



**Annual Report of the**

**CHRISTCHURCH  
EARTHQUAKE APPEAL TRUST**

**for the year ended 30 June 2019**

This annual report and the audited financial statements are also available at  
[christchurchappealtrust.org.nz](http://christchurchappealtrust.org.nz)

The Christchurch Earthquake Appeal Trust was established on 11 March 2011 to manage money raised by a public appeal to provide relief to the community of Christchurch and the Canterbury region from the adverse effects of the earthquakes of 4 September 2010 and 22 February 2011 and associated aftershocks or earthquakes.

This report is produced by the Christchurch Earthquake Appeal Trust secretariat with costs met by the New Zealand Government through the Department of Internal Affairs.

No appeal donations were used.

The Christchurch Earthquake Appeal Trust is a charitable trust established under the Charities Act, registration number CC46329.

ISSN 2324-1683

Christchurch Earthquake Appeal Trust

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## TRUSTEES

The Trustees' role is to promote or advance the objects of the Christchurch Earthquake Appeal Trust. The Trustees are appointed by the Crown. Until the Crown decides otherwise, two of the trustees are the holders of the positions of Secretary to the Treasury and Secretary for Internal Affairs.

### **Dr Rod Carr** (appointed 6 April 2011)

Dr Rod Carr was appointed by the Crown to be an independent Chair. He retired from his role as Vice-Chancellor, University of Canterbury in February 2019. Prior to his appointment as Vice-Chancellor, Rod was managing director of Jade Software Corporation Ltd. His earlier distinguished career in the banking sector has included holding the position of Acting Governor of the Reserve Bank of New Zealand and Senior Executive at the National Australia Bank in Melbourne, Australia. He is a Fellow of the New Zealand Institute of Management and holds directorships of several private and public companies and is a former chair of the Reserve Bank Board of Directors.

### **Colin MacDonald** (appointed 16 April 2012, resigned 30 July 2018) Secretary for Internal Affairs

Colin's appointment as a Trustee ended when he resigned from the position of Secretary for Internal Affairs with effect from 30 July 2018. Colin had been Chief Executive of Land Information New Zealand, and has more than 30 years' experience in information technology and general management in both New Zealand and the United Kingdom and was previously Deputy Commissioner Business Development and Systems at Inland Revenue and Chief Operating Officer for the ANZ Banking Group (NZ).

### **Paul James** (appointed 1 October 2018) Secretary for Internal Affairs

Paul James was appointed a Trustee on 1 October 2018, when he was commenced his appointment as Chief Executive and Secretary for Internal Affairs. He was the Chief Executive for the Manatū Taonga Ministry for Culture and Heritage from August 2015. Before joining Manatū Tangoa in 2015, Paul was the Deputy Chief Executive, Policy, Regulatory and Ethnic Affairs (now Policy, Regulation and Communities) at Te Tari Taiwhenua Department of Internal Affairs from 2011. He was also responsible for negotiating treaty settlements as the Director of Office of Treaty Settlements at the Ministry of Justice. Paul's other senior public sector roles have included Policy Manager Family Law (2002 to 2004) and General Manager Public Law (2004 to 2006) at the Ministry of Justice, along with policy roles in the Treasury, Accident Compensation Corporation, and Te Puni Kōkiri.

### **Gabriel (Gabs) Makhoul** (appointed 1 June 2011, resigned 28 June 2019) Secretary to the Treasury

Gabs appointment as a Trustee ended when he resigned as Secretary to the Treasury with effect from 28 June 2019. He was appointed to the position of Secretary to the Treasury in June 2011. Gabs arrived in New Zealand from the United Kingdom in March 2010 to join Treasury as Deputy Chief Executive. His career in the UK included positions at HM Revenue & Customs, HM Treasury and the Inland Revenue.

## REPORT FROM THE TRUSTEES

The Christchurch Earthquake Appeal Trust (Trust) has allocated over \$113 million<sup>1</sup> to support the Canterbury rebuild. Around \$104 million was raised from the global appeal. This, plus interest, has helped fund 290 projects and/or activities throughout Canterbury. The majority of the funded projects are now operating for the benefit of the Canterbury community, or in the case of events or interim activities and social services support, have fulfilled their objectives to provide relief to the community.

