

RICCARTON BUSH TRUST

Est. 1914



Annual Report 2017



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.

Contents

Report from the Chairman and Manager	3
Governance	4
Visitors	6
<i>Riccarton House and Deans' Cottage</i>	7
<i>Riccarton Bush</i>	8
<i>Ranger's House and Yard</i>	8
<i>House Grounds</i>	9
<i>Our Community</i>	10
<i>Our People</i>	11
<i>Our Supporters</i>	12
<i>Our Plans</i>	13
Annual Financial Statements for the Year Ended 30 June 2017	



Report from the Chairman and Manager

There have been a number of changes over the last 12 months. Jon Ward, the previous Manager, left his position in August and was replaced by Shona Willis in late September. Many thanks to Tony Gemmill who stepped into the breach and supported Shona in her induction.

As a result of the Local Government elections, Peter Laloli left the Board in October. His replacement, Shirish Paranjape, joined the Board in November. Shirish provides a valuable contribution, particularly around his knowledge of social media.

Charles Deans retired in February 2017 after 23 years on the Trust and 18 of those as Chairman. A Copper Beech (*F. sylvatica* 'Purpurea') was planted in the grounds behind the Jane Deans Oak to commemorate Charles' contribution to Riccarton Bush Trust. The contribution Charles has made to the Trust, and particularly to the restoration of the House post-earthquake, has been enormous. While he will be missed, the Board wishes Charles all the very best for the future.

With the retirement of Charles, Pippa Ensor was nominated by the Deans family to represent their interests on the Trust Board. Pippa joined the Board in March and is a sixth generation Deans. Pippa is the last child to be christened in the John Deans christening robe which is now on display at Riccarton House.

Following Charles Deans retirement, Bob Shearing, who has served on the Board for the past 12 years, was elected as Chairman. Bob, a past City Councillor, is involved with many community organisations and brings his very practical skills to the Board leadership.

Bob and Pippa, together with recent appointees, Linda Tame, Bob Lineham and David Norton, bring to the Board a considerable range of skills to further progress the development and promotion of the House and Bush.

The Board would like to put on record its thanks for the work our Ranger, Gavin Ruckledge, has undertaken in the development of a combined Landscape and Development Plan for the House Grounds. This is a substantial piece of work and will quickly become a most important planning tool for the future management of the grounds.



Governance

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

Re-establishing Working Parties

Three working parties: Finance; Bush and Grounds; and House and Promotions have been established to support the Board. These working parties, do not have delegated authority but make recommendations to the Board.

Rebuild of Rangers House

The process of demolishing and contracting for the new house was completed with the new house scheduled for occupation in July 2017.

Uni - Cycleway

The Board and staff have worked very closely with the Christchurch City Council in facilitating the construction of an enhanced cycleway through the Grounds from Kahu Road to Ngahere Street. At the time of writing the Resource Consent Application was with a Commissioner and if successful works are scheduled to commence in late July.

Additional Car Park and Bus Turning Area

Since early 2007 there has been a proposal to provide additional parking and a bus turning bay at the northern end of the property. Current parking is minimal and there is no room to facilitate bus turning. Although the Board has started initial planning and had a pre-planning meeting with CCC, it has decided to defer the project until after July 2018. This will then allow the Board to determine the affect of the cycleway on the property and also to canvas alternative options.





Attendance at Board Meetings

The Riccarton Bush Trust held eleven formal meetings in the financial year ending 30 June 2017. Attendance at these meetings as follows:

Board Member	No. of Meetings	
Jimmy Chen	5	
Charles Deans (Chairman till February 2017)	7	Retired February 2017
Tim Deans	7	
Pippa Ensor	4	Appointed March 2017
Peter Laloli	2	Resigned October 2016
Bob Lineham	7	
Mike Mora (Deputy Chairman)	7	
David Norton	10	
Shirish Paranjape	5	Appointed November 2016
Bob Shearing (Chairman from February 2017)	9	
Linda Tame	8	

Visitors

Our Visitor Experience Coordinator, Antonia Allison, leads the team of house guides. This past year we took on four new Guides and they add a really diverse mix of ages and skills.

We started a number of initiatives this year. Saturday tours that run for 30 minutes started in early May and are becoming increasingly popular now that the café is also open on Saturdays. In late September we entered into a trial partnership with a local theatre company to run evening "Ghost Tours". These proved extremely popular with visitors and were fully subscribed. Although the organiser did not wish to continue with the initiative, the idea of themed tours and functions is still very feasible.

Antonia has been working closely with motel owners and complimentary tours have been offered to increase their awareness of what we have to offer. Although Collette Vacations and Roads Scholar Tours continue to be our main organised tour group visitors, we had a very large tour group from Alaska who are keen to return.

