

RICCARTON BUSH TRUST

EST. 1914



ANNUAL REPORT 2016

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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Cover photo - Deans Cottage after chimney repair, Mar 2016

RICCARTON BUSH TRUST

Annual Report

Report from the Chairman and the Manager

The Board and Staff's main focus in 2015/16 has been to capitalise upon the initial success of the reopening of the House in 2014/15 to visitors, by continuing to establish new (and renew old) relationships with an ever increasing number of stakeholders. We have worked with Christchurch and Canterbury Tourism to identify new opportunities to grow the number of visitors to the site. Staff within the Trust have also focussed their efforts on relationship building within the local motel and hotel market, whilst ensuring our local residents are included in any initiatives. The people of Christchurch continue to enjoy the House and Grounds.

Alongside this business growth work, the new 10 Year Management Plan was published in December 2015 to enable all interested parties to have a clear focus and direction for the foreseeable future. From this document priority activities were identified which will help define which projects should be undertaken in forthcoming years, and also enable robust financial planning.

The Uni-Cycleway project by the Christchurch City Council through the House grounds has been delayed by further design requirements for the track being needed near heritage trees. The Trust has made the decision to delay to October 2016 a project to develop a carpark adjacent to the drive for up to 16 cars. This delay arose from potential changes within the District Plan and what activities would be permissible on a heritage site following the District Plan Review.

The complexity of the Proposed District Plan Review work also consumed many hours of Trustee and Staff time. Reviewing the documentation to ensure any potential impact on the site was not missed and then mitigating those that were identified, especially with the significance of the protected Trees within the Grounds and the status of the kahikatea's with the Bush, was complex.

Sam and Amanda Marchant, Directors of the in-house restaurant 'Local at Riccarton House', have continued to develop and grow their business consistently over the year, now with an emphasis on bespoke event and wedding functions.

Collette Vacations, out of the United States, and Roads Scholar Tours, continue to promote the House and Bush, but with numbers far less than before the earthquakes. Their clients enjoy the house and bush tours, especially when combined with lunch or dinner. One area of growth over the past 12 months has been the return of the Probus and Retirement Home groups. They enjoy tailor made heritage tours in a relaxed setting, and in particular when a cup of tea and a slice are included.

The school Education Outside the Classroom ("EOTC") groups operated by the Museum continue to grow in number. They seem to enjoy the flash back to another era and the story telling.

Work with the Museum educators to define and develop the Augmented Reality Application continues, and this project is due for release in the next few months.

OUR GOVERNANCE

The main governance issues for the Board during the year have included:

- 10 year Management Plan.
- Revising the 3 year term Catering Licence with 'Local at Riccarton House'.
- Continued work with aspects of the Proposed District Plan, and assessing the impact of any changes on the Riccarton Bush Trust site.
- Uni-Cycleway Project
- Carpark Development Project
- Initial investigation into a replacement Rangers Cottage

The Trust would like to acknowledge the help of William Blake, Director of Knight Frank Valuations, who provided an updated valuation report for Riccarton House gratis for Financial Year 2015/16.

Attendance at Board Meetings:

The Riccarton Bush Trust held ten formal Board Meetings in the Financial Year ending 30 June 2016. The attendance for these meetings as follows:

J. Chen	6	
C. Deans	9	
T. Deans	5	
T. Gemmill	7	(retired May 2016)
P. Laloli	6	
B. Molloy	8	(retired May 2016)
M. Mora	5	
B. Shearing	10	
P. Wilson	8	(retired May 2016)
R. Lineham	2	(appointed 12 May 2016)
D. Norton	2	(appointed 25 May 2016)
L. Tame	2	(appointed 12 May 2016)

OUR VISITORS

Our Visitor Guide Coordinator, Antonia Allison, ably supported by several heritage guides, continue to provide a variety of tours to organised groups as diverse as schools through to Garden Tours, Ecology Groups through to Pre-school and Rest Home visitors. Many of these tours are tailor made to suit both the diversity and requirements of the group, which can include a broad mix of nationalities with a plethora of questions, who keep the guides on their toes.

The heritage tours continue to be popular with local Christchurch residents, and Antonia has worked hard to foster these relationships, introducing several new initiatives to encourage repeat visits.

It was recognised early in the year that the local motels and hotels were key to increasing our visitor numbers and again Antonia encouraged owner operators to attend a number of 'open days' to enable them to experience both a tour and morning tea provided by our restaurant, Local. The cruise ship and bus tour market is still quiet.

The Saturday Farmers Market, run by Sam and Amanda Marchant, Directors of Local, continues to be extremely popular throughout the year with many repeat visitors.

The Museum staff continue to promote the House and Grounds as part of their school EOTC programme, and these school visits add noise and colour to what can be a quiet house during the

day. These schools, alongside several adult language school and tertiary institutions (in particular visits to the bush), continue to be popular visitors.

Work has continued with an Augmented Reality application to help both encourage these schools groups to visit and to assist in their education programmes. This application will also appeal to the wider population who wish to investigate aspects of the history of the Deans family through the use of technology.

