



ANNUAL REPORT

2016

artscentre.org.nz



Te Matatiki Toi Ora

FOREWORD

During 2016, the Arts Centre started claiming back its place in the cultural landscape of Christchurch as many spaces re-opened and the community was regularly welcomed back.

It was a year when the Arts Centre's goal of becoming a hub of creative entrepreneurs truly started coming to life.



CHAIRPERSON REPORT

By the end of 2016, restoration was complete on more than half of the Arts Centre site and the exciting process of repopulation was well underway.



The year began with new Arts Centre Trust Board members being inducted, completing implementation of the Arts Centre of Christchurch Trust Act 2015. The new Trust Board, which includes three Trustees from the previous board, is committed to building on the excellent legacy of the previous board and its dedicated Chair Jen Crawford, who retired at the end of 2016. We will miss her wisdom and enthusiasm greatly as we continue to drive restoration of the Arts Centre so it can once again be a major creative hub and cultural asset for Canterbury.

Re-opening the Great Hall to the public in June 2016 illustrated just how important this site is to the local community. More than 10,000 people attended two open days, with the raw emotion and pride clear to see on people's faces. The Hall looks as impressive as ever, and carefully hidden beneath the surface are modern technologies that will be replicated in all other buildings. In August, hundreds of people attended Rutherford's Den re-opening events. The Den continues to attract a steady stream of visitors and its associated education programme is proving to be very popular with schools.

October's Heritage Week celebrations attracted about 5,000 people to the freshly re-opened North Quadrangle and Library and to heritage-themed stalls in Market Square. In October and November, Bunsen café opened its doors in the Clock Tower building and our Market Square food hub took shape. Prime Minister the Rt. Hon. John Key officially opened the i-SITE Visitor Information Centre in the Boys' High building and work on the remainder of the building will be complete by mid-2017.

The year ended with hundreds of people crowding into the North Quadrangle for the highly successful Leighs Construction Summer Cinema series.

Extensive work on the nearby Chemistry Building was completed, ready for the arrival of the University of Canterbury's Music and Classics departments early in 2017.

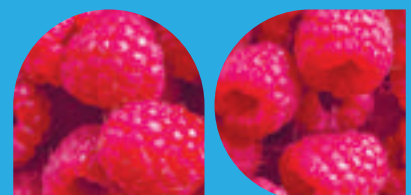
The tremendous care and respect taken during restoration was celebrated at the Canterbury Heritage Awards where the Great Hall and Clock Tower building won the Supreme and Seismic Category awards. The award citation credited the Arts Centre with following "an outstanding programme to ensure the Hall's effective repair and longevity has been undertaken with a forward thinking seismic retrofit and the utmost attention to detail to ensure . . . its historic features remained the hero."

Such recognition, combined with the gratitude and goodwill of the community, acknowledges that we are on the right track as we bring the Arts Centre back to life. We are grateful to Chief Executive André Lovatt and his hard-working team in maintaining this momentum.

An essential element of our work is fundraising, which could not happen without the support of our sponsors and the donations we have received. In particular, we were tremendously appreciative of a donation from the Friends of the Arts Centre who raised \$50,000 at their charity auction.

It is a joy to see people returning to the Arts Centre, revelling in the many cultural and heritage events, and revitalising the spaces that have been closed for so long.

Felicity Price
Board Chair



CE REPORT

Our goal of creating a home for creative entrepreneurs came to life in 2016, with restoration of the site sharing the spotlight with the return of people.



Re-opening spaces and welcoming back the community reignited the Arts Centre and meant it started claiming back its place in the cultural landscape of Christchurch.

While restoration continued on many areas of the site, it was the completion of the Clock Tower building and neighbouring Great Hall that stole the limelight, along with the opening of a number of new tenancies.

The Great Hall is the historic centrepiece of the Arts Centre and is one of Christchurch's most significant civic spaces. Its restoration exemplifies the approach being taken across the site – to comprehensively modernise the Arts Centre's heritage buildings, while at the same time preserving them to the highest conservation standards.

