and cash equivalents | 4 | 340,394 | 516,604 |
| Recoverables from non-exchange transactions | 6 | 104 | 236 |
| Receivables from exchange transactions | 6 | 30,263 | 31,696 |
| Inventories | 5 | 1,927 | 1,065 |
| Total current assets | | 372,688 | 549,601 |
| Non-current assets | | | |
| Property, plant and equipment | 7 | 15,973,288 | 11,590,644 |
| Total non-current assets | | 15,973,288 | 11,590,644 |
| Total assets | | 16,345,976 | 12,140,245 |
| Current liabilities | | | |
| Taxes and transfers payable | 8 | 2,747 | 493 |
| Payables under exchange transactions | 8 | 43,270 | 30,707 |
| Finance lease liability | 11 | 1,887 | 1,504 |
| Income in advance | | 269 | - |
| Provisions | 9 | 19,984 | 16,993 |
| Total current liabilities | | 68,157 | 49,697 |
| Non-current liabilities | | | |
| Finance lease liability | 11 | 1,315 | 3,203 |
| Total non-current liabilities | | 1,315 | 3,203 |
| Total liabilities | | 69,472 | 52,900 |
| Net assets | | 16,276,504 | 12,087,345 |
| Equity | | | |
| Reserves | 10 | 15,124,415 | 10,793,607 |
| Accumulated comprehensive revenue and expense | | 1,152,089 | 1,293,738 |
| Total equity | | 16,276,504 | 12,087,345 |

The accompanying accounting policies and notes form part of these financial statements.

For and on behalf of the Board of Trustees, which authorised the issue of the financial report on:

Date

26-09-18

Chairman

Trustee

Statement of cashflows

For the year ended 30 June 2018

| | Note | 2018 \$ | 2017 \$ |
|--|------|------------|------------|
| Cash flows from operating activities | | | |
| Receipts from customers | | 175,840 | 160,991 |
| Contributions from Christchurch City Council | | 390,393 | 309,695 |
| Interest revenue | | 5,766 | 24,626 |
| Payments to employees and suppliers | | (567,297) | (586,563) |
| GST | | 3,691 | 124 |
| Net cash inflow/(outflow) from operating activities | 13 | 8,393 | (91,127) |
| Cash flows from investing activities | | | |
| Sale of Assets | | 183 | - |
| Purchase of fixed assets | | (183,282) | (307,670) |
| Investment in term deposit | | - | 788,000 |
| Net cash inflow/ (outflow) from investing activities | | (183,099) | 480,330 |
| Cash flows from financing activities | | | |
| Repayment of loans | | (1,504) | (1,200) |
| Net cash outflow from financing activities | | (1,504) | (1,200) |
| Net inflow/ (outflow) of cash | | (176,210) | 388,003 |
| Opening bank and short term investments | | 516,604 | 128,601 |
| Represented by: | | | |
| Bank and short-term deposits | | 340,394 | 516,604 |

The accompanying accounting policies and notes form part of these financial statements.

Statement of Objectives and Performance

For the year ended 30 June 2018

The following summarises the Trust's performance against the objectives for the year.

Financial Performance Targets

| | Jun 18 Target \$ | Jun 18 Actual \$ | Jun 18 Variance \$ |
|---------------------------------------|------------------------|------------------------|--------------------------|
| Revenue | 511,000 | 509,959 | (1,041) |
| Operating Expenses | 511,000 | 573,787 | (62,787) |
| Operating surplus before depreciation | - | (63,828) | (63,828) |

Revenue above does not include the following grant, donation and interest income:

| | |
|---|----------|
| Donations - Amber Park Holiday Limited | \$500 |
| Capital grant – Christchurch City Council | \$54,000 |
| Interest Income | \$5,766 |

Operating expenses above do not include depreciation (\$138,087).

Operating revenue:

Operating revenue was marginally lower than target.

Income from school visits was far beyond expectations against the projected income. However, this was offset by lower than expected commission income which was impacted by the construction of the Cycleway in September and October and lower growth than originally projected.