There was a number of one off events throughout the year including the BECA Heritage Week in October, Scottish Festival in late January, followed by the Anthony Harper Summer Theatre production of The Wonderful Wizard of Oz. All were hugely successful. The House and Grounds have also continued to grow in popularity, especially as a venue for social functions, including Christmas and Wedding celebrations.

There have been a number of one off documentary or film requests over the year and these are often requested at short notice. All staff involved in these requests rise to the challenge and enjoy the diverse nature and odd requirements, such as the filming of an episode of "The Bachelor NZ" within the House and Grounds, but with only half a day's notice.

OUR BUSH, HOUSE AND GROUNDS

Riccarton Bush

Over the past 12 months, the Bush has continued to be monitored and overseen by the Ranger, Gavin Ruckledge, and Assistant Ranger, Shane Dunnings.

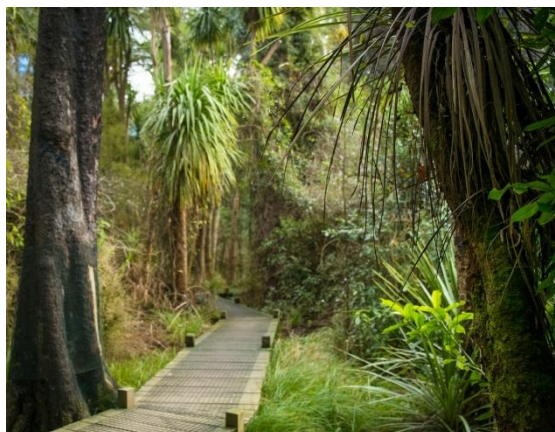
Regular clearing of the Predator Proof Fence and active monitoring of the bait stations continue, providing pest management and control. This, with the regular shooting of the feral pigeons by the Ranger, has ensured the Bush remains predator free.

The Bush irrigation system has had an overhaul during the period, and several extension lines and sprinkler heads were added to ensure greater coverage, and a new irrigation controller has been installed. 420m of old redundant galvanised steel pipe was removed from the Bush!

A comprehensive surveying and mapping exercise of the Bush has begun and this will locate, record and assess the condition of the taller trees within the Bush, with a view to further expanding the survey to other tree species once the database has been established.

Several trees have been planted within the Bush, including examples of the Tree Fern (*Dicksonia Squarrosa*) and eleven newly re-introduced Miro (*Prumnopitys ferruginea*). These will form part of the continued effort to re-introduce 'lost' or deficient species, to enrich the diverse nature of the Bush.

During the felling of a dying Kahikatea tree next to the boardwalk within the Bush, several of the 200 or so Canterbury Geckos (or their offspring) previously released into the Bush were uncovered under the peeling bark of the tree. This was an exciting discovery as it showed that the Bush has become a suitable relocation home for this species, as they continue to thrive.



Board Walk, Riccarton Bush

An initiative introduced by the Community Ranger, Department of Conservation, wished to include the Trust in the 'Kiwi Guardian' program. This is an initiative for children to be more involved with the outdoors and nature. A plaque has been installed along the boardwalk with the code word "Gecko" imprinted. Visitors locate this plaque on their trail map and children then input into the code word on the DoC website to claim their badge.

Riccarton House.

With a building of this age, there are constant challenges in maintaining the exterior of the house, and in particular, the damage that UV and heat from the sun causes to the paintwork. The annual maintenance contract for the cleaning and painting of the house is paramount in providing this care, but also to ensure the early detection of any new problems. There is also an active pest management programme to eradicate both silverfish and borer within the House, as they are both detrimental to the valuable wallpapers.



The inside focus has been a requirement to restore and preserve several of significant Deans Family artefacts, including Jane Deans Gloves; Catherine Deans umbrella; and Marion Deans Debutante Dress. This work has taken several months, and to display them in an appropriate manner, an application for funding was submitted to the Lotteries World Environment and Heritage Committee to enable the Trust to undertake the restoration work and then build inserts into existing cabinets and chest of drawers. The Trust was awarded \$5,478 which has enabled this work to commence.

The contents of the House have been appraised by a valuer, for both insurance replacement purposes and also to establish the authenticity and relevance of the pieces to the Deans Family story. The purpose of this second phase of work will be identify items that do not fit and which will require replacing. This will be one of the projects that the Trust will focus upon over the next 12 months.

House Grounds

Alan Bowles, Gardener, continues to undertake sterling work within the formal garden and flowerbeds.

The gardens have continued to evolve throughout the year and display an ever increasing variety of plants and colour, whatever the season. Grouped plantings of the favoured Rhododendrons have been established in cleared areas, to create a more defined layout and coherence to the gardens.

Several areas around the Grounds, most notably around the Scout Lodge, have been cleared of unsightly and unsuitable trees, mainly from the *Pittosporum* species. This has created areas for re-planting more suitable species.

Major tree maintenance has been carried out in the House Grounds, including power line clearance along the Kahu Road boundary; branch weight reduction and defect removal of some of the larger tree branches; and, general shaping and maintenance of some of the trees throughout the Grounds. More tree work is planned for the future as the trees age and grow.

A habitat pile has been created within the southern oak tree border and this large pile of decaying wood will eventually become a home for insects and invertebrates which will also be a food source for birds and other wildlife, with the aim of encouraging more birds into the area.