GREAT HALL RESTORATION

An elaborate strengthening system is hidden beneath the Great Hall's beautiful heritage fabric, while under-floor heating ensures it is warm. Modern lighting and sound systems can be customised for individual events, while the lights also enhance the Hall's architectural features to stunning effect.

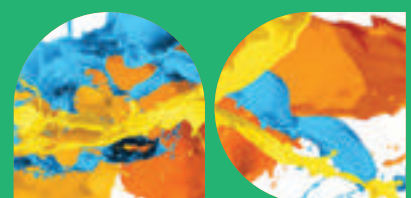
Two of the Hall's most recognisable features – the Memorial Window and Rolleston Avenue turret, were painstakingly removed, restored and reinstated into their rightful positions. The turret was fortunate to have survived the September 2010 earthquake which caused it to break free of its footing and rotate in place about 50mm. The 21-tonne structure was fortuitously removed after that earthquake. Should it have been left in place, it is likely to have fallen through the roof of the Great Hall, causing devastating damage to the building.

CLOCK TOWER RESTORATION HIGHLIGHTS

The neighbouring Clock Tower building that houses Rutherford's Den, Bunsen café and offices opened in stages during 2016 following its own extensive restoration.

- Reinstatement of the original Rutherford's Den lecture theatre benches that date from 1877.
- Full restoration of the ornate ceiling that includes what is believed to be among the first pre-cast concrete panels to be used in New Zealand building construction.
- Comprehensive heating and building services, and strengthening carefully hidden beneath the heritage features.
- The original clock's mechanics being meticulously restored by Gillet and Johnston – the English company that originally made them in the 1870s.
- Installation of replica historic chimneys, complete with reinforced strengthening.
- Creation of a seismic gap between the Clock Tower and Mechanical Engineering buildings.
- Installation of an exciting new exhibit over three floors in Rutherford's Den.

The incredible amount of hard work that went into restoring these buildings paid off when we saw smiles on thousands of faces as we welcomed people back into the spaces during 2016.



OTHER RESTORATION HIGHLIGHTS

- Completion of the Library and Common Room restorations.
- Completing the largely underground infrastructure that provides heating and data to the site.
- Re-opening the North Quadrangle after extensive landscaping.
- The partial re-opening of Boys' High.
- The start of internal demolition in West Lecture.

In addition, the base-build and fit-out of Chemistry is almost complete in readiness for the University of Canterbury. From May 2017, the building will house the Teece Museum of Classical Antiquities that will feature a public display of the James Logie Memorial Collection. Chemistry's re-opening will come shortly after the doors are thrown open to the nearby Library, Common Room and freshly landscaped South Quadrangle, enabling the community to enjoy another large section of the site.

The restoration progress is fantastic and provides a great sense of the future opportunities that the Arts Centre will offer the people of Canterbury.

Our day-to-day focus is restoring these unique historic buildings but the driving force behind it is to create a home for creative entrepreneurs in the heart of the city. We're determined to be more relevant to our community than we have ever been and I believe we are well on the way to achieving this.

André Lovatt
Chief Executive



PROGRESS

A snapshot of major 2016 milestones.



The Clock Tower's upstairs office spaces and main foyer are completed and re-opened.

In the Clock Tower building, restoration is completed on Rutherford's Den and it re-opens to the public with a brand new interactive exhibit space.

MARCH

The Library's restoration is completed, including the commissioning of a new artesian ground source heat pump system in its basement.

Restoration of the neighbouring Common Room is also completed.



JUNE

Restoration on the Great Hall is completed and thousands attend two open days as it re-opens to the public.



AUGUST





Landscaping in the North Quadrangle was completed and it re-opened to the public.



Restoration was completed on the former Le Café space in the Clock Tower building, and it re-opened as Bunsen café.