In 2018/19 grant payments of around \$2 million were made, compared to \$9.5 million in 2017/18. The Trustees were pleased to see the completion of the of Ngā Puna Wai Rugby League grounds and scoreboard projects and most other projects were progressed. In addition, new grant approvals of just over \$4 million were made during the financial year.

Of the total funding allocated to projects and activities, \$23.4 million (21%) remained to be paid out as at the end of the financial year.

The largest proportion of this amount relates to projects under the \$17.25 million Connecting the City to the Sea project umbrella. The Trustees expect to receive proposals for this allocation now that the corridor development plan has government support.

During the year the Trustees rescinded their decision to allocate \$1.6 million previously allocated to the Canterbury Provincial Chambers restoration given that the Christchurch City Council was not planning to undertake any work on this building for at least another 10 years. The Trustees requested Heritage NZ and the Christchurch City Council to suggest heritage projects that could be completed in the next couple of years and would benefit from the \$1.6 million the Trust had. Based on that advice, grants were made to the Arts Centre for the Observatory Tower restoration; to the Church Property Trust for the relocation of the Citizens' War Memorial and the restoration of the Thomas Edmond Band Rotunda.

The Trustees agreed to use interest the Trust had received on grants that have yet to be uplifted to make an additional contribution to clubs providing water safety education and rescue services that were experiencing cost escalations due to the time it has taken to resolve their building issues. Progress on other projects yet to fully draw down their grants is being closely monitored to ensure that all the Trust's funds will be paid out with a view to winding up the Trust in 2021.

The Trustees wish to acknowledge the pro bono services provided by KPMG and Bell Gully during the year. They also wish to recognise the contribution that volunteers, individuals and organisations have made to the Trust funded projects that were completed this year, and/or to resolving issues that have enabled the remaining projects to move closer to completion.

On behalf of the Trustees



Rod Carr  
Chair

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<sup>1</sup> As the Trust is not registered for GST all revenue and expenditure values stated in this Annual Report are presented on this basis.

## FUNDING ALLOCATION

Since 2011 the Trust has directed donations raised by the global appeal across seven portfolio categories as follows.

Category	No of projects	% of allocated funds	\$million (GST inclusive)
Large Permanent	9	32.6%	37.1
Community Permanent	3	1.7%	2.0
Economic Revitalisation	6	3.2%	3.6
Hardship/Spiritual and Faith	94	13.5%	15.3
Education/Youth	71	4.6%	5.2
Sport and Recreation	80	21.7%	24.7
Heritage and Culture	27	22.7%	25.8
Total	290	100%	113.7

## PROJECTS STILL TO BE COMPLETED

Recipient	Portfolio	Purpose	Payable as at 30 June 2019
Connecting the City to the Sea project	Large Permanent	Projects to bring life back to the corridor from Fitzgerald Avenue through eastern Christchurch to the sea.	\$17,250,000
Waimakariri District Council	Large Permanent	To provide and repair walkways, cycle ways and other public amenities along the Kaiapoi River through Kaiapoi township.	\$411,545
Surf Life Saving New Zealand	Sport and Recreation	Towards the rebuild of South Brighton (\$814,054), New Brighton (\$906,935) and Taylors Mistake (\$345,000) surf life saving club buildings.	\$2,065,989
Coastguard Lyttelton	Sport and Recreation	Towards a replacement coastguard facility in Lyttelton.	\$1,203,815
Sports House	Sport and Recreation	Towards the fit-out of the Sports House administration hub in the Metro Centre to provide a home for regional sporting organisations displaced by the earthquakes.	\$287,500
Kaiapoi Cure Boating Club	Sport and Recreation	Towards the repair and rebuild of its earthquake damaged building on the Kaiapoi River.	\$562,696
Oterepo Te Kohangā Reo	Education/ Youth	To build a playground at their new Kohangā Reo, which was demolished subsequent to the earthquakes.	\$28,750
Christchurch Arts Centre	Heritage and Culture	Towards the restoration of the Observatory Tower	\$283,000
Christchurch City Council	Heritage and Culture	Towards the restoration of the Thomas Edmonds Band Rotunda	\$1,000,000
Church Property Trust	Heritage and Culture	Towards the relocation and reinstatement of the Citizens' War Memorial	\$625,000
Total			\$23,718,295