Riccarton House grounds off Kahu Road

General tidying up and maintenance in the Grounds has continued and has included the creation of a new compost pile; the construction and maintenance of fencing, transplanting of trees and shrubs; and the removal of unwanted weeds.

After some delays, the Deans Cottage chimney damaged during the earthquakes has finally been repaired, with work completed in early 2016.

OUR PEOPLE

The Board of Trustees have continued to be a source of knowledge and support on a wide range of matters. There have been a number of complex issues to work through including the District Plan Review and the development of the 10 Year Management Plan, for which their knowledge has proved invaluable.

The Trustees assigned to these Working Parties continued to put in significant numbers of hours to review and comment on several weighty matters, and especially with the 10 Year Management Plan, which now provides for a comprehensive and high quality plan for the Trust's future. This work has again been ably supported by Derek Roozen, a senior Planner at the Christchurch City Council, who provided many hours to help advise, review and amend the evolving documents, despite a serious head injury. A huge thank you, Derek.

There have been three significant Trustee retirements this year, with the first being Dr Brian Molloy, who after 43 years as a Trustee, just on half his life, decided to pass on the baton to Professor David Norton, a young man who Brian had mentored in the past. Brian's contribution and service to the Trust, and in particular to Riccarton Bush, have been extraordinary. The current good health of the Bush is due to the passion that Brian has provided to it for over 4 decades. Your dedication shall be long remembered, Brian!



Dr Brian Molloy

Both Pam Wilson and Tony Gemmill also retired after some 20 years service apiece. With Pam's in-depth knowledge of gardening and heritage matters, and Tony's experience with local government issues and financial matters, both leave huge knowledge gaps and will be sorely missed.



Pam Wilson



Tony Gemmill

A farewell party was held for the three long serving trustees at a function in May, to which many previous trustees and staff members came.

It is also time to welcome Robert Lineham, Professor David Norton and Linda Tame to the Trust. Each bring a wealth of experience and knowledge with them. Welcome!

Antonia Allison, Visitor Guide Coordinator, has continued to develop initiatives to increase visitor numbers, promote the House and Tours and ultimately be the face of the Riccarton House. She has been instrumental in finding replacements for retiring guides, and then has been responsible for the training of the new guides. She also has worked with a number of volunteers to clean and repair all the drapes and net curtains throughout the House. A thankless but necessary task, which was completed with the minimum of fuss. Thank you.

Our younger guides Sue Bridges, Melissa Harrison, Cathy Hide and Maeve Platts continue to bring passion and energy to their role, which bodes well for the future. John Hoskin has taken a back seat in the last few months as he has not been well. His dry sense of humour and 1920's outfit are missed, and we all wish him well with his recovery.

With the retirement late last financial year of our long serving Ranger John Moore, Gavin Ruckledge was appointed, and with his relative youth and energy, has assumed the Ranger responsibilities with relish. Gavin brings to the Trust his experience as an arborist which has been noticeable with high quality tree pruning throughout the site. Welcome.

DONATIONS AND SUPPORT

The following organisations and individuals kindly provided financial assistance during 2015/16. A huge thank you for their support. They were:

- Council Statutory Funding (Grant and Levy) \$310,337.92
- Christopher Deans \$40,000
- Amber Park Holiday Limited \$500
- Gawith Deans Family Trust (Penny Deans) \$10,000
- Lotteries NZ \$5,478

LOOKING FORWARD

Over the next 12 months the focus for the Trust will be to build visitor numbers in all sectors of the market, especially locals (including wider Canterbury) and international tourists. The lack of cruise ship visitors continues to disappoint, as do the lack of bus tours to Christchurch (and Riccarton House) but this will be the focus for next year, and in particular:

- Reconnecting with the cruise ship market;
- Increasing the number of school visits;
- Developing the organised tour market, and in particular the emerging growth in the Asian sector.

As identified in the 10 Year Management Plan, potential areas for development over the next 3 years include:

- Investigate options for providing interpretation facilities for visitors for all aspects of the property (House and Grounds), including the use of technology, and multi lingual and audio visual displays to show the changes to the buildings, grounds and the Bush over the years, including the earthquake story.
- Consider upgrades and development of the Bush walk so that it becomes a self-guiding interpreted trail. Story lines can be developed that reflect the history and importance of the Bush, relate the Māori and European history of the area and provide specific information on particular forest species.
- Establish relationships with appropriate groups and school stakeholders (education syllabi) and develop interactive interpretation. This should also be usable by the general public.
- Review and develop a combined landscape development/concept plan for the Riccarton House grounds and Cottage garden, including a tree succession plan.

Late in the financial year the insurance settlement for the Rangers Cottage was received and this enabled the Trust to consider a replacement home. Work has started within the Trust on defining what the new Rangers House should look like, and the new house should be built well within the next Financial Year.