SEPTEMBER

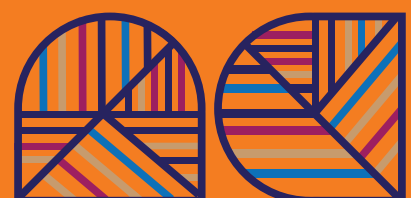
The underground infrastructure that provides services to the whole site was completed and is now hidden beneath the surface.

OCTOBER



NOVEMBER

The upstairs restoration of Boys' High neared completion.





Landscaping in the South Quadrangle neared completion.



Restoration was almost completed on Chemistry, ready for the University of Canterbury's 2017 arrival.

NOVEMBER

Demolition began in West Lecture which will house boutique cinemas and apartments for writers-, artists- and scientists-in-residence.



DECEMBER

Construction of an underground plantroom – the only new build on site – neared completion.



FUNDRAISING

As an independent charitable trust, the Arts Centre relies on gifts and sponsorship to maintain restoration momentum and we thank the many individuals, companies and funders that supported us during 2016. Be assured that each and every donation makes a difference.

The Friends of the Arts Centre held a highly successful fundraising auction and raised \$50,000 towards the re-instatement of the historic Boys' High flèche (spire). We are thankful for the ongoing support and tireless endeavours of the Friends.

The Lottery Board provided its final stage of major funding for the conservation and engineering plans of several key buildings. Rātā Foundation approved a second phase of funding towards the Observatory Tower project, plus funded a part-time educator for the Rutherford's Den Education Outreach Programme.

The Southern Trust continued their funding of Great Hall fixtures by donating towards a new sound and audio visual system that will be a great asset for anyone who uses the Hall.

Mainland Foundation put Ernest Rutherford on the Christchurch map by funding a bronze plaque commemorating Rutherford and his time at Canterbury College. This plaque is located on the outside wall of the Clock Tower on Worcester Boulevard.

The Great Hall has comfortable new, auditorium-quality seating, and the ongoing Sponsor-a-Chair campaign has been a huge success. Thank you to all who have participated, particularly the Robert and Barbara Stewart Charitable Trust that sponsored the initial 20 chairs.

The Energy Efficiency and Conservation Authority sponsored the Renewable Energy exhibit in Rutherford's Den, including an interactive screen that enables younger visitors to explore solar, wave, hydro and wind power. The Trusts Community Foundation provided funding toward the running of the highly popular Rutherford's Den Education Programme for schools.

State-of-the-art LED stage lighting in the Great Hall was funded by Creative New Zealand, along with acoustic panelling for the Chemistry building's auditorium.

While more than half of the Arts Centre site has now re-opened, there is still major work to be done and funding for the entire project has not yet been secured.

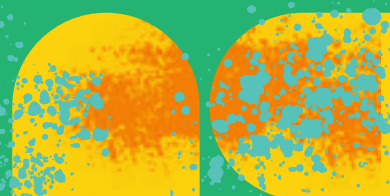
About \$35m is still required to complete this massive undertaking. Many visitors still do not realise that the Arts Centre is an independent charitable trust, managed for the benefit of Canterbury residents and visitors.

New and repeat donations and sponsorships will continue to be pursued in 2017, plus we will run fundraising events and activities. There are so many worthy causes in post-earthquake Christchurch and we will strive to ensure the Arts Centre remains top of mind and heart until its restoration is complete.

Please continue to support us. See the many ways you can help at artscentre.org.nz/support

Susan Henson
Fundraising Manager

"While more than half of the Arts Centre site has now re-opened, there is still major work to be done and funding for the entire project has not yet been secured."