# Christchurch Earthquake Appeal Trust

## Financial Statements

For the year ended  
30 June 2019

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# Christchurch Earthquake Appeal Trust

## Entity Information

For the year ended  
30 June 2019

### **Legal Name and Entity:**

Christchurch Earthquake Appeal Trust.  
The Trust was established by Deed dated 11 March 2011.  
It is a registered charity [Registration Number: CC46329].

### **Administrative Entity:**

The Department of Internal Affairs provides secretariat, advisory and financial services to the Trustees.

### **Economic Entity:**

The reporting entity is the Christchurch Earthquake Appeal Trust, a registered charity under the Charities Act 2005. The Christchurch Earthquake Appeal Trust is domiciled and operates in New Zealand and is primarily involved in the provision of relief to the community of Christchurch and Canterbury region from the adverse effects of the earthquakes on 22 February 2011 and 4 September 2010. The Trust is a public benefit entity.

# Christchurch Earthquake Appeal Trust

## Statement of Purpose

For the year ended  
30 June 2019

### Background

The Christchurch Earthquake Appeal Trust (Trust) was established on 11 March 2011 by deed of trust to provide relief to the community of Christchurch and the Canterbury region from the adverse effects of the earthquakes on 22 February 2011 and 4 September 2010 (and associated events, including any aftershocks and earthquakes).

### Purpose of the trust fund

When the 2010 and 2011 earthquakes struck Canterbury, community facilities which took decades of fundraising to put in place, such as sports fields, parks, community buildings and historic buildings, were ruined within hours. Communities were destroyed and people were distraught.

The Christchurch Earthquake Appeal Trust was set up to complement emergency support provided by other charitable agencies, and core government responsibilities.

### Objectives of the trust

- the relief of poverty;
- the advancement of education;
- the advancement of religion;
- the advancement of any other purposes beneficial to the community; and
- the advancement of any other purposes that are charitable under the law of New Zealand.

The Trust Deed anticipates that the Trust's legal life-time would be at least ten years. The Trust has allocated available funds to portfolios and is no longer receiving requests for funding.

### Structure

#### Trustees

Trustees are subject to the Trust Deed and the Trustee Act 1956. There are three Trustees. The Trustees are responsible for the allocation of Appeal funds to support earthquake recovery initiatives. The Secretary for Internal Affairs and the Secretary to the Treasury are positions held by the chief executives of those government departments. A Chair was appointed by the Ministers of Finance and Internal Affairs.

#### Advisory Board

The Trustees appointed an Advisory Board of community representatives to provide the Trustees with additional local perspective and advice on specific proposals. The Advisory Board had its last meeting on the 12th of March 2014.

#### Support services

The New Zealand Government lends support by covering the administration costs of the Trust. All money received by the Appeal has been put towards the earthquake recovery effort and is audited by Audit New Zealand for transparency.

### **Main sources of cash and resources**

The Christchurch Earthquake Appeal was launched by Prime Minister John Key on 27 February 2011. The Appeal is the official, global fundraiser for the recovery effort for Christchurch and the Canterbury region. The Trust is responsible for the allocation of the money raised by the Christchurch Earthquake Appeal to support earthquake recovery initiatives. Income is earned on the investment of funds in accordance with Trust Deed.

### **Main methods used to raise funds**

Public donations.

**Christchurch Earthquake Appeal Trust**  
**Statement of Responsibility**  
**For the year ended**  
**30 June 2019**

The Trustees are responsible for the preparation and presentation of the Christchurch Earthquake Appeal Trust's financial statements and the judgements made in them.