*Charles Deans
Chairman*



*Jon Ward
Manager*

Riccarton Bush Trust

Annual Financial Statements

for the year ended 30 June 2016

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Directory

ADDRESS

16 Kahu Road
PO Box 8276
Christchurch

TRUSTEES

C Deans (Chairman)
M Mora (Deputy Chairman)
B Shearing
P Wilson (Resigned 23/5/16)
T Gemmill (Resigned 23/5/16)
B Molloy (Resigned 23/5/16)
T Deans
J Chen
P Francis
L Tame (Appointed 12/5/16)
D Norton (Appointed 25/5/16)
R Lineham (Appointed 12/5/16)

BANKER

Bank of New Zealand
Christchurch

SOLICITOR

Meares Williams
Christchurch

AUDITOR

Audit New Zealand on behalf of the Auditor-General

Statement of comprehensive revenue and expense

For the year ended 30 June 2016

	Note	2016 \$	2015 \$
Revenue from operations	1	98,755	86,344
Insurance recoveries	1	273,104	93,124
Other revenue	1	411,027	402,410
		<u>782,886</u>	<u>581,878</u>
Employee benefits expense	2	233,780	251,609
Depreciation and impairment	2	130,484	169,639
Earthquake related repairs	2	95,295	(13,611)
Other expenses	2	231,323	205,074
		<u>690,882</u>	<u>612,711</u>
Net surplus/(deficit) for the year		<u>92,004</u>	<u>(30,833)</u>
Property, plant and equipment revaluation gain	7	-	27,702
Total comprehensive revenue and expense		<u>92,004</u>	<u>(3,131)</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 2016

for the year ended 30 June 2016

	Retained earnings \$	Other reserves \$	Total equity \$
Balance at 30 June 2014	1,447,981	10,765,905	12,213,886
Deficit for the period	(30,833)	-	(30,833)
Gain on revaluation of land and buildings	-	27,702	27,702
Balance at 30 June 2015	1,417,148	10,793,607	12,210,755
Surplus for the period	92,004	-	92,004
Balance at 30 June 2016	1,509,152	10,793,607	12,302,759

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

RICCARTON BUSH TRUST

Statement of financial position

As at 30 June 2016

	Note	2016 \$	2015 \$
Current assets			
Cash and cash equivalents	4(a)	128,601	556,158
Other financial assets	4(b)	788,000	-
Recoverables from non-exchange transactions	6(a)	3,465	5,855
Receivables from exchange transactions	6(b)	34,817	228,183
Inventories	5	1,243	464
Total current assets		<u>956,126</u>	<u>790,660</u>
Non-current assets			
Property, plant and equipment	7	<u>11,411,198</u>	<u>11,496,527</u>
Total non-current assets		<u>11,411,198</u>	<u>11,496,527</u>
Total assets		12,367,324	12,287,187
Current liabilities			
Taxes and transfers payable	8(a)	-	1,780
Finance lease liability	12	1,199	1,024
Payables under exchange transactions	8(b)	45,429	30,360
Provisions	9	13,230	37,463
Total current liabilities		<u>59,858</u>	<u>70,627</u>
Non-current liabilities			
Finance lease liability	12	<u>4,707</u>	<u>5,805</u>
Total non-current liabilities		<u>4,707</u>	<u>5,805</u>
Total liabilities		64,565	76,432
Net assets		<u>12,302,759</u>	<u>12,210,755</u>
Equity			
Reserves	10	10,793,607	10,793,607
Accumulated comprehensive revenue and expense	11	1,509,152	1,417,148
Total equity		<u>12,302,759</u>	<u>12,210,755</u>

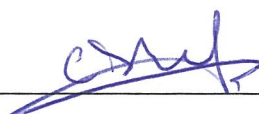
The accompanying accounting policies and notes form part of these financial statements.

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

Date

28/9/16

Chairman



Trustee



Statement of cashflows

For the year ended 30 June 2016

	Note	2016 \$	2015 \$
Cash flows from operating activities			
Receipts from customers		177,716	124,163
Contributions from Christchurch City Council		305,405	330,263
Interest revenue		19,007	17,771
Payments to employees and suppliers		(552,088)	(623,355)
GST		(2,961)	20,685
Net cash inflow/(outflow) from operating activities	14	<u>(52,921)</u>	<u>(130,473)</u>
Cash flows from investing activities			
Purchase of fixed assets		(45,156)	(27,518)
Insurance recoveries		459,443	115,206
Investment in term deposit		(788,000)	-
Net cash inflow/ (outflow) from investing activities		<u>(373,713)</u>	<u>87,688</u>
Cash flows from financing activities			
Repayment of loans		(923)	(371)
Net cash inflow/ (outflow) from investing activities		<u>(923)</u>	<u>(371)</u>
Net inflow/ (outflow) of cash		(427,557)	(43,156)
Opening bank and short term investments		556,158	599,314
Represented by:			
Bank and short-term deposits		<u>128,601</u>	<u>556,158</u>

In 2016, a payment of \$22,126 (2015: \$112,306) was made directly to a supplier for earthquake related expenses to Dean's Cottage and the Ranger's house by the Trust's insurers.

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

Statement of Objectives and Performance

For the year ended 30 June 2016

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

Financial Performance Targets

	Jun 16 Target \$	Jun 16 Actual \$	Jun 16 Variance \$
Revenue	510,000	453,804	(56,196)
Operating Expenses	510,000	455,744	54,256
Operating surplus before depreciation	-	(1,940)	(1,940)

Revenue above does not include the following donations, grants and insurance recoveries:

<u>Donations</u>	
Christopher Deans	\$40,000
Gawith Deans Family Trust	\$10,000
Amber Park Holiday Limited	\$500
Grant - NZ National Lottery	\$5,478
Insurance Recoveries	\$273,104

Operating expenses above do not include depreciation (\$130,484), earthquake repairs expenses (\$95,295) and production costs for the 'Riccanton House Earthquake Book' (\$9,358).