SUPPORTERS 2016

FOUNDATION SPONSORS

The Aotearoa Foundation
Manatū Taonga Ministry for Culture and Heritage
Fletcher Building

TRUSTS, FOUNDATIONS AND SUPPORTERS

Christchurch City Council
Creative New Zealand
Rātā Foundation
New Zealand Lottery Grants Board
The Trusts Community Foundation (TTCF)
The Mainland Foundation
The Southern Trust
Wayne Francis Trust

MAJOR DONORS

Margaret Austin
Kathy Brown and Mark Wilson
Friends of the Arts Centre
John Griffin
Dorothy Maclean
Susie Mead and Richard Hartshorn
Annette and Robin Mann
Sue Nightingale
James Stringer

DONORS

Adrienne Adamson
Philippa Bates
Margaret Clare Buchanan
Joan Cardno
Christchurch Personal Guiding Service Inc.
Peter A Clark
Jen Crawford and Andy Mathers
Grant Dean
Olivia Egerton
Ferrymead Sumner Men's Probus Club
John Glennie
Janet Gough
Peter Hallifax
Robert and Suzanne Henley
David Holderness
Jane Leighs

Pamela Lynch
Anemone Mathiae
MJ and RM McAlonan
Myles McIntyre
Joy McKelvey
Deirdre Mitchell
Ken and Lesley Nesbit
Sally Page
Peter and Jill Penlington
Max Potter
Felicity Price
Gay Rathgen
Christina Sell-McLachlan
Jean Sharfe
Ray Spring
Rod and Pat Syme
Mark Todd
Kevin Walsh

GREAT HALL CHAIR SPONSORS ROLL OF HONOUR

The Robert and Barbara Stewart Charitable Trust (20)
Ann and David Booth (2)
Peter Foster (2)
Michael and Karyn Rondel (2)
Richard Hartshorn and Susie Mead
Joan Hazelhurst
Gillian Heald
Patience Kearns
Jennifer and Peter Lovatt
Rosemary Perry
Ted Perry
Alan and Barbra Pullar
Stephen and Elizabeth Tubbs

CORPORATE

Brave Consulting
Blackwell Mazda
Boffa Miskell
EECA
Heritage Management Services
Leighs Construction
New Zealand Post
Sheffield



CORNERSTONE PROGRAMME MEMBERS

GOLD SUPPORTERS

Jen Crawford and Andy Mathers
Dorothy Maclean

SILVER SUPPORTERS

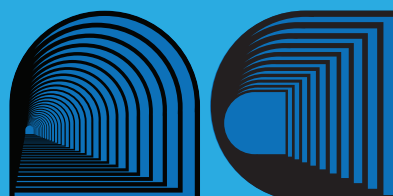
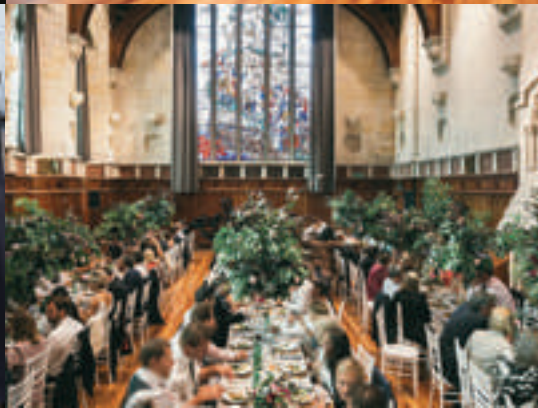
Mark Wilson and Kathy Brown
Charles Fleischmann and Carol Caldwell
Peter and Deirdre Cottrell
Michael and Christine Winterbourne

BRONZE SUPPORTERS

Robin and Annette Mann

SUPPORTERS

Martin Hadlee
Henshaw Developments Trust
Michael Lane and Monica Ryan
Dr Ian and Dr Lynne Lochhead