Operating expenses:

Operating expenses were higher than planned.

The administration expenses and bush and grounds expenses were under budget. This was offset by over spend in historic house operating expenses which was primarily due to an over spend in guiding arising from the recruitment, induction and training of new guides to implement the new Saturday guiding initiative.

The remaining overspend is the result of projects being written off or expensed in line with the capitalisation policy including but not limited to the Bus turning area, additional car parking, new antiques and furnishings; new furniture and fittings; bush and grounds interpretation; preservation of trust records and carpet replacement.

RICCARTON BUSH TRUST

Project Performance Targets

| Target | Performance Measure | Actual |
|---|---|--|
| <p>1. Integrated Development Plan - car park.</p> <p>Develop plan. Progress planning and implementation of car park and bus turn around area.</p> | <p>Design and appoint building team by August 2017.</p> <p>Begin implementation November 2017 with completion no later than June 2018.</p> | <p>Project not proceeded with</p> <p>Preliminary investigations indicated there would be considerable opposition to, and a number of obstacles in the way of, the proposal. The Board at its 25.10.17 meeting resolved that the proposal to install a bus turning area and additional carparks on the Kahu Road frontage of the property not be proceeded with.</p> |
| <p>2. Develop water front grassed bank area to front of house.</p> <p>Planning and implementation dependent on, and to proceed in conjunction with, the uni-cycleway.</p> | <p>Review requirements and establish design in consultation with Heritage NZ (and other interested parties) by August 2017.</p> <p>Establish build costs by December 2017.</p> <p>Design and appoint building team by March 2018.</p> <p>Begin implementation May 2018 with completion no later than June 2018.</p> | <p>Project put on hold indefinitely</p> <p>Initial discussions indicated that heritage experts would not support the proposal.</p> |
| <p>3. Review and stabilise / replace gravel to front of house.</p> <p>Planning and implementation to proceed in conjunction with uni-cycleway.</p> | <p>Identify a solution to stabilising gravel to front of house by August 2017.</p> <p>Implement proposed solution by June 2018.</p> | <p>Target not met but the project is now underway</p> <p>Due to delays in the cycleway commencement the project was delayed.</p> <p>A design plan for the gravelled area in front of the house was completed in May 2018 and tenders were called in June 2018</p> <p>Proposed completion date October 2018.</p> |
| <p>4. Evaluate performance of augmented reality options and applications.</p> | <p>Complete evaluation by 31 September 2017.</p> | <p>Target met</p> <p>Following evaluation, the Board, at its 28 June 2017 meeting, decided to abandon the project.</p> |
| <p>5. Monitor Health and Safety practices in accordance with adopted policy to meet the requirements of the Health and Safety at Work Act 2015.</p> | <p>Report to each Board meeting. Target results for all Trust activities, of:</p> <ul style="list-style-type: none"> o Serious Harm incidents = 0 o Accident = 1 o Near Misses = 3 | <p>Target met</p> <p>Health and Safety Committee operational. Monthly meetings with reporting on all Health and Safety measures.</p> <p>Serious Harm Incidents = 0 Accidents = 0 Near Misses = 2</p> |