We continue to run a variety of bespoke tours to organised groups that range from language schools, history groups, U3A and Probus through to retirement villages, car clubs and social clubs. In addition we facilitate the Canterbury Museum, through their Education Outside the Classroom Programme, and schools to run their own programmes on site. Two local high schools brought all of their year 10 (4th form) students to experience the House, Grounds and Bush. They developed their own programme based on the school curriculum.

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.

There were a number of one-off events throughout the year including hosting the BECA Heritage Week opening in October, the Antony Harper Summer Theatre production of Robin Hood and the Scottish festival in late February. 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 has been increased popularity for corporate functions and this year we have had a funeral and two wakes.

We have changed our brochure distributors to NZ Brochures and Distributors and now have a listing in the Christchurch and Canterbury Visitor Guide. We have vastly improved the look and usability of our website and our rating on Trip Adviser has moved from 18th to 14th place for Christchurch attractions.



Riccarton House and Deans' Cottage

There has been a considerable amount of maintenance carried out this year including:

Heating

Following sub-optimal performance in our heating system, we discovered and rectified a leak in the gas pipes.

Wastepipes

An ongoing odour issue in the house led us to a broken waste pipe and serious ponding on the concrete sub-floor. A new bracing system and new pipes rectified this.

General Maintenance

Maintenance included replacing and repairing broken and missing floor boards, carpet repair, dining table repairs and window sash repair. One of our bigger repairs was replacing the hearth tiles on the Main Hallway and Drawing Room. The existing tiles were broken or missing and patching was not feasible.

In addition programmed maintenance is carried out on the security and sprinkler systems as well as spouting and downpipes and window cleaning.

We have had a serious problem with rat infestation over the summer and autumn which resulted in damage to our security system. We have since reinstated regular baiting and we no longer have any evidence of rat activity.

To brighten up the front of the house we have installed some half wine barrels and these are kept planted with annuals for colour throughout the year.



The Heritage Team at the Christchurch City Council started a project to identify and record the interior heritage fabric of protected heritage buildings which are in private ownership. This was to enable those elements, where they contribute to the significance of the heritage item, to be proposed for protection through a future plan change or changes. This work was carried out in the House and Cottage and the results will be made available for the Trust's records.

Riccarton Bush

Bush irrigation maintenance was carried out. This included replacement of the valve solenoids, extension of the pipes to cover areas that required irrigation, and renewal of a large pipe section within the pump house.

Clearing back trees and foliage from the internal perimeter fence began. This was to ensure that the predator fence and electric wire was protected from branch damage.

The feral pigeon problem within the Bush continued. A professional pest service was hired in an attempt to reduce the pigeon numbers. This proved ineffective and we will undertake the work from now on.

The memorial bench dedicated to Ivan Francis Graham was moved forward. This was due to constant flooding of the previous location.

The electronic people counter at the entrance to the Bush failed and a replacement was purchased and installed. Visitor numbers to the bush average 5000 visits per month.

We are currently undertaking a GPS survey of the major trees within Riccarton Bush, namely the adult Kahikatea trees. This is to give us an idea of the numbers, distribution, and health of the adult trees and to aid us in our future maintenance. This survey will eventually extend to other trees within the Bush to give us an overall picture of the species make-up and distribution.



Ranger's House and Yard

The earthquake damaged Ranger's House was finally demolished and a new house built on the site. A boundary fence was also erected on the south side to replace the old hawthorn hedge. The original Ranger's House was built in 1916 at a cost of £628.

Ranger's Assistant, Shane Dunnings, used his creative building skills in constructing a new wood shed, car port and additional storage sheds in the yard, as well as extending the nursery to accommodate more trees.

House Grounds

The most significant activity this year was the development of a Combined Landscape and Development Plan for the House Grounds. The plan includes an inventory of the major trees/shrubs on the House Grounds, physical properties of the Heritage and Significant trees, including their health, and a framework to record the physical properties of the standard trees/shrubs in the House Grounds. A tree maintenance record is also included, along with a tree succession plan, and future Grounds projects.

There has been considerable general tree maintenance carried out during the year, along with more specific tasks including:

Horse Chestnut Bracing

Cable bracing of Horse Chestnut (*Aesculus hippocastanum*) Tree 69; this was to mitigate potential failure on the Kahu Road Side of the tree.

Silver Fir Reduction and Pruning

The large un-natural branch growth in the upper canopy was reduced; this was to reduce the risk of heavy branches from breaking off and injuring a visitor.

Nootka Cypress Removal

The Nootka Cypress (*Cupressus nootkatensis*) was terminally infested with Cypress Canker and had to be removed.

Memorial Removals and Replanting

The John Deans commemorative tree, English Beech (*Fagus sylvatica*), and Manson Family commemorative tree, English Oak (*Quercus robur*), were removed due to their un-natural growth, and unsuitable planting location. These trees were replaced in more suitable locations with an English Beech (*F. sylvatica*) and Cork Oak (*Q. suber*) respectively. Members of the Manson Family attended the planting of their replacement tree.