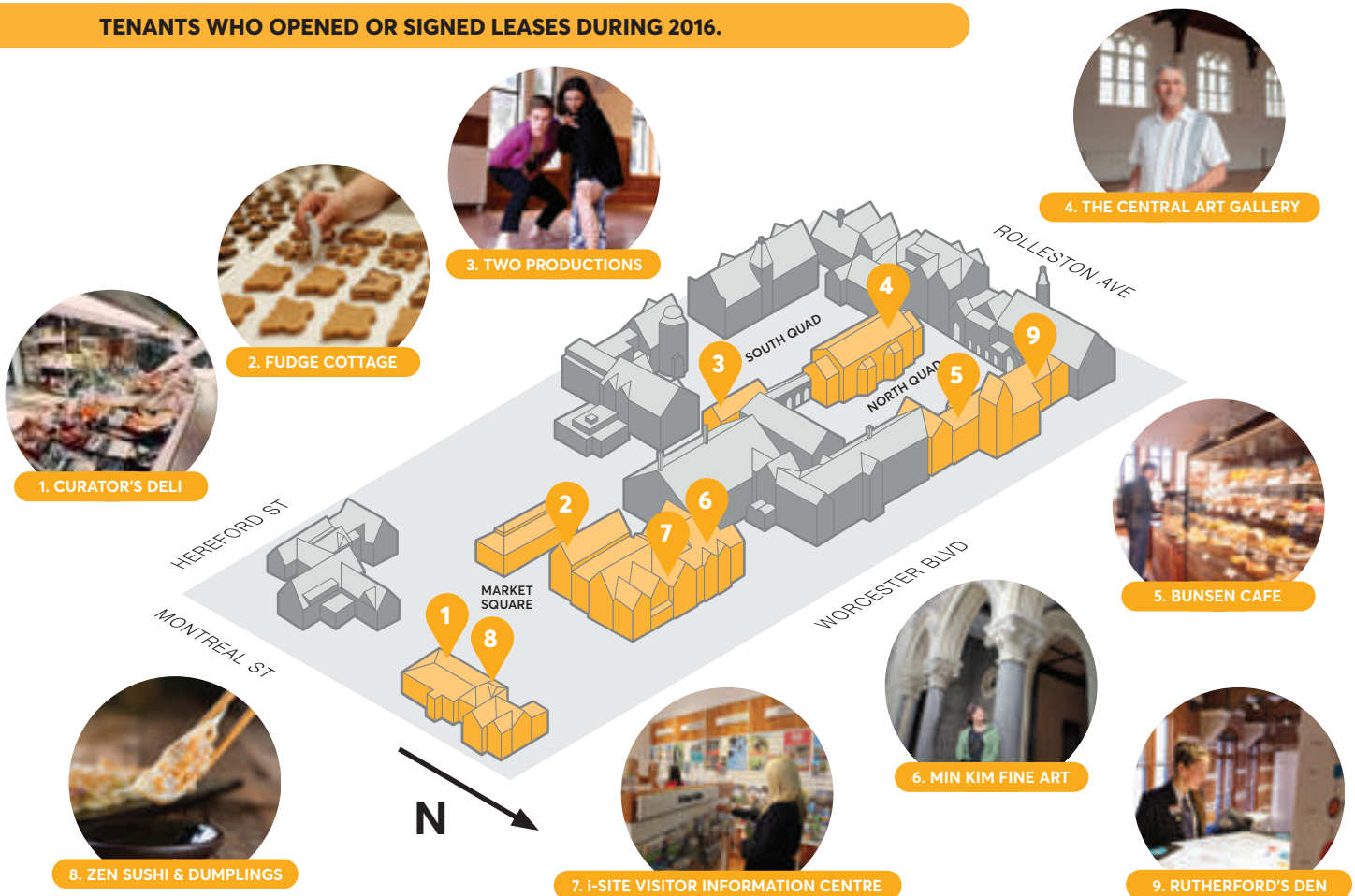
BRINGING PEOPLE BACK



FUTURE-FOCUSED TENANTS

The exciting process of repopulating the Arts Centre stepped up a notch in 2016, with five businesses opening their doors and another four signing leases – bringing the total to 15. All of our tenants have goals that align with the Arts Centre's vision of creating a future-focused community. We believe that getting the right mix of tenants will attract locals, visitors and businesses to every part of the site.

TENANTS WHO OPENED OR SIGNED LEASES DURING 2016.



