

Tomorrow
Starts
Here.

**CHRISTCHURCH
EARTHQUAKE
APPEAL TRUST**

**ANNUAL
REPORT
2016/17**



Redcliffs Village Library
Est. 1914

This annual report and the audited financial statements are available at christchurchappealtrust.org.nz
Cover photo of the Redcliffs Village Library courtesy of Dennis Radermacher, Lightforge

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 (charity registration number: CC46329).

ISSN 2324-1683

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Report from the Trustees

The Christchurch Earthquake Appeal Trust (Appeal Trust) has allocated over \$104 million¹ to support the Canterbury rebuild. The donations to the global appeal have helped fund over 250 projects and activities throughout Canterbury. The funding has contributed to the restoration of heritage facilities such as the Arts Centre, the repair and rebuild of recreational facilities enabling children and adults to continue participating in sports, and the delivery of social services to people facing hardship. The majority of the funded projects have been completed, and are now operating for the benefit of the Canterbury community, or in the case of events or interim activities, have fulfilled their objectives to provide relief.

Several projects that will contribute to the Canterbury community for years to come were launched or completed in 2016/17. One of the highlights from the year was the new community centre in Heathcote that opened in December 2016. The centre provides space for gatherings and also accommodates the local voluntary library.

A sod turning event in February 2017 marked the imminent development of the Ngā Puna Wai sports hub. Early earthworks on the site followed. Sports surfaces and facilities will become available from March 2018 onwards. Of the multiple sporting codes that will be based at Ngā Puna Wai, the Appeal Trust has contributed to tennis, athletics and rugby league facilities.

During the year, many social service providers were involved with delivering services for vulnerable people and those needing specialised assistance. Youth workers received targeted training and social workers met earthquake related demand for services. Organisations such as the Christchurch Methodist Mission coordinated events aimed at connecting communities and having fun.

In January 2017, work also started on the new recreation and sport centre at Queen Elizabeth II Park. The new centre includes leisure and training pools, a hydroslide, an aquatic adventure playground, a steam room, sauna, fitness centre and café. The new facility will be an enduring asset for the Canterbury region. The Appeal Trust's funding of \$7.47 million is a contribution to the water attractions at the pools. The water attractions component is a bonus feature of the facility made possible with a grant from the Appeal Trust, which included significant donor-directed funding.

The Appeal Trust had substantively allocated the funds raised by the global appeal by 2014. Since then the Appeal Trust has focused on the projects that are facing challenges getting started, provide an opportunity for a longer term legacy, and ensuring the Appeal Trust funds are used as soon as possible to make a positive difference for the Canterbury community.

¹ As the Appeal Trust is not registered for GST all amounts given in this Annual Report are presented on this basis.

In some cases projects are facing complex land-use or insurance issues. These issues led to the draw-down of funding being less than forecast in the last financial year. In 2016/17, \$4.4 million worth of grants was paid to groups who were ready to start their funded activity, compared to \$14 million in 2015/16.

Of the total funding allocated to projects and activities, 32% remains to be drawn down. The Appeal Trust is actively monitoring the projects yet to get started and is working with funding recipients to meet the funded goals. The organisations leading these projects remain confident these projects will be delivered.

Half of the funding allocated that remains to be drawn down relates to the Appeal Trust's Connecting the City to the Sea project. In 2014, the Appeal Trust committed up to \$17.25 million for the purpose of connecting the city to the sea. These funds are committed to achieving regeneration of the riverside and red-zone land along the Ōtākaro River (extending to the sea from Fitzgerald Avenue, where it joins the Avon River precinct). The Appeal Trust's intention is that this funding provides a stimulus for the development of pathways, seating areas, planting and cycleways.

The Appeal Trust's commitment to the Connecting the City to the Sea project was made with the understanding that as land use decisions were required it may take several years before this funding could be applied to projects and activities. The use of these funds is directly linked to the work of Regenerate Christchurch to develop a regeneration plan for the Ōtākaro/Avon Riverside Corridor.

The Appeal Trust has continued to build a relationship with Regenerate Christchurch, and is pleased with the progress that has been made to develop the Ōtākaro/Avon Riverside Corridor regeneration plan. Informed by the plan and decisions around the residential red zone, the Appeal Trust will consider which projects align with the Appeal Trust principles, which include not funding work that should be undertaken by central and local government (unless funding support would enable or enhance a community benefit which otherwise would not eventuate), and to direct funding to alleviate the impact of the earthquakes on communities, culture and heritage, educational opportunities and the environment.