The Gardener, Alan Bowles, planted additional Rhododendrons to the rear of Deans Cottage; this was to increase the variety and group planting in that area. We were fortunate to source some plants that were grown from cuttings from Homebush Rhododendrons - another way of linking the Deans family history.

Shane Dunning, our Ranger's Assistant, was absent from work and then on reduced hours due to an injury. To keep on top of the workload we hired a student, Dona Joseph, to help out in the Bush and Grounds over the summer period. She did a great job and we would welcome her back.

The unsightly and unhealthy Escalonia Hedge, running to the left of the driveway towards Riccarton House, was removed and replaced by an English Beech (*F. sylvatica*).



Our Community

Some years ago the Trust circulated a newsletter to local residents but it had been discontinued. The “Bush Telegraph” is back in circulation and is delivered to letterboxes in the neighbourhood on a quarterly basis. The newsletter provides information on what we are doing and gives locals an update. Feedback so far is that it is a great way of catching up and we should continue.

To keep in touch with our wider community we have a monthly column in the Western News.

Discount tours are also offered to Christchurch City ratepayers by way of a “two for one” deal.

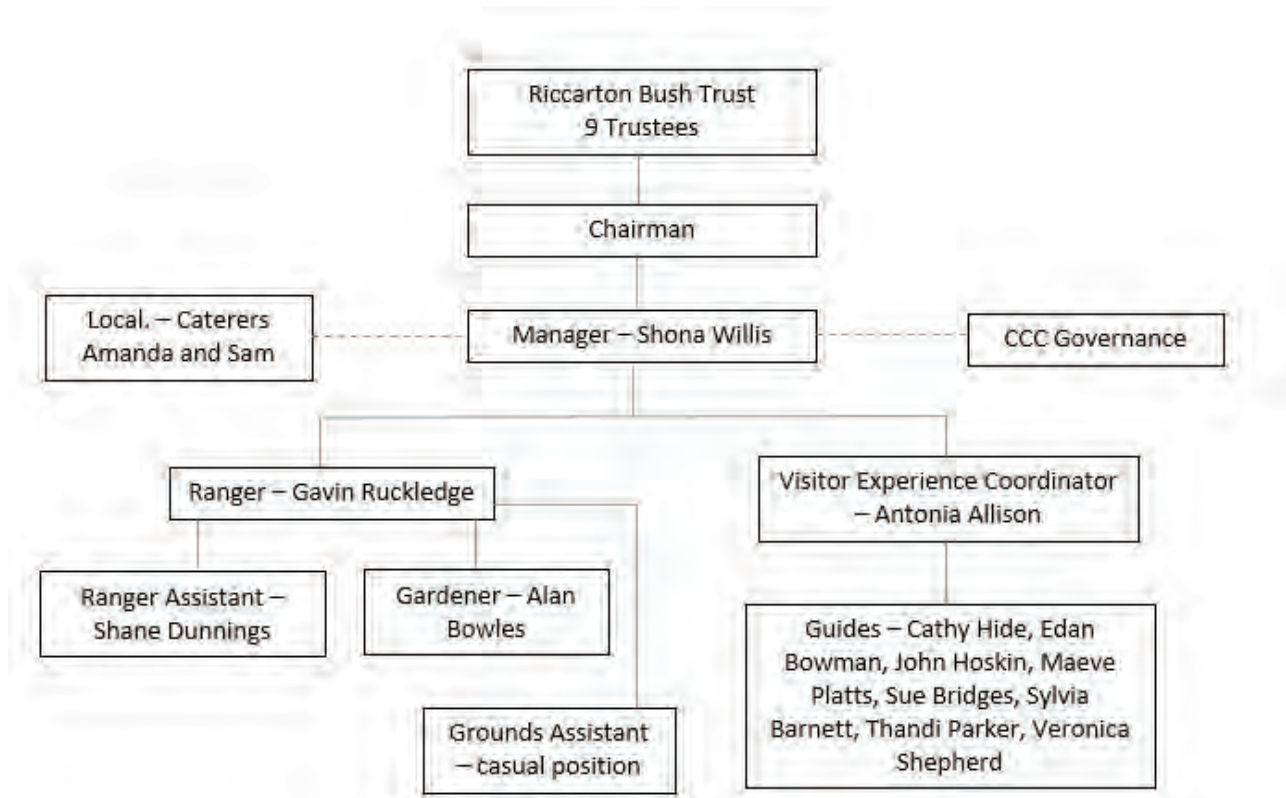
To further encourage community engagement, the Manager has joined Riccarton Bush Kilmarnock Street Residents Association and spoke at their AGM.