RICCARTON BUSH TRUST

Environmental and Social Performance Targets

| Target | Performance Measure | Actual |
|--|--|--|
| <p>1. Minimise the number of feral pigeons in Riccarton Bush.</p> <p>Continue monitoring and eradicate rats from Riccarton Bush as necessary.</p> | <p>Feral pigeon numbers not causing significant nuisance.</p> <p>Bait stations show no evidence of rats.</p> | <p>Target met</p> <p>Weekly shooting carried out (weather permitting) Average kill 18-24 per week.</p> <p>Pigeon spikes have been placed in all of the gables around the house which was where the nesting was occurring.</p> <p>Target met No evidence.</p> |
| <p>2. That the Trust use its best endeavours to work with the Council to facilitate the implementation of the agreed uni Cycle Route through the Riccarton Bush site.</p> | <p>Uni Cycle Route through the Riccarton Bush site, implemented fully by August 2017.</p> | <p>Target not met but project completed.</p> <p>Note that the implementation of the unicycle route was not within the Trust's control.</p> |
| <p>3. Investigate options for providing interpretation facilities for visitors for all aspects of the property.</p> | <p>Report due July 2017.</p> <p>Implementation during 2017/18.</p> | <p>Target met - Report presented to Bush and Grounds Working Party in July 2017 and approved by full Board at its 26 July 2017 meeting.</p> <p>Target met - Interpretation signage completed and installed. Further Grounds interpretation will be completed in 2018/19.</p> |
| <p>4. Investigate options for upgrading and developing the Bush walk so that it becomes a self-guiding interpreted trail.</p> | <p>Report including implementation plan to the Board by September 2017.</p> <p>Commence implementation in 2017/18.</p> | <p>Target met - Report presented to Bush and Grounds Working Party in July 2017 and approved by full Board at its 26 July 2017 meeting.</p> <p>Target met - Implementation commenced in late June with completion expected early August 2018.</p> |
| <p>5. Hold workshop with Board and Nga Tuahuriri Runanga representatives to enhance collaboratively working together to address issues to be covered in management plan.</p> | <p>Hold initial workshop by October 2017.</p> | <p>Target not met – Initial approaches have been made to Ngāi Tūāhuriri.</p> <p>Ngāi Tūāhuriri have been invited to have representation on the Riccarton Bush Trust Board.</p> |
| <p>6. Review ecological monitoring work that has been undertaken in the bush.</p> | <p>Review by December 2017.</p> | <p>Target not met but Project Completed.</p> <p>Report to Riccarton Trust Board in June 2018.</p> |

RICCARTON BUSH TRUST

1. Revenue

| | 2018 \$ | 2017 \$ |
|---|----------------|----------------|
| Revenue from operations | | |
| Rents and commission - Riccarton House | 96,484 | 91,865 |
| Heritage income - Riccarton House | 31,826 | 25,566 |
| Book sales | 2,720 | 1,609 |
| | <u>131,030</u> | <u>119,040</u> |
| Other revenue | | |
| Rents - dwelling | 21,351 | 3,600 |
| Donations and sundry income | 21,589 | 38,264 |
| Levy - Christchurch City Council | 336,393 | 306,400 |
| Grant - Christchurch City Council | 54,000 | 3,295 |
| Interest received | 5,766 | 20,830 |
| Gain on sales of assets | 96 | - |
| | <u>439,195</u> | <u>372,389</u> |
| Total revenue (excluding insurance recoveries) | <u>570,225</u> | <u>491,429</u> |

2. Expenses

| Note | 2018 \$ | 2017 \$ |
|----------------------------|----------------|----------------|
| Employee benefits expenses | 280,943 | 252,591 |
| Depreciation | 138,087 | 131,858 |
| Administration expenses | 86,277 | 89,616 |
| Historic Houses expenses | 103,245 | 110,937 |
| Bush and Ground expenses | 49,553 | 50,307 |
| Ranger's House expenses | 5,372 | 39,060 |
| Project and other expenses | 47,471 | 30,305 |
| Finance lease interest | 926 | 1,231 |
| Earthquake repairs | - | 938 |
| | <u>711,874</u> | <u>706,843</u> |

3. Remuneration of auditors

The auditor of Riccarton Bush Trust is the Auditor-General. The Auditor-General has appointed Audit New Zealand to undertake the audit.

| | 2018 \$ | 2017 \$ |
|-------------------------------|---------------|---------------|
| Audit New Zealand | | |
| Audit of financial statements | <u>12,479</u> | <u>12,335</u> |
| | <u>12,479</u> | <u>12,335</u> |

RICCARTON BUSH TRUST

4. Cash and cash equivalents

| | 2018 \$ | 2017 \$ |
|--------------------------|----------------|----------------|
| Cash at bank and on hand | 340,394 | 516,604 |
| | <u>340,394</u> | <u>516,604</u> |

5. Inventories

| | 2018 \$ | 2017 \$ |
|---|--------------|--------------|
| Book stock on hand - at net realisable value | 1,927 | 1,065 |
| | <u>1,927</u> | <u>1,065</u> |