*Dr Rod Carr
Colin MacDonald
Gabriel Makhoulouf
Trustees*

ACKNOWLEDGEMENTS

The Trustees would like to thank the following organisations for support and assistance during 2016/17:

- › Bell Gully
- › Inland Revenue Department for administering the donation rebate scheme
- › KPMG
- › Office of the Prime Minister

Many individuals and organisations have provided advice on funding needs:

- › Avon-Ōtakaro Network
- › Christchurch City Council
- › Creative New Zealand (Toi Aotearoa)
- › Funding Leaders Across Government Christchurch group
- › Ministry for Culture and Heritage (Manatū TaoNgā)
- › Ministry of Social Development (Te Manatū Whakahiato Ora)
- › Rata Foundation
- › Regenerate Christchurch
- › Sport Canterbury

FUNDING ALLOCATION

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

The table below shows the percentage of funding allocated to each portfolio since 2011. All funding allocated to the portfolios of: Community Permanent, Economic Revitalisation, Hardship/ Spiritual and Faith and Heritage and Culture has been distributed.

| | | |
|---|------------------------------|-----|
|  | Large Permanent | 35% |
|  | Community Permanent | 1% |
|  | Economic Revitalisation | 5% |
|  | Hardship/Spiritual and Faith | 14% |
|  | Education/Youth | 4% |
|  | Sport and Recreation | 19% |
|  | Heritage and Culture | 1% |

Note: percentages in the table have been rounded

2016/17 New Grants

The Appeal Trust is no longer seeking applications for funding as it has substantively allocated the funds raised by the global appeal. The Appeal Trust made one grant during 2016/17. This grant was the final instalment of SKY's \$1 million donation. In May 2013, SKY pledged \$200,000 per year for five years to help repair the city, focusing on sport and recreational facilities. The final instalment of \$200,000 was donor directed by agreement between SKY and the Appeal Trust to Christchurch City Council as a contribution towards a technology package including scoreboards and timing systems, public address systems and camera facilities to enable the provision of sport from grass roots to high performance at Ngā Puna Wai Sports Hub.

PROJECT UPDATES

In 2016/17 \$4.2 million was distributed to the Canterbury community to support the rebuild and recovery. The following project updates provide a description of some of the highlights from the year.



LARGE PERMANENT

Aimed to fund projects (valued at \$1,000,000 or more) to make a positive difference to greater Christchurch and the Canterbury region for 20-50 years and leave a legacy to the Appeal. Priority was given to large-scale, multi-purpose, collaborative projects that benefit the wider community, directly meet an earthquake-related need, and invested in the future of Canterbury.

Kaiapoi riverbanks

The Appeal Trust granted \$2,300,000 to Waimakariri District Council to enhance the Kaiapoi riverbanks by installing and repairing walkways, cycleways and public amenities along the Kaiapoi River through to the Kaiapoi township. The project takes a long term view of developing the Kaiapoi River with the community in mind. The project caters to all river users – boaties, recreational, sports groups, recreational fishers, walkers and families.

A number of components have already been completed. Access and connections have been improved by completing a walkway on top of the south riverbank. Strengthening and repairs to the retained newer section of the existing wharf have improved safety and durability. The older wharf was replaced with a new rock embankment, new grassed seating, leisure areas, planting and walkways. A fishing platform and a shared public boat ramp are also available for public use.

Planning and design is underway for the Kaiapoi Riverview Terraces. This will see a boardwalk promenade and a floating platform providing access for watercraft directly into the heart of Kaiapoi. Public reaction to the improvements has been very positive and locals are looking forward to completion. The enhancement project is expected to be completed by late 2018.

Kaiapoi Riverbank
landscaping and rock
embankment



Canterbury Cricket Trust for Hagley Oval Pavilion

In 2013, the Appeal Trust loaned Canterbury Cricket Trust \$3 million for a new pavilion with community meeting spaces at Hagley Oval. Provided certain conditions are met the Appeal Trust can write-off the loan in instalments of \$600,000 annually until 2019. Conditions of the loan include: changing rooms and public toilets being available for summer and winter sports players using the surrounding grounds; the pavilion being used for suitable events other than cricket; the meeting rooms being made available to community groups at reasonable cost; and a number of complimentary match tickets for cricket games being made available for people adversely affected by the earthquakes, including younger cricket players and members of the wider community.

One of the highlights from the year was that over \$73,500 worth of tickets were donated to schools and community groups. At 30 June 2017, Canterbury Cricket Trust's loan balance was \$1.2 million.