The Trustees have the responsibility for establishing and maintaining a system of internal controls designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the Trust's opinion, these financial statements fairly reflect the financial position and operations of the Christchurch Earthquake Appeal Trust for the year ended 30 June 2019.

Signed on behalf of the Trust:



**Dr Rod Carr**  
Trustee



**Paul James**  
Trustee

Date: 25 September 2019

## Christchurch Earthquake Appeal Trust

### Statement of Financial Position

As at  
30 June 2019

	Note	Actual 2019 \$	Actual 2018 \$
<b>Assets</b>			
<b>Current Assets</b>			
Bank accounts and call deposits		1,065,338	5,057,406
Short term bank term deposits	6	21,800,000	20,000,000
Accrued interest		285,209	472,838
<b>Total Current Assets</b>		<b>23,150,547</b>	<b>25,530,244</b>
<b>Non-Current Assets</b>			
Loans and advances	7	600,000	1,200,000
<b>Total Assets</b>		<b>23,750,547</b>	<b>26,730,244</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Grants payable	8	23,718,295	24,347,015
<b>Total Current Liabilities</b>		<b>23,718,295</b>	<b>24,347,015</b>
<b>Non-Current Liabilities</b>			
		-	-
<b>Total Liabilities</b>		<b>23,718,295</b>	<b>24,347,015</b>
 <b>Total Assets less Total Liabilities (Net Equity)</b>		 <b>32,252</b>	 <b>1,784,024</b>
<b>Equity</b>			
Contributed Capital		1	1
Accumulated comprehensive revenue and expense - Unrestricted Funds		32,251	2,383,228
<b>Total Equity</b>		<b>32,252</b>	<b>2,383,229</b>

*The notes form an integral part of, and should be read in conjunction with, these financial statements.*

**Christchurch Earthquake Appeal Trust**  
**Statement of Comprehensive Revenue and Expense**  
For the year ended  
**30 June 2019**

	Note	Actual 2019 \$	Actual 2018 \$
<b>Revenue</b>			
Donations		620	15,495
Interest	4	811,453	1,056,050
Write back provision for doubtful debts		-	500,000
Grants refunded/cancelled		2,875,000	27,710
<b>Total Revenue</b>		<b>3,687,073</b>	<b>1,599,255</b>
<b>Expenses</b>			
Grants approved during the period		4,188,000	-
Return of tagged donations held in trust		1,250,000	-
Bank fees		50	50
Amortisation of advance	7	600,000	1,000,000
<b>Total Expenses</b>		<b>6,038,050</b>	<b>1,000,050</b>
<b>Surplus for the period</b>		<b>(2,350,977)</b>	<b>599,205</b>
<b>Other Comprehensive Revenue and Expense</b>			
<i><b>Donated Goods and Services</b></i>			
Administration costs funded by the Government		66,000	67,000
Donation of goods and services		-	23,599
<b>Total Donated Goods and Services</b>	5	66,000	90,599
<i><b>Administration costs of the Trust</b></i>			
Administration costs provided by the Department of Internal Affairs		(66,000)	(67,000)
Administration expenses		-	(23,599)
<b>Total Administration costs</b>		<b>(66,000)</b>	<b>(90,599)</b>
<b>Deficit from the Administration of the Trust</b>		-	-
<b>Total comprehensive revenue and expense for the period</b>		<b>(2,350,977)</b>	<b>599,205</b>

*The notes form an integral part of, and should be read in conjunction with, these financial statements.*

**Christchurch Earthquake Appeal Trust**  
**Statement of Changes in Equity**  
For the year ended  
**30 June 2019**

	Actual 2019 \$	Actual 2018 \$
Opening Equity	2,383,229	1,784,024
Net comprehensive revenue and expense for the period	(2,350,977)	599,205
<b>Closing Equity</b>	<b>32,252</b>	<b>2,383,229</b>
<b>Comprising:</b>		
Capital Fund	1	1
Accumulated Funds - Unrestricted Funds	32,251	2,383,228
<b>Total Equity per Statement of Financial Position</b>	<b>32,252</b>	<b>2,383,229</b>