6. Receivables

| | 2018 \$ | 2017 \$ |
|---|---------------|---------------|
| Recoveries from non-exchange transactions | 104 | 236 |
| Receivables from exchange transactions | 30,263 | 31,696 |
| | <u>30,367</u> | <u>31,932</u> |
| Comprising of: | | |
| Debtors and accruals | 30,367 | 31,932 |
| | <u>30,367</u> | <u>31,932</u> |

Bad and doubtful trade receivables

There is no loss recognised in respect of bad and doubtful trade receivables during year ended 30 June 2018 (2017: nil).

RICCARTON BUSH TRUST

7. Property, plant and equipment

| | Opening balances | | | Current year movements | | | | Closing balances | | |
|------------------------|--------------------|---|--------------------|------------------------|---------------------------------|--|-------------------------|--------------------|--|--------------------|
| | Cost/ valuation | Accumulate d depreciation / impairment | Carrying amount | Additions | Net disposals / Transfers | Net Depreciation movement in WIP | Revaluation movement | Cost/ valuation | Accumulated depreciation/ impairment | Carrying amount |
| 2018 | | | | | | | | | | |
| Land | 5,000,000 | - | 5,000,000 | - | - | - | 2,000,000 | 7,000,000 | - | 7,000,000 |
| Land improvements | 189,616 | (41,224) | 148,393 | 28,237 | - | (6,812) | 2,230 | 219,616 | (47,569) | 172,047 |
| Buildings | 6,107,055 | (340,399) | 5,766,656 | 441,440 | - | (116,916) | 2,328,578 | 8,461,883 | (42,125) | 8,419,758 |
| Furniture and fittings | 61,607 | (61,567) | 40 | - | - | (18) | - | 61,607 | (61,585) | 22 |
| Plant & equipment | 538,057 | (382,437) | 155,620 | 3,674 | - | (14,341) | - | 537,620 | (392,667) | 144,953 |
| Antique furniture | 187,886 | - | 187,886 | 8,513 | (87) | - | - | 196,312 | - | 196,312 |
| Work in progress/AUC | 332,049 | - | 332,049 | - | - | (291,853) | - | 40,196 | - | 40,196 |
| Total | 12,416,270 | (825,627) | 11,590,644 | 481,864 | (87) | (291,853) | (138,087) | 4,330,808 | (543,946) | 15,973,288 |

| | Opening balances | | | Current year movements | | | | Closing balances | | |
|------------------------|--------------------|---|--------------------|------------------------|---------------------------------|--|-------------------------|--------------------|--|--------------------|
| | Cost/ valuation | Accumulate d depreciation / impairment | Carrying amount | Additions | Net disposals / Transfers | Net Depreciation movement in WIP | Revaluation movement | Cost/ valuation | Accumulated depreciation/ impairment | Carrying amount |
| 2017 | | | | | | | | | | |
| Land | 5,000,000 | - | 5,000,000 | - | - | - | - | 5,000,000 | - | 5,000,000 |
| Land improvements | 186,373 | (34,924) | 151,449 | 3,243 | - | (6,299) | - | 189,616 | (41,224) | 148,392 |
| Buildings | 6,233,618 | (355,441) | 5,878,177 | 918 | - | (112,439) | - | 6,107,055 | (340,399) | 5,766,656 |
| Furniture and fittings | 61,607 | (61,549) | 58 | - | - | (18) | - | 61,607 | (61,567) | 40 |
| Plant & equipment | 530,840 | (369,333) | 161,507 | 7,217 | - | (13,102) | - | 538,057 | (382,437) | 155,620 |
| Antique furniture | 187,886 | - | 187,886 | - | - | - | - | 187,886 | - | 187,886 |
| Work in progress/AUC | 32,123 | - | 32,123 | - | - | 299,926 | - | 332,049 | - | 332,049 |
| Total | 12,232,447 | (821,247) | 11,411,200 | 11,378 | - | 299,926 | (131,858) | 12,416,270 | (825,627) | 11,590,643 |

Revaluation

Land improvements and buildings

The Trust's land improvements and buildings were last revalued at 30 June 2018 by QV, an independent registered valuer. The fair value of the land and buildings was calculated in accordance with PBE IPSAS 17. The next valuation is planned for 30 June 2021.