Right: Young cricketers making use of Hagley Oval, with the Pavilion in the background



COMMUNITY PERMANENT

Funded smaller-scale permanent projects (valued at \$100,000 or more) to make a positive difference primarily to local communities for 20-50 years and leave a legacy to the Appeal. Priority was given to small to medium-scale, multi-purpose, collaborative projects that directly met an earthquake-related need and invested in the future of Canterbury.

Heathcote Community Centre

Heathcote lost both its community centre and library in the Christchurch earthquakes, leaving a significant gap for the area. The Appeal Trust contributed to the funding of a new Heathcote Community Centre which was opened on 14 December 2016. The Centre provides space for community gatherings and also accommodates the Heathcote Voluntary Library.

The community was closely involved with the design and planning of the new building through workshops. The new centre is located at the top of the Heathcote domain and has panoramic views. It is now a hub for the local area and already is a much loved and well used venue.

The Appeal Trust contributed a grant of \$721,050 to this rebuild.



Left: Christchurch City Councillor Jani Johnson and local Heathcote resident and Heathcote Community Association member Sooze Harris cut the ribbon at the opening of the Heathcote Community Centre



ECONOMIC REVITALISATION

Aimed to remove earthquake-related barriers to Canterbury having a vibrant and sustainable economy that provides ongoing employment. The Trustees focused on small to medium-sized businesses with less than 50 staff. The Trust provided support through existing organisations that support businesses.

Christchurch Stadium Trust

The Appeal Trust provided the Christchurch Stadium Trust (Stadium Trust) \$5 million toward the cost of building a temporary sports venue in Addington, now called AMI stadium. Six years on, the stadium continues to be the primary venue in Christchurch for major sporting events. AMI stadium has also contributed to cultural and other recreational events for the Canterbury community at a time when other venues are not available. The Stadium has 13 corporate boxes, seating capacity up to 25,000 and is equipped to host international sporting events.

During the year a Bruce Springsteen concert, a stair challenge and many junior sporting events took place at the Stadium.

The loan was conditional on the Stadium being available for wider community use such as concerts, lower grade sporting events, festivals and cultural events. If these conditions are met the Stadium Trust can write-off a portion of the loan each year. At 30 June 2017, the Stadium Trust's loan balance was \$1 million. The Stadium Trust is expected to submit its final request to write-off request in late 2017.

Re:START

Re:START opened in 2011 to provide vital interim retail spaces in the heart of the city. The relocatable containers provided a vibrant shopping complex and kept businesses and customers in central Christchurch in an innovative way that also attracted local and overseas visitors to the site.

Re:START began as a six month solution to the challenge of lack of retail facilities following the earthquakes. Up to 50 tenants at any one time made Re:START their base. Six years on the container mall is now under new management and redevelopment of the site is planned for early 2018.

On 30 April 2017, the Re:START the Heart Trust ended its involvement with the Re:START container mall, acknowledging that as permanent new retail spaces were becoming available it had fulfilled its role to provide transitional retail space. Re:Start the Heart Trust is now formally winding up.

The Appeal Trust provided an interest free loan of \$3.36 million to support Re:START. As at 30 June 2017, Re:START the Heart Trust had repaid \$1,463,415. As agreed with the Appeal Trust, Re:START the Heart Trust made no repayments during the year and a final payment of all remaining funds held by Re:START the Heart Trust will be made to the Appeal Trust once the wind up process is completed.



HARDSHIP/SPIRITUAL AND FAITH

The Appeal Trust has collaborated with agencies and organisations which have primary responsibility for responding to immediate hardship-related needs, to identify clear gaps for further support. The Appeal Trust used existing agencies to disburse funds. The Appeal Trust assisted with core community facilities and infrastructure and aimed to relieve the hardship of those most affected by the earthquakes.

Presbyterian Support

Since the Christchurch earthquakes the demand for social services has increased. Psychosocial issues continue to emerge for children and their families who, as a result of long term stress, are vulnerable to behavioural and emotional disturbance and psychiatric illness. The Appeal Trust granted \$463,088 over four years to fund two social workers to work with children and their families in Selwyn District and Christchurch City to meet the continuing earthquake-related demand for services.

Presbyterian Support delivered a combination of one-on-one care and group programmes to children, parents and families. Presbyterian Support found their work with children and families assisted with issues such as managing anxiety, self-regulation of aggressive behaviour, family violence, developing improved relationships and communication between family members, and assistance with practical concerns such as housing or financial difficulties.