	Actual 2019 \$	Actual 2018 \$
<b>Movements in Equity</b>		
<b>Closing Equity</b>	<b>32,252</b>	<b>2,383,229</b>
Represented by:		
<b>Capital</b>		
Opening balance	1	1
Closing balance	<b>1</b>	<b>1</b>
<b>Accumulated Funds</b>		
Opening balance	2,383,228	1,784,023
Net comprehensive revenue and expense for the period	(2,350,977)	599,205
Closing balance	<b>32,251</b>	<b>2,383,228</b>
<b>Total Equity as at 30 June</b>	<b>32,252</b>	<b>2,383,229</b>

*The notes form an integral part of, and should be read in conjunction with, these financial statements.*

**Christchurch Earthquake Appeal Trust**  
**Statement of Cash Flows**  
For the year ended  
**30 June 2019**

	Note	Actual 2019 \$	Actual 2018 \$
<b>Cash Flows from Operating Activities</b>			
<b>Cash was provided from:</b>			
Interest received		999,081	947,890
Donations received		620	15,495
<b>Cash was disbursed to:</b>			
Grants paid		1,941,719	9,552,237
Return of tagged donations held in trust		1,250,000	-
Bank fees and bank audit confirmation report		50	50
<b>Net Cash Flows from Operating Activities</b>	<b>9</b>	<b>(2,192,068)</b>	<b>(8,588,902)</b>
<b>Cash flows from Investing and Financing Activities</b>			
<b>Cash was provided from:</b>			
Proceeds from maturity of investments		28,600,000	27,000,000
Receipts from Restart The Heart Trust		-	500,000
<b>Cash was disbursed to:</b>			
Purchase of investments		30,400,000	20,000,000
<b>Net Cash Flows from Investing and Financing Activities</b>		<b>(1,800,000)</b>	<b>7,500,000</b>
<b>Net (Decrease) in Cash and Cash Equivalents</b>		<b>(3,992,068)</b>	<b>(1,088,902)</b>
<b>Opening Cash and Cash Equivalents</b>		<b>5,057,406</b>	<b>6,146,308</b>
<b>Closing Cash and Cash Equivalents</b>		<b>1,065,338</b>	<b>5,057,406</b>
<b>Comprising of:</b>			
Bank accounts and call deposits		1,065,338	5,057,406
<b>Total Cash and Cash Equivalents</b>		<b>1,065,338</b>	<b>5,057,406</b>

*The notes form an integral part of, and should be read in conjunction with, these financial statements.*

# Christchurch Earthquake Appeal Trust

## Statement of Accounting Policies

For the year ended  
30 June 2019

### Note 1: Statement of Accounting Policies

#### Reporting entity

The reporting entity is the Christchurch Earthquake Appeal Trust, a registered charity under the Charities Act 2005. The Trust is domiciled and operates in New Zealand and is primarily involved in the provision of relief to the community of Christchurch and Canterbury region from the adverse effects of the earthquakes on 22 February 2011 and 4 September 2010. The Trust is a Public Benefit Entity (PBE).

#### Reporting Period

The financial statements for the year ended 30 June 2019 were approved and authorised for issue by the Trustees on 25 September 2019.

### Note 2: Basis of Preparation

#### Statement of Compliance

The Christchurch Earthquake Appeal Trust is a public benefit entity (PBE). The Trust has elected to apply Tier 2 PBE Accounting Standards on the basis that it does not have public accountability and has total annual expenses of equal to or less than \$30 million. The financial statements comply with New Zealand generally accepted accounting practice and are prepared in accordance with and comply with Tier 2 Public Benefit Entity (PBE) accounting standards. All transactions in the Financial Statements are reported using the accrual basis of accounting. The Financial Statements are prepared on the assumption that the entity will continue to operate in the foreseeable future.

#### Measurement Base

The financial statements have been prepared on an historical cost basis.