Land Improvement

Land improvements are Ranger's house lawn and driveway. They are valued at fair value on a fair market basis.

Buildings

Riccarton House and Deans Cottage are classified as specialised buildings. These are valued at fair value using depreciated replacement cost because no reliable market data is available for such buildings.

Ranger's House are valued at fair value using market based evidence.

Land

Land was last valued at 30 June 2018 by QV. Its fair value was determined using market-based evidence on its highest and best use with reference to comparable land values.

Rebuild of Ranger's House

Rebuild of the Ranger's house has been completed during the year. The total cost for the rebuild is \$422,611 which have been transferred to buildings under fixed assets upon completion.

Insurance

Insurances are current and the policy covers the replacement value of buildings but natural disaster cover for demolition costs only.

RICCARTON BUSH TRUST

8. Current trade and other payables

| | 2018 \$ | 2017 \$ |
|--------------------------------------|---------------|---------------|
| Taxes and transfers payable | 2,747 | 493 |
| Payables under exchange transactions | 43,270 | 30,707 |
| | <u>46,017</u> | <u>31,201</u> |
| Comprising of: | | |
| GST | 2,747 | 493 |
| Trade payables | 30,791 | 18,372 |
| Audit fee | 12,479 | 12,335 |
| | <u>46,017</u> | <u>31,201</u> |

9. Current provisions

| | 2018 \$ | 2017 \$ |
|-------------------|---------------|---------------|
| Employee benefits | 19,984 | 16,993 |
| | <u>19,984</u> | <u>16,993</u> |

10. Reserves

| | Special funds \$ | Asset revaluation \$ | Capital reserve \$ | Total \$ |
|--|------------------------|----------------------------|--------------------------|-------------|
| Balance at 1 July 2016 | 50,015 | 9,662,426 | 1,081,166 | 10,793,607 |
| Balance at 30 June 2017 | 50,015 | 9,662,426 | 1,081,166 | 10,793,607 |
| Gain on property revaluation | - | 4,330,808 | - | 4,330,808 |
| Net income recognised directly in equity | - | 4,330,808 | - | 4,330,808 |
| Balance at 30 June 2018 | 50,015 | 13,993,234 | 1,081,166 | 15,124,415 |

11. Finance lease liability

| | 2018 \$ | 2017 \$ |
|-----------------------------------|--------------|--------------|
| Current finance lease liability | 1,887 | 1,504 |
| Long term finance lease liability | 1,315 | 3,203 |
| | <u>3,202</u> | <u>4,707</u> |

The finance lease liability relates to the lease of a digital photocopier/printer. The lease commenced in February 2015 and runs to January 2020.

RICCARTON BUSH TRUST

| | 2018 \$ | 2017 \$ |
|---|--------------|--------------|
| Minimum lease payments payable | | |
| Not later than one year | 2,430 | 2,430 |
| Later than one year and not later than five years | 1,418 | 3,848 |
| | <u>3,848</u> | <u>6,278</u> |
| Future finance charges | (646) | (1,571) |
| Present value of minimum lease payments | <u>3,202</u> | <u>4,707</u> |

12. Financial instruments

Financial instruments are cash, cash equivalents, debtors, creditors and other financial assets (see Notes 4, 6 & 8).

Risk

The Trust has policies to manage the risks associated with financial instruments. The Trust is risk averse and seeks to minimise exposure from its treasury activities.

Interest rate risk

The Trust is exposed to interest rate risk on funds invested at both fixed and floating interest rates. The risk is managed by restricting investment to fixed interest rate investments, pursuant to the Council's investment policy.

Credit Risk

Credit risk refers to the risk that a third party will default on its contractual obligations to the Trust, causing the Trust to incur a loss. Financial instruments which potentially subject the Trust to credit risk consist principally of cash, short term investments and accounts receivable. The risk is managed by restricting investment to quality investment grade issues, pursuant to the Council's investment policy.