Operating revenue:

Operating revenue was lower than target by \$56,196. This was primarily due to lower than expected grant revenue from the council and no subsidy being received from WINZ, as no subsidised staff have been employed during the year. The employment grant to cover the cost of the customer experience co-ordinator, was also not received. This was partially offset by higher food & beverage commission from the in-house caterer.

Operating expenses:

Operating expenses were lower than planned mainly due to building maintenance costs and salaries being lower than forecast. Further savings were made on security, promotions, electricity and Bush & Grounds expenses (including tree maintenance).

RICCARTON BUSH TRUST

Project Performance Targets

Target	Performance Measure	Actual
1. Management Plan for Riccarton House and Bush as required by the 2012 amendment to the Riccarton Bush Act.	<ul style="list-style-type: none"> Final Management Plan adopted by the Board by March 2016 following public consultation commencing in May 2015 	<ul style="list-style-type: none"> Target achieved. Following public consultation, the final management plan was adopted by the Board on 2 December 2015.
2. IDP – develop plan. Progress planning and implementation of carpark and bus turn round area.	<ul style="list-style-type: none"> Review requirements and costs of the carpark area by December 2015 Design and appoint building team by Feb 2016 Begin implementation March 2016 with completion no later than June 2016 	<ul style="list-style-type: none"> Target not achieved. Initial design work and costing was carried out in November 2015. The project currently on hold until October 2016. Pending outcome from District Plan review.
3. Develop water front grassed bank area to front of house	<ul style="list-style-type: none"> Review requirements and establish design in consultation with Heritage NZ (and other interested parties) by December 2015 Establish build costs by December 2015 Design and appoint building team by March 2016 Begin implementation May 2016 with completion no later than June 2016 	<ul style="list-style-type: none"> Target not achieved. No work to date.
4. Review and stabilise / replace gravel to front of house	<ul style="list-style-type: none"> Identify a solution to stabilising gravel to front of house by December 2015 Implement proposed solution by Jun 2016 	<ul style="list-style-type: none"> Target not achieved. No work to date.
5. Oversee earthquake repairs to Deans Cottage and the Ranger's House	<ul style="list-style-type: none"> Continue repairs to Deans Cottage Chimney with work completed by December 2015 Subject to EQ Insurance payouts, manage the repair/replacement process to the Rangers House by June 2016 	<ul style="list-style-type: none"> Target achieved, but later than expected. Repair work on Deans Cottage Chimney was completed in April 2016. Target not achieved. The Trust has received the insurance settlement in respect of the Ranger's House in May 2016 and the Ranger's House Working Party is currently investigating rebuild option.
6. Review catering licence outcomes mid-term.	<ul style="list-style-type: none"> Catering licence reviewed by December 2015 	<ul style="list-style-type: none"> Target achieved. New catering licence signed on 30 September 2015.

RICCARTON BUSH TRUST

Environmental and Social Performance Targets

Target	Performance Measure	Actual
1. Review Friends of Riccarton House volunteer outcomes.	<ul style="list-style-type: none"> Friends of Riccarton House review completed by Dec 2015. 	<ul style="list-style-type: none"> Target not achieved. No work to date. <p>This target has been reviewed and has been postponed indefinitely.</p>
2. Structure the Trust plant nursery so as to better assist with the "greening of Christchurch".	<ul style="list-style-type: none"> The Trust providing good stocks of trays of native seedlings for growing on by other nurseries by Dec 2015. 	<ul style="list-style-type: none"> Target achieved. Nursery area upgraded. Seeds, and plants are for sale.
3. Minimise the number of feral pigeons in Riccarton Bush. Continue monitoring and eradicate rats from Riccarton Bush as necessary.	<ul style="list-style-type: none"> Feral pigeon numbers not causing significant nuisance. Bait stations show no evidence of rats. 	<ul style="list-style-type: none"> Target achieved. Feral pigeon culling ongoing. Numbers are not causing significant nuisance. Bait stations constantly being monitored and show no evidence of rats.
4. To provide a record of the response by the Trust to the seismic events of 2010/2011.	<ul style="list-style-type: none"> A record of the Riccarton Bush Trust response to the 2010/2011 seismic events in the form of a coffee table book being available for future generations as part of the social history of the site by June 2015. 	<ul style="list-style-type: none"> Target achieved. Riccarton House Earthquake Book by Rob and Jan Dally officially launched on 2 December 2015.
5. 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.	<ul style="list-style-type: none"> Uni Cycle Route through the Riccarton Bush site, implemented fully by June 2016. 	<ul style="list-style-type: none"> Target not achieved. Memorandum of Understanding between the Trust and the Council was signed on 8 July 2015. <p>The initial design rejected due to heritage issues over the proposed Cycleway Route. A new design has been written.</p>
6. Undertake the GPS Tree Survey of the Bush	<ul style="list-style-type: none"> Subject to funding, undertake the GPS Tree Survey by Jun 2016. 	<ul style="list-style-type: none"> Target not achieved. External funding was not found and the Trust will self-funded. Work has commenced but will not be complete until Aug 2016.
7. Undertake a Sunday Funday in November 2015 to foster local school participation in RBT	<ul style="list-style-type: none"> Successful undertake a public event in November 2015. 	<ul style="list-style-type: none"> Target achieved. Sunday Funday held on 10 October 2015.