Our People

We are grateful to have such passionate and committed staff. There have been a number of changes of Board Members, together with a new manager. The level of enthusiasm and team work has certainly not waned although there has been a significantly increased workload to get projects and new initiatives completed.

Organisation Chart



We work very closely with Sam and Amanda Marchant, Directors of Local. at Riccarton House. Their success is our success so good collaboration is essential. They are excellent operators and the relationship is working well. We are also very fortunate to have a group of expert tradesman to support and enhance what we do.

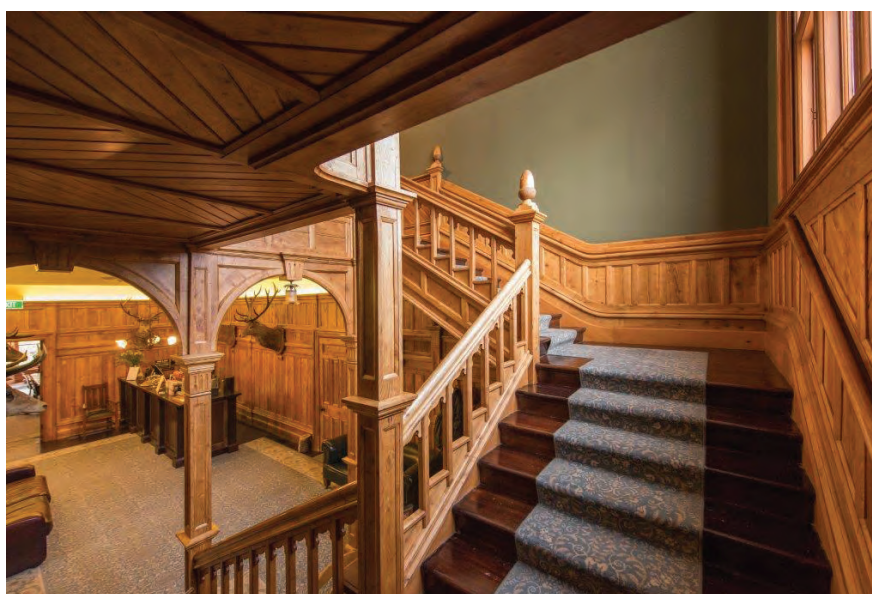
Our thanks go to Kevin Whitelaw (for general maintenance), Ricky Pye and his Team at Pye Electrical, and Gareth Painter (Asplundh) for their tree maintenance work. In addition we have a number of contractors who provide us with a continuing high-quality service.



Our Supporters

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

- Amber Kiwi Holiday Park and Motel
- Christchurch City Council
- Christopher Deans
- Halswell-Hornby-Riccarton Community Board
- Hamish Munroe
- Lottery Grants Board



Our Plans

At its strategic planning day the Board determined to focus on delivering on the Statement of Intent targets and on getting the research and planning right in order to promote growth and improve visitor satisfaction.

Priorities for next year are as follows:

- Determine what we need to do to get increased visitation from schools
- Carry out a Social Media review
 - * Is what we are currently doing working?
 - * Can we collaborate more effectively with CCC?
- Determine who our market is
 - * Report back to the Board with demographic information on visitors with a particular interest in breakdown of Canterbury/New Zealand/Rest of world visitors
 - * Utilise data from Canterbury Tourism and Statistics NZ.

In addition the Statement of Intent details the following new projects:

- Investigate options for providing interpretation facilities for visitors for all aspects of the property
- Develop waterfront grassed bank area to front of house
- Review and stabilise/replace gravel to front of house
- Upgrading and developing the Bush walk so that it becomes a self-guiding interpreted trail
- Holding workshops with Board and Te Ngāi Tūāhuriri Rūnanga representatives to enhance collaboratively working together to address issues to be covered in future management plans
- Review past ecological monitoring work that has been undertaken in the bush.

Bob Shearing, Chairman



Shona Willis, Manager



Riccarton Bush Trust

Annual Financial Statements

for the year ended 30 June 2017

Contents

Contents.....	2
Directory.....	3
Statement of comprehensive revenue and expense	4
Statement of changes in net assets/equity	5
Statement of financial position	6
Statement of cashflows	7
Statement of Objectives and Performance	8
1. Revenue	12
2. Expenses	12
3. Remuneration of auditors	12
4. Cash and cash equivalents.....	12
5. Inventories	13
6. (a) Recoveries from non-exchange transactions	13
6. (b) Receivables from exchange transactions	13
7. Property, plant and equipment.....	14
8. (a) Taxes and transfers payable	15
8. (b) Payables under exchange transactions.....	15
9. Current provisions.....	15
10. Reserves	15
11. Accumulated comprehensive revenue and expenses.....	15
12. Finance lease liability.....	16
13. Financial instruments.....	16
14. Reconciliation of surplus for the year to net cash flows from operating activities.....	17
15. Commitments for expenditure.....	17
16. Contingencies	17
17. Related party transactions	17
18. Key management personnel	18
19. Post balance date events	18
20. Capital management.....	18
21. Statement of Accounting Policies	18
Independent Auditor's Report	23