The Trust banks solely with Bank of New Zealand (BNZ) and therefore credit risk is concentrated with BNZ. BNZ has an AA (2017: AA) credit rating with Standard and Poor's (Australia) Pty Limited.

13. Reconciliation of surplus for the year to net cash flows from operating activities

| | 2018 \$ | 2017 \$ |
|--|--------------|-----------------|
| Operating deficit | (141,649) | (215,414) |
| Add non cash items | | |
| Depreciation | 138,087 | 131,858 |
| Add/(less) items classified as investing or financing | | |
| (Gain) on Sale of assets | (96) | - |
| Add/(less) movements in working capital items | | |
| Accounts receivable | 1,565 | 6,350 |
| Accounts payable | 11,347 | (14,099) |
| Inventory | (862) | 178 |
| Net cash outflow from operating activities | <u>8,393</u> | <u>(91,127)</u> |

14. Commitments for expenditure

| | 2018 \$ | 2017 \$ |
|---|---------------|---------------|
| Not later than one year | 17,562 | 17,562 |
| Later than one year and not later than five years | 23,416 | 40,978 |
| | <u>40,978</u> | <u>58,540</u> |

The Trust has entered into a 7 year maintenance contract with Programmed Maintenance Services Ltd for ongoing painting of Riccarton House which began in May 2014. Annual payments are \$15,607 subject to inflation based increases. The current payment is \$17,562.

15. Contingencies

There are no contingent assets and liabilities as at 30 June 2018. (2017: Nil.)

16. Related party transactions

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and conditions no more or less favourable than those that it is reasonable to expect the Trust would have adopted in dealing with the party at arm's length in the same circumstances.

The Council

The Trust requires the Council to contribute a significant amount of funds towards its operating costs to deliver its objectives as specified in the Riccarton Bush Act.

During the year, the Trust received in levies and grants \$336,393 (2017: \$306,400) from the Council. The Trust also received a one off grant from Council of \$54,000 for funding the capital projects (2017: \$3,295 for Automated External Defibrillator).

The Council also provided accounting services to the Trust at a total cost of \$37,790 (2017: \$37,790) for accounting and \$3,600 (2017: \$Nil) for insurance services.

Although these services were provided at market value, the transactions are not considered to be at arm's length as the Council does not usually provide accounting services to outside parties and have provided these services to the Trust only as a result of the Council/Council controlled organisation relationship.

As at 30 June 2018, the Trust had a balance owing to Council of \$3,600 (2017: \$ Nil).

As at 30 June 2018, the Council had a balance owing to the Trust of \$ Nil (2017: \$ Nil).

17. Key management personnel

Remuneration of key management personnel

| | 2018 \$ | 2017 \$ |
|--|---------------|---------------|
| Salaries and other short-term benefits | <u>78,292</u> | <u>79,016</u> |

Key management personnel includes the Trustees and manager.

18. Post balance date events

There are no post balance date events as at 30 June 2018 (2017: Nil).

19. Capital management

The Trust's capital is its equity, which comprises Trust capital and retained surpluses. Equity is represented by net assets.

The Riccarton Bush Act requires the Board of Trustees to manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently. The Trust's equity is largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments, and general financial dealings.

20. Statement of Accounting Policies

Reporting entity

The Trust operates under the Riccarton Bush Act 1914 and is a Council Controlled Organisation under the Local Government Act 2002. The Trust manages property in Riccarton. The property consists of Riccarton House and grounds, Deans Cottage, a residential house and Riccarton Bush.

The major source of revenue is from an operating levy and an additional grant received annually from the Council, and from grants, donations and rents & commission from use of the properties.

The primary purpose of the Trust is to:

- protect and enhance the indigenous flora, fauna and ecology of Riccarton Bush;
- conserve Deans Cottage, Riccarton House and their grounds with Riccarton Bush and the Deans family history;
- and encourage public use and participation of the reserve and to inform visitors about the natural, Maori and colonial heritage of Christchurch

On this basis, the Trust is considered a public benefit entity for purposes of financial reporting.