#### Functional and presentation currency

These financial statements are presented in New Zealand dollars (\$). The functional currency is New Zealand dollars. All financial information presented in New Zealand dollars has been rounded to the nearest dollar.

#### Changes in Accounting Policies

There have been no changes in accounting policies during the financial year (2018: nil).

#### Critical Accounting Judgements and Estimates

The preparation of financial statements in conformity with Tier 2 PBE accounting standards requires judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, revenue and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and assumptions are reviewed on an on-going basis.

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if revision affects both current and future periods.

## **Comparatives**

When presentation or classification of items in the financial statements is amended or accounting policies are changed voluntarily, comparative figures are restated to ensure consistency with the current period unless it is impracticable to do so.

## **Note 3: Significant Accounting Policies**

The following particular accounting policies which materially affect the measurement of financial performance and financial position have been applied.

### **Revenue**

The Trust derived income from public donations and interest on bank balances and short-term investments. Interest income is recognised when earned and is reported in the period to which it relates. Interest income is recognised in the surplus/(deficit) as it accrues, using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period, to the next carrying amount of the financial asset.

Revenue from public donations and pledges is deemed to be non-exchange revenue as per the definition in the new PBE standard IPSAS 23. Donations are recognised as revenue upon receipt and include donations from the public, donations received for specific programmes or services and donated goods in-kind. Donations in-kind include donations received for professional services and are recognised as both revenue and an expense when the goods are received. Donations in-kind are measured at their fair value as at the date of acquisition, ascertained by reference to the expected cost that would otherwise be incurred by the charity.

Revenue from direct investment of funds with banks is deemed to be exchange revenue as per the definition in the new PBE standard IPSAS 9.

### **Expenditure**

Grants are recognised as expenditure when approved by the Trustees. The Crown fund the Department of Internal Affairs to provide administrative services to the Trust. Any reimbursement of costs incurred by the Trust are treated as donation of goods and services and reported as such in the Statement of Comprehensive Income.

### **Taxation**

The Trust is exempt from income tax under section CW 42(1) (a) of the Income Tax Act 2007. The Trust has been granted tax exempt status and is registered as a Charity under the Charities Act 2005. The Trust holds a certificate of exemption from Resident Withholding Tax.

### **Goods and Services Tax (GST)**

The Christchurch Earthquake Appeal Trust is not registered for GST, therefore amounts recorded in the financial statements are inclusive of GST (if any).

### **Accounts Receivable**

Accounts receivable are stated at their expected realisable value after providing for doubtful and uncollectible debts.

### **Financial Instruments**

Non-derivative financial instruments comprise investments in cash and cash equivalents, trade receivables, trade and other payables and other liabilities.

Financial assets and financial liabilities are measured at fair value plus transaction costs. Any profits

or loss from the financial transaction are recognised in the Statement of Comprehensive Revenue and Expense.

### **Cash and Cash Equivalents**

The Trust treats cash and cash equivalents based on the term of the term deposit, not term to maturity from balance date. Cash and cash equivalents includes cash on hand, cash in transit, deposits held on call with banks and other short-term, highly liquid investments, with maturities of three months or less. The carrying value of these assets approximates their fair value.

### **Impairment of Financial Assets**

Financial assets are assessed for indicators of impairment at the end of each reporting period. They are impaired where there is objective evidence that the estimated future cash flows have been impacted. Objective evidence could include:

- Significant financial difficulty of the counterparty;
- Default or late payments; or
- It becoming probable that the counterparty will enter bankruptcy or financial re-organisation.

The recoverable amount of the Trust's receivables carried at amortised cost is calculated at the present value of estimated future cash flows, discounted at the original effective interest rate. Impairment, being the difference between carrying amount and recoverable amount, is recognised in the Statement of Comprehensive Revenue and Expense.

Impairment losses on an individual basis are determined by an evaluation of the exposures on an instrument by instrument basis. All individual instruments that are considered significant are subject to this approach.

### **Grants Payable**

Grants approved by the Trustees in the financial period are recognised as an expense in the Statement of Comprehensive Revenue and Expenses when approved by the Trustees.