The Appeal Trust funding enabled Presbyterian Support greater flexibility in the way support has been offered to families, to intensify its support and respond to referrals at a much faster pace.



EDUCATION/YOUTH

The Appeal Trust aimed to assist young people to continue to have access to educational and skills development opportunities despite the disruption of the earthquakes. The category focused on young people up to the age of 18 years.

Redcliffs Public Library

The new Redcliffs Public Library opened on 2 December 2016. The new facility was built on the original site which has been operating since 1914. Volunteers have always played a pivotal role in the operation of the library, being responsible for the running of the library since it was first established. Since the earthquakes, the library has been operating from the Redcliffs Tennis Club.

The Appeal Trust contributed \$115,000 to the rebuild of the new facility. A committee fundraised to raise the balance of the funds needed to complete the rebuild. Christchurch City Council owns the building and will be responsible for its ongoing maintenance, and volunteers will continue to run the library. The new library is a warm and inviting community space for the Redcliffs Village.

About 80 children from Redcliffs School, Moa Kids' Preschool and 60 adult volunteers formed a chain to pass books from the temporary site direct to the new shelves in the Redcliffs Public Library.



Above Left: Moa Kids' preschoolers help with restocking the new library.

Above Right: Interior of Redcliffs Public Library. Photo courtesy of Dennis Radermacher, Lightforge



SPORT AND RECREATION

Aimed to maximise opportunities for Cantabrians to continue to participate in sport and recreation activities. The Trustees focused on youth participation.

Ngā Puna Wai Sports Hub

A sod turning event on 28 February 2017 marked the imminent development of the Ngā Puna Wai sports hub. A number of sporting facilities including an athletics track, hockey turfs, outdoor tennis courts and rugby league fields will be based at Ngā Puna Wai. These sporting codes lost their venues or had their grounds damaged in the earthquakes. Community playing fields and play zones will also be located at the new site. Co-locating provides the opportunity to share clubrooms, changing and toilet facilities.

The Appeal Trust has contributed to tennis, athletics and rugby league surfaces at Ngā Puna Wai. SKY's donor directed donation for 2017 has also supported a technology package including scoreboards and timing systems, public address systems and camera towers to enable the provision of sport from grass roots to high performance levels.

Early earthworks started in April 2017. Christchurch City Council is leading the development with support from sports groups across Christchurch. Ngā Puna Wai is a long term project. It is anticipated that the first facilities will become available from March 2018 onwards.



HERITAGE AND CULTURE

The Trustees aimed to maximise the potential to preserve the heritage of Canterbury and provide opportunities for people to participate in arts and cultural activities. The focus has been on large-scale infrastructure and venues. Sector collaboration has been particularly valued.

All heritage and culture projects funded by the Appeal Trust had been completed by 1 July 2016. The project update below is just one of the highlights from the Heritage and Culture portfolio that was completed in the last six years.

Riccarton House

Riccarton House, a Category 1 registered historic building, was built in three stages from 1856 by the pioneering Deans family from Scotland, the first permanent settlers on the Canterbury Plains. Riccarton House was closed to the public after suffering significant damage from the 22 February 2011 earthquake. A grant of \$205,131 from the Christchurch Earthquake Appeal Trust, together with an insurance payment, made it possible to repair, strengthen and renovate the historic property.

The repairs took more than two years to complete and involved experienced artisans, some from Great Britain, reproducing the original features of the house, while adding improvement and structural strengthening against future earthquakes.

Riccarton House reopened in 2014 and is now operated by Riccarton Bush Trust as a living museum of colonial history, and as a restaurant and function centre. Restoration of this culturally and historically significant building contributed to returning a sense of normality to the community.

PROJECTS STILL TO BE COMPLETED

Some of the following projects are facing complex challenges to getting started. The Appeal Trust is working closely with the organisations involved to ensure these projects get underway as soon as possible.