The financial statements of the Trust are for the year ended 30 June 2018. The financial statements were approved for issue by the Board of Trustees on 26 September 2018.

(a) Basis of preparation

The financial statements for the year ended 30 June 2018 have been prepared in accordance with New Zealand generally accepted accounting practice. They comply with the Tier 2 PBE standards for periods beginning on or after 1 July 2014.

As the Trust has elected to report under Tier 2 PBE standards, it has applied disclosure concessions, where available. The criteria under which the Trust is eligible to report under Tier 2 PBE Standards are as follows:

- (a) the Trust is not publicly accountable; and
- (b) the Trust's total expenses for the period being reported are below the \$30 million threshold for Tier 1 reporting.

Where disclosure concessions have been applied by the Trust, these are discussed in the accounting policies affected.

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

(b) Revenue

Grants/Levies

Grants received from the Council are the primary source of funding to the Trust and are restricted for the purpose of the Trust meeting its objectives as specified in the Riccarton Bush Act. The Trust also receives Government assistance for specific purposes, and these grants usually contain restrictions on their use.

Council, Government and non-government grants are recognised as revenue when they become receivable unless there is an obligation to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grant received in advance, and recognised as revenue when conditions of the grant are satisfied.

Other Revenue

Revenue is measured at the fair value of consideration received.

Interest revenue is recognised using the effective interest method.

Revenue may be derived from either exchange or non-exchange transactions.

(c) Property, plant and equipment

Land, site improvements and buildings are shown at fair value, based on periodic valuations by an external independent valuer less subsequent depreciation and impairment.

All other property, plant and equipment are shown at cost, less accumulated depreciation and impairment losses.

Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the Trust and the cost of the item can be measured reliably.

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value when control over the asset is obtained.

Work in progress

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the Trust and the cost of the item can be measured reliably.

Work in progress is recognised at cost less impairment and is not depreciated.

Disposals

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the surplus or deficit. When revalued assets are sold, the amounts included in other reserves in respect of those assets are transferred to retained earnings.

Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Trust and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the surplus or deficit during the financial period in which they are incurred.

Depreciation

Land and antique furniture are not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives.

The useful lives of major classes of assets are as follows:

- | | |
|--------------------------|-----------|
| • Buildings | 7-60 yrs |
| • Furniture and fittings | 10 yrs |
| • Plant and equipment | 3-30 yrs |
| • Land improvements | 5-100 yrs |

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Revaluations

Land and buildings are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value. All other asset classes are carried at depreciated historical cost less accumulated impairment.

The carrying values of revalued assets are assessed annually to ensure that they do not differ materially from the assets' fair values. If there is a material difference, then the off-cycle asset classes are revalued.

Revaluations of property, plant, and equipment are accounted for on a class-of-asset basis.

The net revaluation results are credited or debited to other comprehensive revenue and are accumulated to an asset revaluation reserve in equity for that class of asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue, but is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be

recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive revenue.

(d) Trade and other receivables

Trade and other receivables are stated at their expected realised value after writing off of any known bad debts and making a provision for doubtful debts which may prove irrecoverable in subsequent accounting periods.

(e) Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The cost of other inventories is based on the first-in first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

(f) Leases

Finance leases

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to the ownership of an asset, whether or not title is eventually transferred.

At the commencement of the lease term, finance leases are recognised as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item or the present value of the minimum lease payments.

The finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability.

The amount recognised as an asset is depreciated over its useful life. If there is no certainty as to whether the Trust will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

(g) Cash and cash equivalents

Cash and cash equivalents comprise cash balances, call deposits and other short-term deposits with original maturities of 3 months or less.

(h) Impairment

Assets are reviewed for impairment whenever events or changes in circumstance indicate that the carrying amount may not be recoverable. Land and buildings are also reviewed for impairment at least every three years as part of the revaluation process (note 1(d)).

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Non-cash generating assets

Non-cash generating assets are those assets that are not held with the primary objective of generating a commercial return.