### **Loans and Advances**

The Trustees have the expectation that the grants paid in advance will be written down over the period of the agreement as certain covenants are met. Accordingly, these amounts are adjusted to reflect the fair value.

**Christchurch Earthquake Appeal Trust**  
**Notes to the Financial Statements**  
For the year ended  
**30 June 2019**

**Note 4: Analysis of Revenue**

<b>Revenue Item</b>		2019	2018
		\$	\$
Interest revenue	Call and Cheque Accounts	66,997	120,079
	Short-term investments	744,456	935,971
	<b>Total Interest Revenue</b>	<b>811,453</b>	<b>1,056,050</b>

**Note 5: Donated Goods and Services**

<b>Expense Item</b>		2019	2018
		\$	\$
The administrative costs comprise of donated goods and services	Department of Internal Affairs (by appropriation)	66,000	67,000
	KPMG - Audit	-	20,000
	Bell Gully	-	3,599
	<b>Total Administrative Costs</b>	<b>66,000</b>	<b>90,599</b>

The Department of Internal Affairs has an obligation to provide administrative and accounting services to the Trust. The value of this support is assessed as shown above.

In past years KPMG have audited the accounts on a pro-bono basis as agreed with the Office of the Auditor General. KPMG are continuing as Auditor of the Trust and will in future be charging for these services. The Department will meet those costs.

Bell Gully legal services were provided on a pro-bono basis.

**Note 6: Bank Term Deposits**

<b>Asset Item</b>	<b>Analysis</b>	2019	2018
		\$	\$
Terms = original maturity date over 90 days	BNZ	14,000,000	9,000,000
	Kiwibank	3,800,000	6,000,000
	ANZ	4,000,000	5,000,000
	<b>Total Term Deposits - greater than 90 days</b>	<b>21,800,000</b>	<b>20,000,000</b>

For term deposits with terms of greater than 90 days, the terms were 185-364 days (2018: 365 days). The interest rates range from 3.10% - 3.51% (2018: 3.53% - 3.85%).

## Note 7: Advances

Asset Item		2019	2018
		\$	\$
Advances	Advances	2,005,108	2,605,108
	Less provision for doubtful debts	(1,405,108)	(1,405,108)
<b>Total Advances</b>		<b>600,000</b>	<b>1,200,000</b>

The value of the amount advanced to Restart the Heart Trust has been adjusted to reflect the fair value on a discounted basis. The Trustees have given consent for Restart the Heart Trust to wind up. A final payment is to be made to the Christchurch Earthquake Appeal Trust which will represent the remaining funds held by Restart the Heart Trust after final costs have been met.

The Trustees have the expectation that the \$3m advanced to Canterbury Cricket Trust relating to a pavilion for Hagley Oval will be written off over a period of five years, assuming certain covenants are met. In Financial Year 2019 these covenants that were not met in 2018 were met, accordingly \$600,000 was amortised through profit and loss. Agreement to the final rebate of \$600,000 will be dependent on covenants being met during the 2020 financial year.

## Note 8: Grants Payable

	Actual	Actual
	2019	2018
	\$	\$
Connecting the City to the Sea	17,250,000	17,250,000
Canterbury Provincial Council Building	-	2,875,000
Kaiapoi Riverbanks	411,545	1,088,265
Surf Life Saving New Zealand	2,065,989	862,500
Rugby League at Ngā Puna Wai		1,035,000
Thomas Edmonds Band Rotunda	1,000,000	-
Coastguard Lyttelton	1,203,815	460,000
Other Grants	1,786,946	776,250
<b>Total Grants Payable</b>	<b>23,718,295</b>	<b>24,347,015</b>