| Recipient | Portfolio | Purpose | Grant/Grant to be paid |
|---|---|---|--|
| Christchurch City Council for water attractions at the new Queen Elizabeth II facility |  Large Permanent | Water attractions at the new Queen Elizabeth II Recreation and Sports Centre in the eastern suburbs. | \$7,475,000 |
| Christchurch City Council for Canterbury Provincial Chambers |  Large Permanent | Reconstruction of the Armagh and Durham Street stone towers of the Canterbury Provincial Council Buildings, to enable the repair of the wooden buildings, so that the complex can be reopened for public use. | \$2,875,000 |
| Connecting the City to the Sea project |  Large Permanent | Towards "Connecting the City to the Sea" from Te Papa Ōtakaro/ Avon River Precinct at Fitzgerald Avenue through eastern Christchurch all the way to the sea. | Up to \$17,250,000 |
| Waimakariri District Council for Kaiapoi Riverbank Enhancements |  Large Permanent | To provide and repair walkways, cycle ways and other public amenities along the Kaiapoi River through Kaiapoi township. | \$1,509,551 |
| Christchurch Symphony Orchestra |  Large Permanent | To help the Christchurch Symphony Orchestra establish a new rehearsal space, to replace the venue lost in the earthquakes. | \$1,437,500 |
| Christchurch City Council for establishing new grounds for rugby league |  Sport and Recreation | Replacement grounds for rugby league and for associated infrastructure including a game day administration base. | \$1,035,000 |
| Surf Life Saving New Zealand for South and New Brighton, and Taylor's Mistake Clubrooms |  Sport and Recreation | Towards the rebuild and long-term repairs of three surf life saving clubs so that surf life saving patrol services continue in the future. | \$862,500 |
| Coastguard Lyttelton |  Sport and Recreation | Towards a replacement coastguard facility in Lyttelton. | \$460,000 |
| Sport Canterbury for Sports House |  Sport and Recreation | Towards the fit-out of the Sports House administration hub 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 their earthquake-damaged building on the Kaiapoi River. | \$230,000 |
| Christchurch City Council for technology package at Ngā Puna Wai |  Sport and Recreation | Toward the purchase of a technology package including scoreboards and timing systems, public address systems and camera facilities to enable the provision of sport at Ngā Puna Wai Sports Hub. | \$230,000 |
| Canterbury Yachting |  Sport and Recreation | For the repair and replacement of ramps to provide safe access to the water for yachting club members and the general public - including for other water sports and recreation activities. | \$128,741 |
| Ara Institute and Lincoln University |  Education/Youth | Scholarship support for relief from earthquake and/or financial hardship. In 2017, this funding was transferred to the Ara Institute of Canterbury, Lincoln University and University of Canterbury from a grant to Canterbury Tertiary Education Millennial Trust who stopped operating. | 2 grants of \$21,984.50 remains to be paid |
| Oterepo Te Kohangā Reo |  Education/Youth | To build a playground at the new Kohangā Reo, which was demolished subsequent to the earthquakes. | \$28,750 |

TRUSTEES

Dr Rod Carr (appointed 6 April 2011)
Vice-Chancellor, University of Canterbury

Prior to his appointment as Vice-Chancellor, Dr Rod Carr was managing director of Jade Software Corporation Ltd. His 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.



Colin MacDonald (appointed 16 April 2012)
Secretary for Internal Affairs

Colin MacDonald is Chief Executive, Secretary for Internal Affairs. As Secretary for Internal Affairs Colin is also Secretary for Local Government and Government Chief Information Officer. Prior to this, Colin was Chief Executive of Land Information New Zealand (LINZ). Colin 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).



Gabriel Makhoul (appointed 1 June 2011)
Secretary to the Treasury

Gabriel (Gabs) Makhoul was appointed to the position of Secretary to The Treasury in June 2011. In this role, Gabs is Chief Executive of one of the key central agencies of the New Zealand Government, and operates as its chief economic, financial and regulatory advisor. He 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. Gabs has chaired the world's main tax-ruling body at the OECD and was Principal Private Secretary to the UK Chancellor of the Exchequer, Gordon Brown.



FINANCIAL STATEMENTS

2016/17

INDEPENDENT AUDITOR'S REPORT

To the readers of Christchurch Earthquake Appeal Trust's financial statements for the year ended 30 June 2017

The Auditor-General is the auditor of the 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 5 to 15, that comprise the statement of financial position as at 30 June 2017, the statement of comprehensive revenue and expenses, 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 on pages 23 to 37:

- › 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 with disclosure concessions.

Our audit was completed on 26 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, we comment on other 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

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 the preparation of 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 wind-up 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 2 to 4, but does not include the financial statements, and our auditor's report thereon.

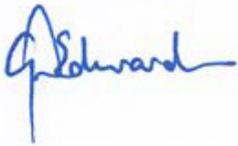
Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

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 in our capacity as auditor, we have no relationship with, or interests in, the Trust.