RICCARTON BUSH TRUST

1. (a) Revenue

	2016 \$	2015 \$
Revenue from operations		
Rents and commission - Riccarton House	73,377	68,162
Heritage income - Riccarton House	22,765	13,861
Sale of plants	632	3,106
Book sales	1,981	1,215
	<u>98,755</u>	<u>86,344</u>
Other revenue		
Rents - dwelling	9,540	9,360
Donations and sundry income	69,361	61,358
Levy - Christchurch City Council	108,310	108,310
Grant - Christchurch City Council	197,356	188,690
Grant - Others	5,478	-
Employment Subsidies	-	15,643
Interest received	20,982	19,049
Insurance recoveries	273,104	93,124
	<u>684,131</u>	<u>495,534</u>
Total revenue	<u>782,886</u>	<u>581,878</u>

1. (b) Exchange and non-exchange revenue

Revenue in note 1(a) can also be split between revenue from exchange and non-exchange transactions.

	2016 \$	2015 \$
Revenue from non-exchange transactions		
Donations and sundry income	74,839	44,791
Levy - Christchurch City Council	108,310	108,310
Grant - Christchurch City Council	197,356	188,690
Employment Subsidies	-	15,643
	<u>380,505</u>	<u>357,434</u>
Revenue from exchange transactions		
Heritage income - Riccarton House	22,765	13,861
Rents and commission - Riccarton House	73,377	68,162
Sale of plants	632	3,106
Book sales	1,981	1,215
Rents - dwelling	9,540	9,360
Sundry income	-	16,567
Insurance recoveries	273,104	93,124
Interest received	20,982	19,049
	<u>402,381</u>	<u>224,444</u>
	<u>782,886</u>	<u>581,878</u>

2. Expenses

	Note	2016 \$	2015 \$
Employee benefits expenses		233,780	251,609
Depreciation and impairment of non-current assets	7	130,484	169,639
Administration expenses		77,983	61,232
Historic Houses expenses		179,446	84,981
Bush and ground expenses		40,063	29,195
Ranger's House expenses		14,330	1,212
Miscellaneous expenses		13,373	14,272
Finance lease interest		1,423	571
		<u>690,882</u>	<u>612,711</u>

3. Remuneration of auditors

	2016 \$	2015 \$
Audit New Zealand		
Audit of financial statements	<u>12,020</u>	<u>14,170</u>
	<u>12,020</u>	<u>14,170</u>

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

4(a). Cash and cash equivalents

	2016 \$	2015 \$
Cash at bank and on hand	128,601	156,158
Short term deposit	-	400,000
	<u>128,601</u>	<u>556,158</u>

4(b). Other financial assets

	2016 \$	2015 \$
Term deposit	<u>788,000</u>	-
	<u>788,000</u>	-

5. Inventories

	2016 \$	2015 \$
Book stock on hand		
- at net realisable value	<u>1,243</u>	<u>464</u>
	<u>1,243</u>	<u>464</u>

6. (a) Recoveries from non-exchange transactions

	2016 \$	2015 \$
Recoveries from non-exchange transactions	3,465	5,855
Comprising of:		
Debtors and accruals	424	5,855
GST receivable	3,041	-
	3,465	5,855

In 2015 there was a GST payable of \$1,780 which was disclosed as a payable.

6. (b) Receivables from exchange transactions

	2016 \$	2015 \$
Receivables from exchange transactions	34,817	228,183
Comprising of:		
Debtors and accruals	34,817	41,844
Insurance recoveries receivable	-	186,339
	34,817	228,183

Bad and doubtful trade receivables

There is no loss recognised in respect of bad and doubtful trade receivables during year ended 30 June 2016 (2015: nil).

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7. Property, plant and equipment

	Opening balances			Current year movements				Closing balances		
	Cost/ valuation	Accumulated depreciation/ impairment	Carrying amount	Additions	Impairment charges to Surplus	Depreciation	Revaluation movement	Cost/ valuation	Accumulated depreciation/ impairment	Carrying amount
2016										
Land and land improvements	5,185,298	(28,671)	5,156,627	1,075	-	(6,254)	-	5,186,373	(34,925)	5,151,448
Buildings	6,233,618	(243,008)	5,990,610	-	-	(112,433)	-	6,233,618	(355,441)	5,878,177
Furniture and fittings	61,607	(61,336)	271	-	-	(213)	-	61,607	(61,549)	58
Plant & equipment	518,314	(359,216)	159,098	13,992	-	(11,584)	-	532,306	(370,800)	161,506
Antique furniture	184,166	-	184,166	3,720	-	-	-	187,886	-	187,886
Work in progress	46,227	(40,472)	5,755	26,368	-	-	-	72,595	(40,472)	32,123
Total	12,229,230	(732,703)	11,496,527	45,155	-	(130,484)	-	12,274,385	(863,187)	11,411,198