CURATOR'S DELI – OPENED OCTOBER 2016

Selling high-quality local and Spanish artisan foods, the Curator's Deli prides itself on the quality of its suppliers. Its combination of both local and European cultures, plus the opportunity for culinary skills development, are elements that fit perfectly with the Arts Centre vision.

Jackie Garcia – owner.

ZEN SUSHI & DUMPLINGS – OPENED OCTOBER 2016

Zen offers a unique eating experience, aiming for customers to achieve the superior Zen state for both their taste buds and mind. A creative approach is taken to producing healthy, fast and tasty food that puts the needs of customers first – complementing the Arts Centre's vision.

Richmond Tiong & Weila Li – owners.

BUNSEN – OPENED NOVEMBER 2016

A modern café specialising in breakfast, brunch and coffee, Bunsen connects back to the history, heritage and use of the original building, and those who used it. Its name and décor celebrate its historical use as a place for teaching chemistry and science.

Hamish Evans – owner.

i-SITE – OPENED NOVEMBER 2016

Operated by Christchurch and Canterbury Tourism (CCT), the i-SITE is the first destination for many visitors to Christchurch and the South Island. CCT shares the Arts Centre's commitment to the revitalisation of central Christchurch and to the long-term regrowth of the region's visitor industry.

Martin Brice – CCT GM, Corporate Services.

THE FUDGE COTTAGE – OPENING 2017

A boutique manufacturer and retailer of handcrafted artisan confectionery products, The Fudge Cottage will stock a range of high-quality unique artisan products. It will help the Arts Centre play a leading role in the rejuvenation and revitalisation of the city by providing an interactive, educational, and fun destination.

Kevin Burns – owner.

MIN KIM FINE ART – OPENING 2017

This gallery will showcase Min Kim's artwork, along with sculpture, painting, silver jewellery and fine handmade glass created by emerging artists from around New Zealand. The powerful and uniquely historic spaces of the Arts Centre provide the perfect setting.

Min Kim – owner.

THE CENTRAL ART GALLERY – OPENING 2017

Curated by leading gallerist Jonathan Smart, this will be an exhibition and selling space for contemporary New Zealand artists. The history of the Arts Centre makes it a special place that dovetails nicely with The Central's guiding statement: Where Art Finds a Home.

Ben Richard – Director.

TWO PRODUCTIONS – OPENING 2017

The focus of this innovative theatre company is to develop and showcase original works, plus run education programmes and workshops with the intent of nurturing young actors and theatre-makers. Two Productions is passionate about the Arts Centre's vision to be a thriving hub of cultural activity and innovation.

Holly Chappell-Eason – co-director.

RUTHERFORD'S DEN

Rutherford's Den is dedicated to telling the story of famous New Zealand scientist Lord Ernest Rutherford in a fun and interactive way. Its closure following the earthquakes was treated as an opportunity to re-cast Rutherford's original story in a new light, using contemporary materials and state-of-the-art platforms and interfaces.

“Getting the right mix of tenants will attract locals, visitors and businesses to every part of the site.”

PUBLIC EVENTS

Holding regular public events during 2016 was another way the Arts Centre continued its development of a thriving creative community – giving people plenty of reasons to visit.

The Arts Centre's events were in addition to a busy calendar of activities held by tenants and external organisations.

The Great Hall opened in June with two public open days that attracted 10,000 people.



In October, SCAPE Public Art unveiled the second figure of Antony Gormley's STAY in the North Quadrangle – part of SCAPE's Public Art Season 2016.

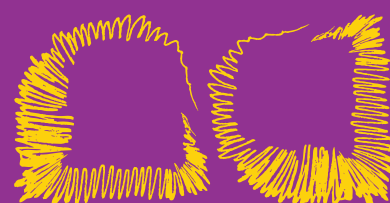


Free Theatre held numerous events in the Gymnasium throughout the year.



About 5,000 people attended Heritage Week celebrations that were held in partnership with Christchurch City Council across the site during October.