Graeme Edwards
KPMG

*On behalf of the Auditor-General
Wellington, New Zealand*

Christchurch Earthquake Appeal Trust Entity Information

For the year ended 30 June 2017

| | |
|------------------------|--|
| Legal Name and Entity: | Christchurch Earthquake Appeal Trust. The Trust was established by deed 11 March 2011. It is a registered charity. |
| 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. |
| Registration Number: | CC46329 |

STATEMENT OF PURPOSE

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:

The Christchurch Earthquake Appeal was set up to complement emergency support provided by other charitable agencies, and core government responsibilities. The Appeal continues to help restore for Christchurch communities, the places and services that make a city worth living in. When the earthquake 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.

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 will be ten years. The Christchurch Earthquake Appeal 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, and are not political appointments.

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.

The New Zealand Government lends support by covering the administration costs of the Trust. All money received by the Appeal will be put towards the earthquake recovery effort and will be audited by the New Zealand Public Audit Office 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.

CONTACT DETAILS

Physical Address: Christchurch Earthquake Appeal Trust Secretariat
Department of Internal Affairs
147 Lambton Quay
Wellington 6011
New Zealand

Postal Address: Christchurch Earthquake Appeal Trust Secretariat
PO Box 805
Wellington 6140
New Zealand

0800 448 444

Phone/Fax: <http://www.dia.govt.nz>
<http://www.christchurchappealtrust.org.nz>

Website/Email: christchurchearthquakeappeal@dia.govt.nz

Statement of Responsibility

For the year ended 30 June 2017

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 2017.

Signed on behalf of the Trust:



Colin MacDonald
Trustee



Dr Rod Carr
Trustee

Date: 26 September 2017

Statement of Financial Position

As at 30 June 2017

| | Note | Actual 2017 \$ | Actual 2016 \$ |
|---|------|----------------------|----------------------|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Bank accounts and call deposits | | 6,146,308 | 2,378,210 |
| Short term bank term deposits | 6 | 27,000,000 | 32,800,000 |
| Accounts receivable | | - | 1,000,000 |
| Accrued interest | | 364,678 | 530,879 |
| Total Current Assets | | 33,510,986 | 36,709,089 |
| NON-CURRENT ASSETS | | | |
| Loans and advances | 7 | 2,200,000 | 2,800,000 |
| Total Assets | | 35,710,986 | 39,509,089 |
| LIABILITIES | | | |
| CURRENT LIABILITIES | | | |
| Grants payable | 8 | 33,926,962 | 38,193,973 |
| Total Current Liabilities | | 33,926,962 | 38,193,973 |
| Non-Current Liabilities | | - | - |
| Total Liabilities | | 33,926,962 | 38,193,973 |
| Total Assets less Total Liabilities (Net Equity) | | 1,784,024 | 1,315,116 |
| EQUITY | | | |
| Contributed Capital | | 1 | 1 |
| Accumulated comprehensive revenue and expense - Restricted Funds | | - | 6,133 |
| Accumulated comprehensive revenue and expense - Unrestricted Funds | | 1,784,023 | 1,308,982 |
| Total Equity | | 1,784,024 | 1,315,116 |

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

Statement of Comprehensive Revenue and Expense

For the year ended 30 June 2017

| | Note | Actual 2017 \$ | Actual 2016 \$ |
|---|------|----------------------|----------------------|
| REVENUE | | | |
| Donations | | 204,514 | 186,324 |
| Interest | 4 | 1,082,343 | 1,459,996 |
| Write back provision for doubtful debts | | - | 378,193 |
| Total Revenue | | 1,286,857 | 2,024,513 |
| EXPENSES | | | |
| Grants approved during the period | | 217,894 | 200,450 |
| GST deregistration adjustment | 8 | - | 6,100,360 |
| Total grants expense | | 217,894 | 6,300,810 |
| Bank fees | | 55 | 143 |
| Amortisation of advance | 7 | 600,000 | 1,600,000 |
| Total Expenses | | 817,949 | 7,900,953 |
| Surplus/(deficit) for the period | | 468,908 | (5,876,440) |
| OTHER COMPREHENSIVE REVENUE AND EXPENSE | | | |
| <i>Donated Goods and Services</i> | | | |
| Administration costs funded by the Government | | 89,273 | 88,083 |
| Donation of goods and services | | 40,424 | 20,000 |
| | 5 | 129,697 | 108,083 |
| <i>Administration costs of the Trust</i> | | | |
| Administration costs provided by DIA | | (89,273) | (88,083) |
| Administration expenses | | (40,424) | (20,000) |
| | | (129,697) | (108,083) |
| Deficit from the Administration of the Trust | | - | - |
| Total comprehensive revenue and expense for the period | | 468,908 | (5,876,440) |