	Opening balances			Current year movements				Closing balances		
	Cost/ valuation	Accumulated depreciation/ impairment	Carrying amount	Additions	Impairment charges to Surplus	Depreciation	Revaluation movement	Cost/ valuation	Accumulated depreciation/ impairment	Carrying amount
2015										
Land and land improvements	5,181,698	(22,737)	5,158,961	3,600	-	(5,935)	-	5,185,298	(28,671)	5,156,627
Buildings	6,230,646	(130,193)	6,100,453	(24,730)	-	(112,815)	27,702	6,233,618	(243,008)	5,990,610
Furniture and fittings	61,607	(61,027)	580	-	-	(309)	-	61,607	(61,336)	271
Plant & equipment	511,114	(349,107)	162,007	7,200	-	(10,109)	-	518,314	(359,216)	159,098
Antique furniture	184,166	-	184,166	-	-	-	-	184,166	-	184,166
Work in progress	42,115	-	42,115	4,111	(40,472)	-	-	46,227	(40,472)	5,755
Total	12,211,346	(563,064)	11,648,283	(9,820)	(40,472)	(129,167)	27,702	12,229,230	(732,703)	11,496,527

Revaluation

The Trust's land and buildings were revalued at 30 June 2014 by William Blake (Knight Frank), an independent registered valuer. The fair value of the land and buildings was calculated in accordance with PBE IPSAS 17.

Land

Land is valued at fair value using market-based evidence on its highest and best use with reference to comparable land values.

Buildings

Specialised buildings are valued at fair value using depreciated replacement cost because no reliable market data is available for such buildings.

Ranger's House

The Ranger's house is currently unrepaired following damage sustained in the Canterbury earthquakes of 2010 and 2011. The Ranger's house remains impaired by \$113,776.

Insurance

Due to the current prohibitive cost of insurance, the Trust has chosen not to insure Riccarton House for earthquake damage. In making this decision, the Trust also took into account the effect of the strengthening works to Riccarton House which were completed in June 2014.

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8. (a) Taxes and transfers payable

	2016 \$	2015 \$
Taxes and transfers payable		
GST	-	1,780
	<u>-</u>	<u>1,780</u>

In 2016 there was a GST refund due to the Trust of \$3,041 which was disclosed as a receivable.

8. (b) Payables under exchange transactions

	2016 \$	2015 \$
Payables under exchange transactions		
Trade payables	33,409	18,690
Audit fee	12,020	11,670
	<u>45,429</u>	<u>30,360</u>

9. Current provisions

	2016 \$	2015 \$
Employee benefits	13,230	20,463
Provision for retirement gratuity	-	17,000
	<u>13,230</u>	<u>37,463</u>

10. Reserves

	Special funds \$	Asset revaln \$	Capital reserve \$	Total \$
Balance at 1 July 2014	50,015	9,634,724	1,081,166	10,765,905
Balance at 30 June 2015	<u>50,015</u>	<u>9,662,426</u>	<u>1,081,166</u>	<u>10,793,607</u>
Balance at 30 June 2016	<u>50,015</u>	<u>9,662,426</u>	<u>1,081,166</u>	<u>10,793,607</u>

11. Accumulated comprehensive revenue and expenses

	2016 \$	2015 \$
Balance at beginning of financial year	1,417,148	1,447,981
Surplus/(deficit)	92,004	(30,833)
Balance at end of financial year	<u>1,509,152</u>	<u>1,417,148</u>

12. Finance lease liability

	2016 \$	2015 \$
Current finance lease liability	1,199	1,024
Long term finance lease liability	4,707	5,805
	<u>5,906</u>	<u>6,829</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.

	2016 \$	2015 \$
Minimum lease payments payable		
Not later than one year	2,430	2,262
Later than one year and not later than five years	6,278	8,106
	<u>8,708</u>	<u>10,368</u>
Future finance charges	<u>(2,802)</u>	<u>(3,539)</u>
Present value of minimum lease payments	<u>5,906</u>	<u>6,829</u>

13. Financial instruments

Financial instruments are cash, cash equivalents, debtors, creditors and other financial assets (see Notes 4(a), 4(b), 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 (2015: AA) credit rating with Standard and Poor's (Australia) Pty limited.

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

	2016 \$	2015 \$
Operating surplus	92,004	(30,833)
Add non cash items		
Depreciation	130,484	129,167
Impairment of fixed assets	-	40,472
Vested assets	-	(3,600)
Add/(less) items classified as investing or financing		
Insurance recoveries	(459,443)	(115,206)
Capital creditors	-	48,136
Add/(less) movements in working capital items		
Accounts receivable	195,756	21,822
Accounts payable	(10,944)	(220,333)
Inventory	(779)	(97)
Net cash outflow from operating activities	<u>(52,921)</u>	<u>(130,473)</u>

15. Commitments for expenditure

	2016 \$	2015 \$
Not later than one year	16,918	16,287
Later than one year and not later than five years	56,393	65,148
Later than five years	-	13,573
	<u>73,311</u>	<u>95,008</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 \$16,918.

