

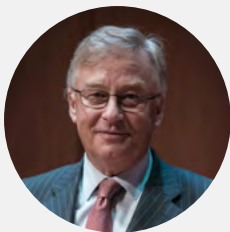
Annual Report

June 2018



Our Team

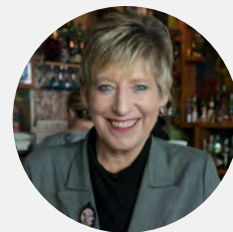
Board



Humphry Rolleston
Chair



Paul Deavoll
Deputy Chair



Hon. Lianne Dalziel
Trustee



Andrew Turner
Trustee



Hugh Lindo
Trustee



Paul Bingham
Trustee

Management



Amy Carter
Chief Executive



Jodie Shaw
Endowment and
Events Manager

Funders & Partners

Funder



City Partners



Major Partners



Christchurch Agency Partners



Auditor



Key Advisors



Chairman's Report



Humphry Rolleston
Chair

The trustees are delighted to be able to present to you The Christchurch Foundation's first annual report.

The Foundation is now fully operational and in a position to assist any person or organisation wishing to make a targeted contribution to our city.

I can recommend the Christchurch Foundation to you.





Amy Carter
Chief Executive

CEO's Report

This document marks the end of just over one full year of operation of The Christchurch Foundation. Upon reflection we have come a long way in that time with the focus unashamedly being on preparing for the launch of our public programmes in September 2018.

The Christchurch Foundation's role is to help generous people and companies achieve their dreams for our city, forever.

Due to the generous support of the Christchurch City Council we were able to be able to plan and put into place now what the Foundation will require in fifty years' time.

Financial systems and banking requirements are in place and the software that will manage all our relationships has been selected, with implementation beginning in September 2018.

We have identified and secured our accountants (KPMG), lawyers (Simpson Grierson) and primary financial advisors (JBWere). Our investment policies have been developed and adopted and work is underway on formally recording our standard operational procedures.

We have a logo and most of our promotional material has been completed in preparation for our public launch.



CEO's Report Continued

A significant amount of work has been completed on documentation of the various types of gifts that we administer so that we have tools to hand to support all our donors. This has included working closely with our partners, the Tūranga team and many within the Christchurch City Council to develop a framework for giving to community assets now and into the future.

Throughout this work we have been provided with significant support from both Community Foundations of New Zealand and from our already established sister Foundations around New Zealand. I would particularly like to acknowledge the Acorn Foundation in the Western Bay of Plenty for their willingness to share their materials and intellectual property with us.

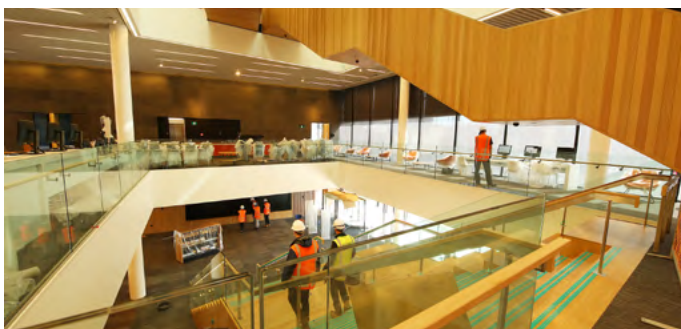
I'm thrilled to announce that we are already working with our first generous person who is considering establishing an endowment fund as a part of her estate.

I would like to acknowledge Jodie Shaw for her willingness to go above and beyond and to be a jack of all trades.

Thank you to my trustees who have made themselves available whenever we needed them, despite very busy lives.

It is also important to note that many wonderful people have contributed greatly to getting our entity up and running, prior to us becoming a legal entity. Special mention must go to Raf Manji, John Leuthart, Steve Bramley, Louise Edwards, Tim Scandrett, Phil Clearwater, Murray Dickson, Karleen Edwards and Simon Battrick who all played important roles.

“The beginning
is the most
important part
of the work.”
— Plato



Tūranga.
Our first
gift through
business
partnership.

Achieve your dreams for our city.

Funds Secured

\$3,250,000

Business Partners
Secured

5

Conversations with
generous people &
great causes

460



“We aim to encourage and celebrate a new generation of City Philanthropists and promote Christchurch as a global centre for progressive ideas.”