Directory

ADDRESS

16 Kahu Road
PO Box 8276
Christchurch

TRUSTEES

B Shearing (Chairman appointed 23/02/17)
C Deans (Chairman resigned 21/02/17)
M Mora (Deputy Chairman)
D Norton
L Tame
T Deans
J Chen
R Lineham
S Paranjape (appointed 14/11/16)
P Ensor (appointed 22/03/17)
P Laloli (resigned 08/10/16)

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 2017

	Note	2017 \$	2016 \$
Revenue from operations	1	119,040	98,755
Insurance recoveries		-	273,104
Other revenue	1	372,389	411,027
		491,429	782,886
Employee benefits expense	2	252,591	233,780
Depreciation and impairment	2	131,858	130,484
Earthquake related repairs	2	938	95,295
Other expenses	2	321,456	231,323
		706,843	690,882
Net surplus/(deficit) for period		(215,414)	92,004
Property, plant and equipment revaluation gain	7	-	-
Total comprehensive revenue and expense		(215,414)	92,004

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 2017

	Retained earnings \$	Other reserves \$	Total equity \$
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
Deficit for the period	(215,414)	-	(215,414)
Balance at 30 June 2017	1,293,738	10,793,607	12,087,345

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

Statement of financial position

As at 30 June 2017

	Note	2017 \$	2016 \$
Current assets			
Cash and cash equivalents	4(a)	516,604	128,601
Other financial assets	4(b)	-	788,000
Recoverables from non-exchange transactions	6(a)	236	3,465
Receivables from exchange transactions	6(b)	31,696	34,817
Inventories	5	1,065	1,243
Total current assets		<u>549,601</u>	<u>956,126</u>
Non-current assets			
Property, plant and equipment	7	<u>11,590,644</u>	<u>11,411,198</u>
Total non-current assets		<u>11,590,644</u>	<u>11,411,198</u>
Total assets		12,140,245	12,367,324
Current liabilities			
Taxes and transfers payable	8(a)	493	-
Finance lease liability	12	1,504	1,199
Payables under exchange transactions	8(b)	30,707	45,429
Provisions	9	16,993	13,230
Total current liabilities		<u>49,697</u>	<u>59,858</u>
Non-current liabilities			
Finance lease liability	12	<u>3,203</u>	<u>4,707</u>
Total non-current liabilities		<u>3,203</u>	<u>4,707</u>
Total liabilities		52,900	64,565
Net assets		<u><u>12,087,345</u></u>	<u><u>12,302,759</u></u>
Equity			
Reserves	10	10,793,607	10,793,607
Accumulated comprehensive revenue and expense	11	1,293,738	1,509,152
Total equity		<u><u>12,087,345</u></u>	<u><u>12,302,759</u></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 _____

Chairman _____

Trustee _____

Statement of cashflows

For the year ended 30 June 2017

	Note	2017 \$	2016 \$
Cash flows from operating activities			
Receipts from customers		160,991	177,716
Contributions from Christchurch City Council		309,695	305,405
Interest revenue		24,626	19,007
Payments to employees and suppliers		(586,563)	(552,088)
GST		124	(2,961)
Net cash inflow/(outflow) from operating activities	14	(91,127)	(52,921)
Cash flows from investing activities			
Purchase of fixed assets		(307,670)	(45,156)
Insurance recoveries		-	459,443
Investment in term deposit		788,000	(788,000)
Net cash inflow/ (outflow) from investing activities		480,330	(373,713)
Cash flows from financing activities			
Repayment of loans		(1,200)	(923)
Net cash inflow/ (outflow) from financing activities		(1,200)	(923)
Net inflow/ (outflow) of cash		388,003	(427,557)
Opening bank and short term investments		128,601	556,158
Represented by:			
Bank and short-term deposits		516,604	128,601

In 2016, a payment of \$22,126 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 2017

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

Financial Performance Targets

	Jun 17 Target \$	Jun 17 Actual \$	Jun 17 Variance \$
Revenue	481,000	490,929	9,929
Operating Expenses	481,000	574,047	(93,047)
Operating surplus before depreciation	-	(83,118)	(83,118)

Revenue above does not include the following donation:

Donation - Amber Park Holiday Limited	\$500
---------------------------------------	-------

Operating expenses above do not include depreciation (\$131,858) and earthquake repairs expenses (\$938).

Operating revenue:

Operating revenue was higher than target by \$9,929. This was primarily due to higher food & beverage commission from the in-house caterer.

Rental income from the Ranger's House ceased in November 2016 with demolition of the existing house. This is temporary while the house is rebuilt.