For non-cash generating assets, value in use is determined on a depreciated replacement cost basis.

Cash generating assets

Cash generating assets are those assets that are held with the primary objective of generating a commercial return.

(i) Creditors and other payables

Short-term creditors and other payables are recorded at their face value which represents amortised cost.

(j) Provisions

A provision is recognised in the balance sheet when the Trust has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits, the amount of which can be reliably estimated, will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the obligation.

(k) Employee entitlements

Provision is made in respect of the Trust's liability for the short-term employee entitlements.

Liabilities for annual leave and time off in lieu are accrued at the full amount owing at the pay period ending immediately prior to the balance sheet date.

Provisions made in respect of employee benefits which are not expected to be settled within 12 month are measured as the present value of the estimated future cash outflows to be made by the Trust in respect of services provided up to balance date.

(l) Income tax

Charities Services (formerly Charities Commission) Department has confirmed that the Riccarton Bush Trust has charitable status for tax purposes therefore the Trust is not liable for income tax.

(m) Goods and Services Tax

The financial statements are prepared exclusive of GST with the exception of receivables and payables that are shown inclusive of GST. Where GST is not recoverable as an input tax it is recognised as part of the related asset or expense.

(n) Critical accounting estimates and assumptions

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

Property, plant and equipment useful lives and residual values

At each balance date the Trust reviews the useful lives and residual values of its property, plant and equipment. Assessing the appropriateness of useful life and residual value estimates of property, plant and equipment requires the Trust to consider a number of factors such as the physical condition of the asset, expected period of use of the asset by the Trust, and expected disposal proceeds from the future sale of the asset.

An incorrect estimate of the useful life or residual value will impact on the depreciable amount of an asset, therefore impacting on the depreciation expense recognised in the surplus or deficit, and the carrying amount of the asset in the statement of financial position. The Trust minimises the risk of this estimation uncertainty by:

- Physical inspection of assets;
- Asset replacement programmes;
- Review of second hand market prices for similar assets;
- Analysis of prior asset sales; and
- Regular independent valuations of land and buildings.

The Trust has not made significant changes to the past assumptions concerning useful lives and residual values. The carrying amounts of property, plant and equipment are disclosed in note 7.

(o) Critical judgement in applying the Trust's accounting policies

The Trustees must exercise their judgement when recognising grant revenue to determine if conditions of the grant contract have been satisfied. This judgement will be based on the facts and circumstances that are evident for each grant contract.

Independent Auditor's Report

To the readers of Riccarton Bush Trust's financial statements and performance information for the year ended 30 June 2018

The Auditor-General is the auditor of Riccarton Bush Trust (the Trust). The Auditor-General has appointed me, Andy Burns, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and performance information of the Trust on his behalf.

Opinion

We have audited:

- the financial statements of the Trust on pages 17 to 20 and 24 to 33, that comprise the statement of financial position as at 30 June 2018, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date and the notes to the financial statements, that include accounting policies and other explanatory information; and
- the performance information of the Trust on pages 21 to 23.

In our opinion:

- the financial statements of the Trust on pages 17 to 20 and 24 to 33:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2018; 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 Standards Reduced Disclosure Regime; and
- the performance information of the Trust on pages 21 to 23 presents fairly, in all material respects, the Trust's actual performance compared against the performance targets and other measures by which performance was judged in relation to the Trust's objectives for the year ended 30 June 2018.

Our audit was completed on 26 September 2018. 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 of Trustees and our responsibilities relating to the financial statements and the performance information, and we explain our independence.

Basis for our opinion

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

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

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

Responsibilities of the Board of Trustees for the financial statements and the performance information

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

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

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

The Board of Trustees' responsibilities arise from the Local Government Act 2002.

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

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

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

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

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

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

Our responsibilities arise from the Public Audit Act 2001.

Other Information

The Board of Trustees is responsible for the other information. The other information comprises the information included on page 2 to 13, but does not include the financial statements and the performance information, and our auditor's report thereon.

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

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

Independence

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

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



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