Hon. Lianne Dalziel
Trustee



Financials

June 2018





The Christchurch Foundation

Financial Statements

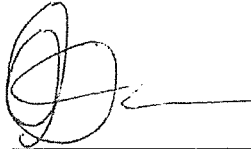
for the period ended 30 June 2018

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Approval of annual report

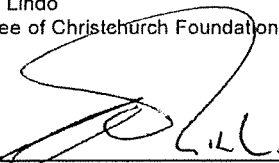
The Trustees are pleased to present the annual report, including the financial statements of Christchurch Foundation, for the period ended 30 June 2018.



Andrew Turner
Trustee of Christchurch Foundation



Hugh Lindo
Trustee of Christchurch Foundation



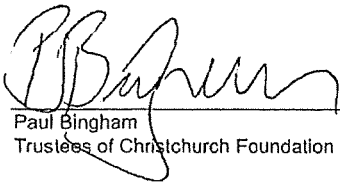
Humphry Rolleston
Trustee of Christchurch Foundation



Lianne Dalziel
Trustee of Christchurch Foundation



Paul Deavoll
Trustee of Christchurch Foundation



Paul Bingham
Trustees of Christchurch Foundation

Dated: 16/10/18



Directory

| | |
|-----------------------------|--|
| Nature of business | Funding charitable activities |
| Location of business | Level 3, BNZ Centre 101 Cashel Street Christchurch 8011 |
| IRD number | 069-442-005 |
| Accountants | KPMG - Enterprise Level 5 79 Cashel Street Christchurch |
| Auditors | PWC Level 4 60 Cashel Street Christchurch |
| Bankers | TSB |
| Deed established | 21 July 2017 |
| Registration date | 8 September 2017 |
| Registration number | CC54845 |
| Executive Committee | Andrew Turner Hugh Lindo Humphry Rolleston Lianne Dalziel Paul Deavoll Paul Bingham |

Statement of comprehensive revenue and expense

For the period ended 30 June 2018

| <i>in New Zealand Dollars</i> | Note | 2018 |
|---|------|----------------|
| Revenue | | |
| Revenue from exchange transactions | | |
| Interest received | | 89 |
| | | 89 |
| Revenue from non-exchange transactions | | |
| Donations received | 5 | 439,093 |
| | | 439,093 |
| Total revenue | | 439,182 |
| Expenditure | | |
| Administration expenses | | |
| Accounting | | 17,259 |
| Bank fees | | 143 |
| Computer expenses | | 1,358 |
| Depreciation | 13 | 3,971 |
| General expenses | | 851 |
| Insurance | | 2,511 |
| Legal expenses | | 50,672 |
| Stationery & office expenses | | 1,636 |
| Salaries | | 154,798 |
| Subscriptions | | 398 |
| Telephone & internet | | 1,135 |
| Total Administration expenses | | 234,732 |
| Operating expenses | | |
| Conferences | | 405 |
| Consultant support | | 24,666 |
| Entertainment | | 2,792 |
| Marketing | | 30,025 |
| Motor vehicle | | 4,500 |
| Rental expenses | | 9,832 |
| Travel | | 3,831 |
| Total Operating expenses | | 76,051 |
| Total expenditure | | 310,784 |
| Surplus/(deficit) for the period | | 128,398 |
| Total comprehensive revenue and expense for the period | | 128,398 |

The notes on pages 7 to 12 are an integral part of these financial statements.

Statement of financial position

As at 30 June 2018

| <i>In New Zealand Dollars</i> | Note | June 2018 |
|---|------|----------------|
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | | 130,009 |
| Prepayments | | 30,681 |
| | | 160,690 |
| Non-current assets | | |
| Fixed assets | 13 | 6,207 |
| Intangible assets | 6 | 13,972 |
| | | 20,179 |
| Total assets | | 180,869 |
| Liabilities | | |
| Current liabilities | | |
| Payables | | 45,539 |
| Unpaid expense claims | | 642 |
| PAYE payable | | 6,290 |
| | | 52,471 |
| Total liabilities | | 52,471 |
| Equity | | |
| Accumulated comprehensive revenue and expense | | 128,398 |
| Total equity | | 128,398 |
| Total equity and liabilities | | 180,869 |

The notes on pages 7 to 12 are an integral part of these financial statements.