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

Statement of Changes in Equity

For the year ended 30 June 2017

| | Actual 2017 \$ | Actual 2016 \$ |
|---|----------------------|----------------------|
| Opening Equity | 1,315,116 | 7,191,556 |
| Net comprehensive revenue and expense for the period | 468,908 | (5,876,440) |
| Closing Equity | 1,784,024 | 1,315,116 |
| <i>Comprising:</i> | | |
| Capital Fund | 1 | 1 |
| Accumulated Funds - Restricted Funds | - | 6,133 |
| - Unrestricted Funds | 1,784,023 | 1,308,982 |
| Total Equity per Statement of Financial Position | 1,784,024 | 1,315,116 |

MOVEMENTS IN EQUITY

| | Actual 2017 \$ | Actual 2016 \$ |
|--|----------------------|----------------------|
| Closing Equity | 1,784,024 | 1,315,116 |
| <i>Represented by:</i> | | |
| Capital | | |
| Opening balance | 1 | 1 |
| Closing balance | 1 | 1 |
| Accumulated Funds | | |
| Opening balance | 1,315,115 | 7,191,555 |
| Net comprehensive revenue and expense for the period | 468,908 | (5,876,440) |
| Closing balance | 1,784,023 | 1,315,115 |
| Total Equity as at 30 June | 1,784,024 | 1,315,116 |

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

Statement of Cash Flows

For the year ended 30 June 2017

| | Note | Actual 2017 \$ | Actual 2016 \$ |
|---|----------|----------------------|----------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| <i>Cash was provided from:</i> | | | |
| Interest received | | 1,248,544 | 1,736,042 |
| Donations received | | 1,204,514 | 3,878,273 |
| Goods & Services Tax (Net) | | - | 1,567,442 |
| <i>Cash was disbursed to:</i> | | | |
| Grants paid | | 4,484,905 | 13,972,108 |
| Goods & Services Tax (Net) | | - | - |
| Bank fees and bank audit confirmation report | | 55 | 143 |
| Net Cash Flows from Operating Activities | 9 | (2,031,902) | (6,790,494) |
| CASH FLOWS FROM INVESTING AND FINANCING ACTIVITIES | | | |
| <i>Cash was provided from:</i> | | | |
| Proceeds from maturity of investments | | 40,100,000 | 44,000,000 |
| Receipts from Restart The Heart Trust | | - | 378,193 |
| <i>Cash was disbursed to:</i> | | | |
| Purchase of investments | | 34,300,000 | 42,800,000 |
| Net Cash Flows from Investing and Financing Activities | | 5,800,000 | 1,578,193 |
| Net Increase / (Decrease) in Cash and Cash Equivalents | | 3,768,098 | (5,212,301) |
| Opening Cash and Cash Equivalents | | 2,378,210 | 7,590,511 |
| Closing Cash and Cash Equivalents | | 6,146,308 | 2,378,210 |
| <i>Comprising of:</i> | | | |
| Bank accounts and call deposits | | 6,146,308 | 2,378,210 |
| Total Cash and Cash Equivalents | | 6,146,308 | 2,378,210 |

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

Statement of Accounting Policies

For the year ended 30 June 2017

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 2017 were approved and authorised for issue by the Trustees on 26 September 2017.

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 Performance Report are reported using the accrual basis of accounting. The Performance Report is 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 (2016 was the first set of financial statements prepared using the new Tier 2 PBE accounting standards. There were no significant adjustments arising on transition to the new standard).

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 administrative costs of the Trust are met by the Department of Internal Affairs. 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 Trust was registered for GST up until the 30th September 2015. After an approach by IRD and subsequent discussions the Trust was deregistered. The financial statements have been prepared on this basis.

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.

Notes to the Performance Report

For the year ended 30 June 2017

NOTE 4: ANALYSIS OF REVENUE

Revenue Item

Interest Revenue

| | 2017 \$ | 2016 \$ |
|-------------------------------|------------------|------------------|
| Call and Cheque Accounts | 143,369 | 221,536 |
| Short-term investments | 938,974 | 1,238,460 |
| Total Interest Revenue | 1,082,343 | 1,459,996 |

NOTE 5: DONATED GOODS AND SERVICES

Expense Item

The administrative costs comprise of donated goods and services

| | 2017 \$ | 2016 \$ |
|---|----------------|----------------|
| Department of Internal Affairs (by appropriation) | 89,273 | 88,083 |
| KPMG - Audit | 20,000 | 20,000 |
| Bell Gully | 20,424 | - |
| Total Administrative Costs | 129,697 | 108,083 |

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.