Operating expenses:

Operating expenses were higher than planned due to a combination of one-off recruitment fees, following the departure of the previous manager, increased wages for the guides and rangers, higher insurance cost, overspends on fire and security systems and some unplanned maintenance work.

Project Performance Targets

Target	Performance Measure	Actual
1. Integrated Development Plan - car park. Develop plan. Progress planning and implementation of car park and bus turn around area.	Design and appoint building team by Feb 2017. Begin implementation March 2017 with completion no later than June 2017.	Not met – Project deferred. The Board at its 28 March 2017 meeting resolved to place the project on hold for 12 months in order to determine the impact of the cycle way through the grounds.
2. Develop water front grassed bank area to front of house.	Review requirements and establish design in consultation with Heritage NZ (and other interested parties) by December 2016. Establish build costs by December 2016. Design and appoint building team by March 2017. Begin implementation May 2017 with completion no later than June 2017.	Not Met - Project delayed to 2017/2018. Note that completion of this project is dependent on the construction and completion of the CCC unicycle way. As at 30 June 2017 the cycleway work had not commenced.
3. Review and stabilise / replace gravel to front of house.	Identify a solution to stabilising gravel to front of house by December 2016. Implement proposed solution by June 2017.	Not Met - Project delayed to 2017/2018. Note that completion of this project is dependent on the construction and completion of the CCC unicycle way. As at 30 June 2017 the cycleway work had not commenced.
4. Oversee earthquake repairs to the Ranger's House.	Subject to EQ Insurance payouts, manage the repair/replacement process to the Rangers House by June 2017.	Target Met – Earthquake repairs to Ranger's House are being overseen by the Trust. Performance Measure Not Met. House occupied by July month end – later than target.
5. Review catering licence outcomes mid-term.	Catering licence reviewed by December 2016.	Target Met – Catering licence outcomes reviewed. Performance Measure Not Met. Catering licence review completed February 2017 – later than target.
6. Evaluate performance of augmented reality applications.	Complete evaluation by 31 December 2016.	Target and Performance Measure Met. The evaluation determined that although the application met the required specifications, the content and delivery did not meet the desired outcomes. The Board at its 28 March 2017 meeting decided to abandon the project.

RICCARTON BUSH TRUST

<p>7. Develop Health & Safety Policy to meet the requirements of the Health and Safety at Work Act 2015.</p>	<p>Fully implement Health & Safety Policy and review on a quarterly basis.</p> <p>Monitor and review the Health and Safety Measure for all Trust activities, of:</p> <ul style="list-style-type: none"> • Serious Harm Incidents = 0 • Accident = 1 • Near Misses = 3 	<p>Target and Performance Measure Met.</p> <p>Health and Safety Policy fully implemented August 2016.</p> <p>Initial review carried out on 1 December 2016.</p> <p>Health and Safety Committee operational and meeting monthly.</p> <p>Health and Safety report to each Trust Board meeting.</p> <ul style="list-style-type: none"> • Serious Harm Incidents = 0 • Accident = 1 • Near Miss = 1
<p>8. Develop Financial Controls Policy (including Delegated Authority Policy).</p>	<p>Final Financial Controls Policy approved by Board by 30 September 2016.</p>	<p>Target Met - Financial Controls Policy developed.</p> <p>Performance Measure Not Met. Ratified by Riccarton Bush Trust on 24 May 2017 – later than target.</p>

Environmental and Social Performance Targets

Target	Performance Measure	Actual
1. Minimise the number of feral pigeons in Riccarton Bush. Continue monitoring and eradicate rats from Riccarton Bush as necessary.	Feral pigeon numbers not causing significant nuisance. Bait stations show no evidence of rats.	Target and Performance Measure Met. Due to increased numbers of feral pigeons, a control programme was implemented November 2016 and this is ongoing. Target and Performance Measure Met. No activity in bait stations. Rat monitoring and eradication is continuing.
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.	Uni Cycle Route through the Riccarton Bush site, implemented fully by June 2017.	Target Met. The Trust is working closely with CCC to facilitate the implementation of the Uni-cycle route. Performance Measure Not Met. The implementation timeframes of the unicycle route is not within the Trust's control.
3. Undertake the GPS Tree Survey of the Bush.	Subject to funding, undertake the GPS Tree Survey by December 2016.	Target and Performance Measure Met. Funded from reserves. The survey was carried out in stages from early December and was fully completed by the end of May 2017.
4. Undertake a Sunday Funday in November 2016 to foster local school participation in RBT.	Successfully undertake a public event in November 2016.	Not Met. The House and Promotions Working Party was established in July 2016 to develop an overall strategy for marketing activities and initiatives.
5. Review and update existing Fire Protection Policy.	Final updated Fire Protection Policy approved by Board by 30 September 2016.	Target Met – Fire Protection Policy reviewed and updated. Performance Measure Not Met. Draft completed and to be considered at 26 July 2017 meeting of RBT – later than target.
6. Investigate options for providing interpretation facilities for visitors for all aspects of the property (House and Grounds).	Report including implementation plan to the Board by 31 December 2016.	Target Met. A full review of the Bush and Grounds interpretation was completed.
7. Investigate options for upgrading and developing the Bush walk so that it becomes a self-guiding interpreted trail.	Report including implementation plan to the Board by 31 December 2016.	Performance Measure Not Met. Review completed by 30 June 2017 – later than target. Implementation scheduled for 2017/2018.
8. Review and develop a combined landscape development/concept plan for the Riccarton House grounds and Cottage garden, including a tree succession plan.	Final combined landscape development/concept plan approved by the Board by 31 March 2017.	Target Met – A combined landscape development/concept plan was developed. Performance Measure Not Met. Approved at 26 April Meeting 2017 – later than target.