Statement of changes in equity

For the period ended 30 June 2018

| <i>in New Zealand Dollars</i> | Note | Accumulated comprehensive revenue and expense | Total equity |
|---|------|--|----------------|
| Changes in equity for 2018 | | | |
| Surplus/(deficit) for the period | | 128,398 | 128,398 |
| Other comprehensive revenue and expense | | | |
| Net change in fair value of available-for-sale financial assets | | - | - |
| Total comprehensive revenue and expense for the period | | 128,398 | 128,398 |
| Balance at 30 June 2018 | | 128,398 | 128,398 |

The notes on pages 7 to 12 are an integral part of these financial statements.

Statement of cash flows

For the period ended 30 June 2018

| <i>In New Zealand Dollars</i> | Note | 2018 |
|---|------|-----------------|
| Cash flows from operating activities | | |
| Donations | | 430,000 |
| Cash paid to suppliers and employees | | (285,626) |
| Net cash from (used in) operating activities | 12 | 144,374 |
| Cash flows from investing activities | | |
| Investment income | | 89 |
| Purchasing property, plant, equipment & intangibles | | (14,455) |
| Net cash from (used in) investing activities | | (14,366) |
| Net (decrease)/increase in cash and cash equivalents | | 130,009 |
| Cash and cash equivalents at the beginning of the period | | - |
| Cash and cash equivalents at the end of the period | | 130,009 |

The notes on pages 7 to 12 are an integral part of these financial statements.

Notes to the financial statements

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Notes to the financial statements

Note 1 Reporting entity

The Christchurch Foundation (the "Foundation") is a legal form of public benefit (not-for profit) entity, domiciled in New Zealand and registered under the Charities Act 2005. The financial statements have been prepared in accordance with the requirements of that Act.

For the purposes of financial reporting, The Foundation is a public benefit entity (not-for-profit).

The Foundation was registered on the 9 September 2017 and therefore there are no comparatives to present for the financial statements.

The Foundation's main operation is to raise and receive money to be applied for exclusively charitable purposes that benefit the Christchurch community.

Note 2 Basis of preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with and comply with New Zealand Generally Accepted Accounting practice ("NZ GAAP"). They comply with Tier 2 PBE Accounting Standards – Reduced Disclosure Regime (Not-For-Profit). The Foundation qualifies to report under Tier 2 as it has no public accountability and for the two most recent reporting periods has had less than \$30 million operating expenditure.

The financial statements were authorised for issue by the Trustees on 16/10/18.

(b) Basis of measurement

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

The financial statements are prepared on an accrual basis.

(c) Functional and presentation currency

The financial statements are presented in New Zealand dollars, which is the functional and reporting currency of the Foundation and all values are rounded to the nearest dollar except where indicated otherwise.

Note 3 Use of estimates and judgements

The preparation of the financial statements in conformity with PBE Standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Note 4 Significant accounting policies

The accounting policies set out below have been applied in preparing the financial statements for the period ended 30 June 2018.

(a) Revenue from exchange transactions

Interest income

Interest income is earned for the use of cash and cash equivalents or any amounts due to the Foundation.

Interest income is recognised in the statement of comprehensive revenue and expense as it is earned. Interest income is accrued using the effective interest rate method. The effective interest rate exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this rate to the principal outstanding to determine interest revenue each period.

Note 4 Significant accounting policies (continued)

(b) Revenue from non-exchange transactions

Non-exchange transactions are those where the Foundation receives value from another entity (e.g. cash or other assets) without giving approximately equal value in exchange.

Inflows of resources from non-exchange transactions, other than services in-kind, that meet the definition of an asset are recognised as an asset only when:

- It is probable that the Foundation will receive an inflow of economic benefits or service potential; and
- The fair value of can be measured reliably.

Inflows of resources from non-exchange transactions that are recognised as assets are recognised as non-exchange revenue, to the extent that a liability is not recognised in respect to the same inflow.

Liabilities are recognised in relation to inflows of resources from non-exchange transactions when there is a resulting present obligation as a result of the non-exchange transactions, where both:

- It is probable that an outflow of resources embodying future economic benefit or service potential will be required to settle the obligation, and
- The amount of the obligation can be estimated reliably.