**Christchurch Earthquake Appeal Trust**  
**Notes to the Financial Statements**  
For the year ended  
**30 June 2019**

**Note 9: Reconciliation of Net Cash Flows from Operating Activities to Total Comprehensive Revenue and Expense**

	2019	2018
	\$	\$
Reported comprehensive revenue and expense	(2,350,977)	599,205
Adjustment for fair value adjustment of advances	-	(500,000)
Adjustments for movements in working capital items:		
Decrease/(Increase) in accrued interest	187,629	(108,160)
(Decrease) in grants payable	(628,720)	(9,579,947)
Decrease in loans and advances	600,000	1,000,000
<b>Net Cash Flows from Operating Activities</b>	<b>(2,192,068)</b>	<b>8,588,902</b>

**Note 10: Financial Risk Management**

All assets of the Trust are classified as Loans and Receivable and the carrying values are equal to the fair values. All Liabilities are classified as Financial Liabilities at amortised cost and the carrying values are equal to their fair values.

**Off Balance Sheet Exposure**

The Trust had no off balance sheet exposure at 30 June 2019 (2018: nil).

**Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The cash flow risk is managed by maintaining the majority of the interest bearing instruments at fixed rates. The term deposits are made for varying periods depending on the cash requirements of the Trust and earn interest at the respective short term deposit rates. The Board does not consider that there is significant interest rate risk exposure on the Trust's investments.

**Foreign Currency Risk**

All grants are paid in New Zealand currency. Any donations received in a foreign currency are translated to New Zealand dollars on the date of receipt. Any currency movement would have no effect on the Trust.

**Fair Value**

All current financial instruments recognised in the statement of financial position are stated at carrying amounts that are also a reasonable approximation of their fair values.

**Credit Risk**

Credit risk is the risk that a third party will default on its obligation causing a loss.

Credit risk is reduced by investing only in New Zealand registered banks under the Reserve Bank of New Zealand Act 1989.

**Liquidity Risk**

In meeting its liquidity requirements, the Christchurch Earthquake Appeal Trust maintains a target level of investments that must mature within specified timeframes to meet projected grants.

**Note 11: Related Party Transactions and Key Management Personnel**

All transactions were carried out on an arm's length basis. There were no related party transactions entered into during the year to 30 June 2019.

The key management personnel are the three Trustees and members of the Advisory Board. No fees have been paid to these members during the year.

**Note 12: Commitments**

There were no commitments as at 30 June 2019 (2018: nil).

**Note 13: Contingent Assets - Pledged Donations**

There were no contingent assets for pledged donations at 30 June 2019 (2018: nil).

**Note 14: Contingent Liabilities and Guarantees**

There were no contingent liabilities or guarantees as at 30 June 2019 (2018: nil).

**Note 15: Events After the Balance Date**

There were no events that have occurred after the balance date that would have a material impact on the Financial Statements.



## INDEPENDENT AUDITOR'S REPORT

### TO THE READERS OF CHRISTCHURCH EARTHQUAKE APPEAL TRUST'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

The Auditor-General is the auditor of Christchurch Earthquake Appeal Trust (the Trust). The Auditor-General has appointed me, Graeme Edwards, using the staff and resources of KPMG, to carry out the audit of the financial statements of the Trust on his behalf.

#### **Opinion**

We have audited the financial statements of the Trust on pages 9 to 19, that comprise the statement of financial position as at 30 June 2019, the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion, the financial statements of the Trust:

- present fairly, in all material respects:
  - its financial position as at 30 June 2019; 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 with disclosure concessions.

Our audit was completed on 25 September 2019. 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, we comment on other information, and we explain our independence.

#### **Basis for our opinion**

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

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

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

#### **Responsibilities of the Trustees for the financial statements**

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 responsible for such internal control as they determine is necessary to enable them to prepare financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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 intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

The Trustees responsibilities arise from clause 17.4 of the Trust Deed

### **Responsibilities of the auditor for the audit of the financial statements**

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

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

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

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

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 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 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, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the 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 1 to 3, but does not include the financial statements and our auditor's report thereon.

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

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

## Independence

We are independent of the 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.

A handwritten signature in blue ink, appearing to read 'G Edwards', with a stylized flourish at the end.

Graeme Edwards  
KPMG  
On behalf of the Auditor-General Wellington,  
New Zealand