RICCARTON BUSH TRUST

1. Revenue

	2017 \$	2016 \$
Revenue from operations		
Rents and commission - Riccarton House	91,865	73,377
Heritage income - Riccarton House	25,566	22,765
Sale of plants	-	632
Book sales	1,609	1,981
	<u>119,040</u>	<u>98,755</u>
Other revenue		
Rents - dwelling	3,600	9,540
Donations and sundry income	38,264	69,361
Levy - Christchurch City Council	306,400	108,310
Grant - Christchurch City Council	3,295	197,356
Grant - Others	-	5,478
Interest received	20,830	20,982
	<u>372,389</u>	<u>411,027</u>
Total revenue (excluding insurance recoveries)	<u>491,429</u>	<u>509,782</u>

2. Expenses

	Note	2017 \$	2016 \$
Employee benefits expenses		252,591	233,780
Depreciation	7	131,858	130,484
Administration expenses		89,616	77,983
Historic Houses expenses		110,937	84,151
Bush and Ground expenses		50,307	40,063
Ranger's House expenses		39,060	14,330
Miscellaneous expenses		30,305	13,373
Earthquake repairs		938	95,295
Finance lease interest		1,231	1,423
		<u>706,843</u>	<u>690,882</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.

	2017 \$	2016 \$
Audit New Zealand		
Audit of financial statements	<u>12,335</u>	<u>12,020</u>
	<u>12,335</u>	<u>12,020</u>

RICCARTON BUSH TRUST

4(a). Cash and cash equivalents

	2017 \$	2016 \$
Cash at bank and on hand	516,604	128,601
	<u>516,604</u>	<u>128,601</u>

4(b). Other financial assets

	2017 \$	2016 \$
Term deposit	-	788,000
	<u>-</u>	<u>788,000</u>

5. Inventories

	2017 \$	2016 \$
Book stock on hand		
- at net realisable value	1,065	1,243
	<u>1,065</u>	<u>1,243</u>

6. (a) Recoveries from non-exchange transactions

	2017 \$	2016 \$
Recoveries from non-exchange transactions	236	3,465
Comprising of:		
Debtors and accruals	236	424
GST receivable	-	3,041
	<u>236</u>	<u>3,465</u>

6. (b) Receivables from exchange transactions

	2017 \$	2016 \$
Receivables from exchange transactions	31,696	34,817
Comprising of:		
Debtors and accruals	31,696	34,817
	<u>31,696</u>	<u>34,817</u>

Bad and doubtful trade receivables

There is no loss recognised in respect of bad and doubtful trade receivables during year ended 30 June 2017 (2016: nil).

7. Property, plant and equipment

	Opening balances			Current year movements			Closing balances		
	Cost/ valuation	Accumulated depreciation/ impairment	Carrying amount	Additions	Net disposals/ Transfers	Depreciation	Cost/ valuation	Accumulated depreciation/ impairment	Carrying amount
2017	Jun-16								
Land and land improvements	5,186,373	(34,924)	5,151,449	3,243	-	(6,299)	5,189,616	(41,224)	5,148,393
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	315,900	(15,974)	-	332,049	-	332,049
Total	12,232,447	(821,247)	11,411,200	327,278	(15,974)	(131,858)	12,416,270	(825,627)	11,590,644

	Opening balances			Current year movements			Closing balances		
	Cost/ valuation	Accumulated depreciation/ impairment	Carrying amount	Additions	Net disposals/ Transfers	Depreciation	Cost/ valuation	Accumulated depreciation/ impairment	Carrying amount
2016	Jun-15								
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

Revaluation

The Trust's land and buildings were last 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. The next valuation is planned for 30 June 2018.

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 being rebuilt. The total cost as at 30 June 2017 is \$303,513 which will be transferred to buildings under fixed assets upon completion. The costs are currently sitting in work in progress.