The following are the specific recognition criteria in relation to the Foundation's non-exchange transactions.

Gifts, donations and bequests

Gifts, donations and bequests are voluntary transfers of assets including cash or other monetary assets and goods in-kind that the Foundation receives which are free from stipulations.

Gifts, donations and bequests are recognised as revenue when it is probable that the future economic benefits or service potential will flow to the entity, and the fair value of the assets can be measured reliably. For gifts and donations this is usually upon receipt of the gift or donation. However for bequests, a period of time may elapse between the death of the testator and the entity receiving any assets – in which case the entity makes an assessment of whether the deceased person's estate is sufficient to meet all claims on it and satisfy all bequests. If the will is disputed, this is taken into account in determining the probability of assets flowing to the entity. Gifts, donations and bequests are recognised as revenue at their fair value at the date of recognition.

(c) Property, plant & equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Where an asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

Depreciation is charged on a diminishing value basis over the useful life of the asset. Depreciation is charged at rates calculated to allocate the cost or valuation of the asset less any estimated residual value over its remaining useful life:

- Computer Equipment: 50% - 67%

Depreciation methods, useful lives and residual values are reviewed at each reporting date and are adjusted if there is a change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset.

(d) Taxes

The Foundation is a registered charitable organisation and is therefore exempt from income tax.

(e) Intangibles

All intangible assets are stated at cost less accumulated amortization and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items.

Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Foundation. All other repair and maintenance costs are recognised in surplus or deficit as incurred.

Note 4 Significant accounting policies (continued)

(f) Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the statement of comprehensive revenue or expense on a straight line basis over the lease term.

(g) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

(h) Short and long-term employee benefits

The cost of all short-term employee benefits, such as leave pay, is recognised during the period in which the employee renders the related service.

(i) Related parties

The Foundation regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Foundation, or vice versa. Members of key management are regarded as related parties and comprise the Trustees of the Foundation.

Note 5 Donations

The Foundation received the following donations in the 2018 financial year:

| Cash & Goods in-kind <i>In New Zealand Dollars</i> | 2018 |
|---|----------------|
| Cash | 430,000 |
| Goods in-kind | 9,093 |
| Total received to 30 June 2018 | 439,093 |

Services in-kind

Perception PR & Marketing Limited provides marketing services up to \$50,000 each year pro bono.

KPMG provides support and advisory services up to \$40,000 each year pro bono.

PWC provided statutory audit services of \$15,000 for the 2018 financial year pro bono.

Computer Concepts Limited provided IT support and software services of \$5,608 for the 2018 financial year pro bono.

Services in-kind are not included in revenues as there is no enduring asset created from the receipt as the benefit is consumed immediately on receipt.

Note 6 Intangible assets

| <i>In New Zealand Dollars</i> | Website | Total |
|-----------------------------------|---------------|---------------|
| Cost | | |
| Balance at beginning of period | - | - |
| Additions | 13,972 | 13,972 |
| Balance as at 30 June 2018 | 13,972 | 13,972 |

The Foundation is developing a website. The website is technically feasible, the Foundation is aware that the website is necessary for the public to be able to contact them and therefore will generate probable future economic benefits. The expenditure attributable to the development of this system can be identified and measured reliably.

Note 7 Contingent liabilities

There were no contingent liabilities at 30 June 2018.

Note 8 Capital commitments

The Foundation has committed \$50,000 for the development of a website/digital portal and in the 2018 financial year the Foundation had incurred costs of \$13,972. At balance date the Foundation had capital commitments of \$36,028 for the development of the website to be incurred in the 2019 financial year.

Note 9 Operating lease commitments

The Foundation leases Level 3, 101 Cashel Street, Christchurch from ChristchurchNZ. The lease was signed on the 17 January 2018 with no end date. The lease is currently charged at \$1,150 per month.

The Foundation also leases a carpark from Perception PR and Marketing Limited at an agreed monthly amount of \$274.