KPMG have audited the accounts on a pro-bono basis as agreed with the Office of the Auditor General. Bell Gully legal services were provided on a pro-bono basis.

NOTE 6: BANK TERM DEPOSITS

Asset Item

Terms = original maturity date over 90 days

| | 2017 \$ | 2016 \$ |
|---|-------------------|-------------------|
| TSB | | 5,000,000 |
| BNZ | 13,000,000 | 10,800,000 |
| Kiwibank | 4,000,000 | 5,000,000 |
| Westpac | | - |
| ANZ | 4,000,000 | 5,000,000 |
| ASB | 6,000,000 | 7,000,000 |
| Total Term Deposits - greater than 90 days | 27,000,000 | 32,800,000 |

For term deposits with terms of greater than 90 days, the terms range from 114 - 365 days (2016: 173 - 365 days). The interest rates range from 3.10% - 3.65% (2016: 3.25% - 4.05%).

NOTE 7: ADVANCES

Asset Item

Advances

| | 2017 \$ | 2016 \$ |
|-----------------------------------|------------------|------------------|
| Advances | 4,105,108 | 4,705,108 |
| Less provision for doubtful debts | (1,905,108) | (1,905,108) |
| Total Advances | 2,200,000 | 2,800,000 |

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 \$5m advanced to Christchurch Stadium will be written off over a period of five years, assuming certain covenants are met. In Financial Year 2017 these covenants have not been met, accordingly no amount has been amortised through Profit and Loss.

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 2017 these covenants have been met, accordingly \$600,000 has been amortised through Profit and Loss.

NOTE 8: GRANTS PAYABLE

| | Actual 2017 \$ | Actual 2016 \$ |
|--|----------------------|----------------------|
| Connecting the City to the Sea | 17,250,000 | 17,250,000 |
| Water Attractions for Sport & Recreation Facility in North Eastern suburbs | 7,475,000 | 7,475,000 |
| Canterbury Provincial Council Building | 2,875,000 | 2,875,000 |
| Kaiapoi Riverbanks | 1,509,551 | 1,942,009 |
| Wilding Park Foundation Incorporated | - | 1,613,450 |
| Christchurch Symphony Orchestra | 1,437,500 | 1,437,500 |
| Surf Life Saving New Zealand | 862,500 | 862,500 |
| Rugby League at Canterbury Park | 1,035,000 | 1,035,000 |
| Christchurch City Council - Heathcote Community Centre | - | 721,050 |
| Other Grants approved | 1,482,411 | 2,982,464 |
| Total Grants Payable | 33,926,962 | 38,193,973 |

The Trust was deregistered for GST on 30 September 2015. The financial statements have been prepared on this basis. Prior to 30 September 2015 accounts payable were stated net of GST. Upon GST deregistration, accounts payable were restated and the resulting write ups are recognised in the Statement of Comprehensive Revenue and Expense.

NOTE 9: RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES

With Total Comprehensive Revenue and Expense

| | 2017 \$ | 2016 \$ |
|--|--------------------|--------------------|
| Reported Comprehensive Revenue and Expense | 468,908 | (5,876,440) |
| Adjustment for fair value adjustment of advances | | (378,193) |
| <i>Adjustments for movements in working capital items:</i> | | |
| (Increase)/Decrease in accrued interest | 166,201 | 276,046 |
| Decrease in accounts receivable | 1,000,000 | 5,259,391 |
| (Decrease) in grants payable | (4,267,011) | (7,671,298) |
| Decrease in loans and advances | 600,000 | 1,600,000 |
| Net Cash Flows from Operating Activities | (2,031,902) | (6,790,494) |

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 2017 (2016: 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 trading 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 2017.

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 2017 (2016: Nil).

NOTE 13: CONTINGENT ASSETS - PLEDGED DONATIONS

There were no contingent assets for pledged donations at 30 June 2017 (2016: \$200,000). This amount reflects the best estimate of the Trustees of the amount likely to be received from pledges committed prior to 30 June 2017. Some pledges have restrictions on how the funds can be applied. The actual amount received may be higher or lower than this estimate.

NOTE 14: CONTINGENT LIABILITIES AND GUARANTEES

There were no contingent liabilities or guarantees as at 30 June 2017 (2016: 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 Performance Report.