The Trust remains committed to the restoration and on-going operation of the heritage buildings of the Trust as well as the ranger's house.

16. Contingencies

There are no contingent asset and liability as at 30 June 2016. (2015: The Trust had a contingent asset and liability in relation to the earthquake repair and insurance recoveries relating to Deans Cottage and the Ranger's house.)

17. 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 \$108,310 (2015: \$108,310) in levies and \$197,356 (2015: \$184,018) in grants from the Council.

The Council also provided the following services to the Trust at a total cost of \$42,131 (2015: \$30,235)

- Accounting services
- Insurance

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.

The Trust also received insurance recoveries totalling \$250,977 from the Council. A further \$22,126 was due to the Trust, but was paid directly to a supplier by the insurers.

As at 30 June 2016 the Trust had a balance owing to Council of \$7,967 (2015: \$3,622).

As at 30 June 2016 the Council had a balance owing to the Trust of \$300 (2015: \$4,672).

One Fat Sheep Limited

During the year the Trust paid \$14,250 to One Fat Sheep Limited towards the development of augmented reality software. One Fat Sheep Limited is owned and managed by sons of Tim Deans, a Trustee.

18. Key management personnel

Remuneration of key management personnel

	2016 \$	2015 \$
Salaries and other short-term benefits	76,393	75,064

Key management personnel includes the Trustees and manager.

19. Post balance date events

There are no post balance date events as at 30 June 2016. (2015: The Council provided the Trust with a written guarantee that the insurance receivable relating to Riccarton House would be paid by 31 December 2015.)

20. 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.

21. 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 2016. The financial statements were approved for issue by the Board of Trustees on 28 September 2016.

(a) Basis of preparation

The financial statements for the year ended 30 June 2016 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.

Revenue from exchange transactions

Revenue from exchange transactions arises where the Trust provides goods or services to another entity and directly receives approximately equal value (primarily in the form of cash) in exchange.

Revenue from non-exchange transactions

Revenue from non-exchange transactions arises from transactions that are not exchange transactions. These are transactions where the Trust receives value from another party without giving approximately equal value directly in exchange for the value received.

Approximately equal value is considered to reflect a fair or market value, which is normally akin with an arm's length commercial transaction between a willing buyer and willing seller. A significant portion of the Trust's revenue will be categorised non-exchange.

(c) Property, plant and equipment

Land, site improvements and buildings are shown at fair value, based on periodic (at least every three years) 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 and at least every three years. 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.

(p) Standards issued and not yet effective and not early adopted.

In October 2014, the PBE suite of accounting standards was updated to incorporate requirements and guidance for the non-profit sector. These updated standards apply to PBE's with reporting periods beginning on or after 1 April 2015. The Trust applied these updated standards in preparing its 30 June 2016 financial statements.

Independent Auditor's Report

Independent Auditor's Report

To the readers of Riccarton Bush Trust's financial statements and statement of objectives and performance for the year ended 30 June 2016

The Auditor-General is the auditor of Riccarton Bush Trust (the Trust). The Auditor-General has appointed me, Julian Tan, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and statement of objectives and performance of the Trust on her behalf.

Opinion on the financial statements and the statement of objectives and performance

We have audited:

- the financial statements of the Trust on pages 14 to 17 and 21 to 32, that comprise the statement of financial position as at 30 June 2016, 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 statement of objectives and performance of the Trust on pages 18 to 20.

In our opinion:

- the financial statements of the Trust:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2016; 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 Tier 2 Public Benefit Entity Standards with reduced disclosure requirements.
- the statement of objectives and performance of the Trust 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 2016.

Our audit was completed on 28 September 2016. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Trustees and our responsibilities, and explain our independence.

Basis of opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the financial statements and the statement of objectives and performance are free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the financial statements and the statement of objectives and performance. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements and in the statement of objectives and performance. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements and the statement of objectives and performance, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the preparation of the Trust's financial statements and statement of objectives and performance 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.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Trustees;
- the appropriateness of the reported performance information within the Trust's framework for reporting performance;
- the adequacy of the disclosures in the financial statements and in the statement of objectives and performance; and
- the overall presentation of the financial statements and the statement of objectives and performance.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and the statement of objectives and performance. Also, we did not evaluate the security and controls over the electronic publication of the financial statements and the statement of objectives and performance.

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

Responsibilities of the Trustees

The Trustees are responsible for the preparation and fair presentation of financial statements for the Trust that comply with generally accepted accounting practice in New Zealand and Tier 2 Public Benefit Entity Standards with reduced disclosure requirements. The Trustees are also responsible for preparation of the statement of objectives and performance for the Trust.

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

The Trustees are responsible for such internal control as it determines is necessary to enable the preparation of the financial statements and the statement of objectives and performance that are free from material misstatement, whether due to fraud or error. The Trustees are also responsible for the publication of the financial statements and the statement of objectives and performance, whether in printed or electronic form.

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the financial statements and the statement of objectives and performance and reporting that opinion to you based on our audit. Our responsibility arises from the Public Audit Act 2001.

Independence

When carrying out the audit, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board.

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



Julian Tan
Audit New Zealand
On behalf of the Auditor-General
Christchurch, New Zealand