Note 10 Related parties

Key management personnel

The senior management group consists of the Chief Executive Officer. The total remuneration of the senior management group and the number of managers, on a full-time equivalent basis, receiving remuneration in this category are:

| | |
|--------------------|---------|
| Total remuneration | 126,052 |
| Number of persons | 1 |

Note 10 Related parties (continued)

Related party transactions

During the period the the Foundation incurred the following expenses from Perception PR and Marketing Limited.

| | |
|-----------------|--------------|
| Website | 310 |
| Telephone | 106 |
| Conferences | 405 |
| Rent (car park) | 2,740 |
| | <u>3,561</u> |

Amy Carter (Chief Executive Officer) is a Director and Shareholder of Perception PR and Marketing Limited.

During the period the the Foundation incurred the following expenses from Simpson Grierson.

| | |
|----------------|---------------|
| Legal expenses | 50,672 |
| | <u>50,672</u> |

Hugh Lindo (Trustee) is a partner of Simpson Grierson.

Note 11 Subsequent events

There were no subsequent events to balance date when the financial statements were signed.

Note 12 Reconciliation of net cash flows from operating activities to surplus/(deficit)

| <i>In New Zealand Dollars</i> | <i>Note</i> | 2018 |
|---|-------------|----------------|
| Surplus/(deficit) for the period | | 128,398 |
| Non-cash movements | | |
| Depreciation | | 3,971 |
| Non-cash donations (goods in-kind) | | (9,093) |
| Non-cash expenses | | 364 |
| Add/(deduct) movements in working capital | | |
| Increase/(decrease) in payables | | 51,504 |
| (Increase)/decrease in receivables | | (30,681) |
| Add/(deduct) movements in investing activities | | |
| Investment income | | (89) |
| Net cash flows from operating activities | | 144,374 |

Note 13 Property, plant and equipment

| <i>In New Zealand Dollars</i> | Computer equipment | Total |
|--|---------------------------|--------------|
| Opening cost | - | - |
| Additions | 10,178 | 10,178 |
| Depreciation | (3,971) | (3,971) |
| Net book value as at 30 June 2018 | 6,207 | 6,207 |

Property, plant and equipment reconciliation

| <i>In New Zealand Dollars</i> | Computer equipment | Total |
|--|---------------------------|--------------|
| Cost | 10,178 | 10,178 |
| Accumulated depreciation | (3,971) | (3,971) |
| Net book value as at 30 June 2018 | 6,207 | 6,207 |



Independent auditor's report

To the Trustees of The Christchurch Foundation

The financial statements comprise:

- the statement of financial position as at 30 June 2018;
- the statement of comprehensive revenue and expense for the period then ended;
- the statement of changes in equity for the period then ended;
- the statement of cash flows for the period then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Our opinion

In our opinion, the financial statements of The Christchurch Foundation (the "Foundation"), present fairly, in all material respects, the financial position of the Group as at 30 June 2018, its financial performance and its cash flows for the period then ended in accordance with Public Benefit Entity Standards Reduced Disclosure Regime ("PBE Standards RDR").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs NZ) and International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

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

We are independent of the Foundation in accordance with Professional and Ethical Standard 1 (Revised) *Code of Ethics for Assurance Practitioners* (PES 1) issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Other than in our capacity as auditor we have no relationship with, or interests in, the Foundation.

Information other than the financial statements and auditor's report

The Trustees are responsible for the annual report. Our opinion on the financial statements does not cover the other information included in the annual report and we do not express any form of assurance conclusion on the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, 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 the work we have performed on the other information that we obtained prior to the date of this auditor's report, 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.



Responsibilities of the Trustees for the financial statements

The Trustees are responsible, on behalf of the Foundation, for the preparation and fair presentation of the financial statements in accordance with PBE Standards RDR, and for such internal control as the Trustees 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 for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Foundation or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities 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 conducted in accordance with ISAs NZ and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the External Reporting Board's website at:

<https://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-8/>

This description forms part of our auditor's report.

Who we report to

This report is made solely to the Trustees, as a body. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Foundation and the Trustees, as a body, for our audit work, for this report or for the opinions we have formed.

The engagement partner on the audit resulting in this independent auditor's report is Robert Harris.

For and on behalf of:

A handwritten signature in blue ink, appearing to read 'Robert Harris', is written over a horizontal line.

Chartered Accountants
16 October 2018

Christchurch



**THE
CHRISTCHURCH
FOUNDATION**