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.

RICCARTON BUSH TRUST

8. (a) Taxes and transfers payable

	2017 \$	2016 \$
Taxes and transfers payable		
GST	493	-
	<u>493</u>	<u>-</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

	2017 \$	2016 \$
Payables under exchange transactions		
Trade payables	18,372	33,409
Audit fee	12,335	12,020
	<u>30,707</u>	<u>45,429</u>

9. Current provisions

	2017 \$	2016 \$
Employee benefits	16,993	13,230
	<u>16,993</u>	<u>13,230</u>

10. Reserves

	Special funds \$	Asset revaln \$	Capital reserve \$	Total \$
Balance at 1 July 2015	50,015	9,662,426	1,081,166	10,793,607
Balance at 30 June 2016	<u>50,015</u>	<u>9,662,426</u>	<u>1,081,166</u>	<u>10,793,607</u>
Balance at 30 June 2017	<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

	2017 \$	2016 \$
Balance at beginning of financial year	1,509,152	1,417,148
Surplus/(deficit)	<u>(215,414)</u>	<u>92,004</u>
Balance at end of financial year	<u>1,293,738</u>	<u>1,509,152</u>

12. Finance lease liability

	2017 \$	2016 \$
Current finance lease liability	1,504	1,199
Long term finance lease liability	3,203	4,707
	<u>4,707</u>	<u>5,906</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.

	2017 \$	2016 \$
Minimum lease payments payable		
Not later than one year	2,430	2,430
Later than one year and not later than five years	3,848	6,278
	<u>6,278</u>	<u>8,708</u>
Future finance charges	(1,571)	(2,802)
Present value of minimum lease payments	<u>4,707</u>	<u>5,906</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- (2016: AA) credit rating with Standard and Poor's (Australia) Pty Limited.

RICCARTON BUSH TRUST

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

	2017 \$	2016 \$
Operating surplus (deficit)	(215,414)	92,004
Add non cash items		
Depreciation	131,858	130,484
Add/(less) items classified as investing or financing		
Insurance recoveries	-	(459,443)
Add/(less) movements in working capital items		
Accounts receivable	6,350	195,756
Accounts payable	(14,099)	(10,944)
Inventory	178	(779)
Net cash outflow from operating activities	<u>(91,127)</u>	<u>(52,921)</u>

15. Commitments for expenditure

	2017 \$	2016 \$
Not later than one year	17,562	16,918
Later than one year and not later than five years	40,978	56,393
	<u>58,540</u>	<u>73,311</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.

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.

The Trust has a capital commitment of \$106,968 for the rebuild of the Ranger's house.

16. Contingencies

There are no contingent assets and liabilities as at 30 June 2017. (2016: Nil.)

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 \$306,400 in levies and grants (2016: \$305,666) from the Council. The Trust also received a one off grant from Council of \$3,295 for an automated external defibrillator.

RICCARTON BUSH TRUST

The Council also provided accounting services to the Trust at a total cost of \$37,790 (2016: \$42,131 for accounting and 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.

In 2016, the Trust received insurance recoveries of \$250,977 from the Council.

As at 30 June 2017, the Trust had a balance owing to Council of \$ Nil (2016: \$7,967).

As at 30 June 2017, the Council had a balance owing to the Trust of \$ Nil (2016: \$300).

18. Key management personnel

Remuneration of key management personnel

	2017 \$	2016 \$
Salaries and other short-term benefits	79,016	76,393

Key management personnel includes the Trustees and manager.

19. Post balance date events

There are no post balance date events as at 30 June 2017 (2016: Nil).

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 2017. The financial statements were approved for issue by the Board of Trustees on 27 September 2017.

(a) Basis of preparation

The financial statements for the year ended 30 June 2017 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 (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	5-35 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 2017

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 4 to 7 and 12 to 22, that comprise the statement of financial position as at 30 June 2017, 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 8 to 11.

In our opinion:

- the financial statements of the Trust on pages 4 to 7 and 12 to 22:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2017; 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.
- the performance information of the Trust on pages 8 to 11 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 2017.

Our audit was completed on 27 September 2017. 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 Trustees and our responsibilities relating to the financial statements and the performance information, and we explain our independence.

Basis for 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 Trustees for the financial statements and the performance information

The Trustees are 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 Trustees are also responsible for preparing the performance information for the Trust.

The Trustees are responsible for such internal control as it determines is necessary to enable them 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 Trustees are responsible on behalf of the Trust for assessing the Trust's ability to continue as a going concern. The Trustees are also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Trustees intends to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

The 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.

For the performance information, our procedures were limited to checking that the information agreed to the Trust's statement of intent.

We did not evaluate the security and controls over the electronic publication of the 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 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 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 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 Trustees are responsible for the other information. The other information comprises the information included on pages 3 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