The 2016/2017 season of Leighs Construction Summer Cinema was enjoyed by 4,000 people.



THE TEAM ON SITE

Behind-the-scenes of the Arts Centre restoration is a large team of committed individuals and organisations, in addition to the Arts Centre Property Team.

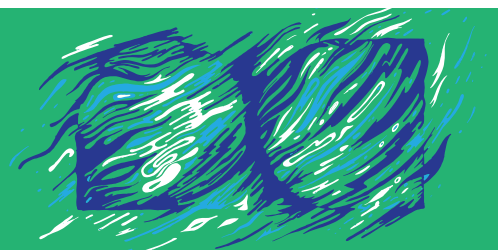


DESIGN TEAM

Acoustic Engineering services
Adderley Head
Aqualinc
Boffa Miskell
CCC Heritage Team
Clark Electrics
Dave Pearson Architects
Eliot Sinclair and Partners
Holmes Consulting Limited Partnership
Holmes Fire
Insignis
Marriott Consulting
Opus International
Pedersen Read
Powell Fenwick Consultants
RCP
Resource Management Group
Rhodes and Associates
Savills NZ Ltd
Stretton Consulting
Torque IP
Underground Overground Archaeology
Warren and Mahoney

CONTRACTORS

AF Plumbing Services
Alarm Solutions
Aotea Electrical
Arbor-Tek
Benmax
C.Lund & Son
Cashmere Engineering
Chubb
Commercial Mirror and Glass
Concut
Datacom (SI) Ltd
Daveron Scaffolding Ltd
Electrix
Fletcher Construction
James Herdman Roofing
Leighs Construction
McMillan Drilling
McMillan Civil
McTavish Decorators Limited
October Protection
Parkside Quarries
Quasar Systems Limited
Signtech
Simon Construction
Stewart Stained Glass
Strawberry Sound
Technosol
Titan Cranes Ltd
Triton Security Services



FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016



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TRUST DIRECTORY

FOR THE YEAR ENDED 31 DECEMBER 2016

Date of settlement: 31 December 1978 **Date of Royal assent:** 5 June 2015

Incorporation Act: Arts Centre of Christchurch Trust Act 2015

Trustees:

Jennifer Crawford (Chairperson)
Grant Dean
Olivia Egerton
Erin Jackson (Deputy Chair)
Puamiria Parata-Goodall
Felicity Price
Michael Rondel
Mark Todd

Bankers:

Bank of New Zealand Christchurch

Solicitors:

Anderson Lloyd Christchurch
Simpson Grierson Christchurch

Independent Auditors:

Grant Thornton New Zealand Audit Partnership
Christchurch

Accountants:

Ernst & Young Limited
Christchurch

Chief Executive:

André Lovatt

Registered office:

Clock Tower Building
2 Worcester Boulevard
Christchurch 8013

Charities Commission registration number:

CC21247



Independent Auditor's Report

Audit

Grant Thornton New Zealand Audit
Partnership
13, 2 Hazledean Road
Addington
PO Box 2099
Christchurch 8041

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To the Trustees of the Arts Centre of Christchurch Trust Board

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Arts Centre of Christchurch Trust Board on pages 18 to 36 which comprise the statement of financial position as at 31 December 2016, the statement of comprehensive revenue and expenses, statement of movements in trust capital and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Arts Centre of Christchurch Trust Board as at 31 December 2016 and its financial performance and cash flows for the year then ended in accordance with Public Benefit Entity International Public Sector Accounting Standards Reduced Disclosure Regime issued by the New Zealand Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)). 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 are independent of the Trust in accordance with Professional and Ethical Standard I (Revised) *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor we have no relationship, or interest in the Arts Centre of Christchurch Trust Board.

Trustees' Responsibilities for the Financial Statements

The trustees are responsible on behalf of the trust for the preparation and fair presentation of these financial statements in accordance with Public Benefit Entity International Public



Sector Accounting Standards Reduced Disclosure Regime issued by the New Zealand Accounting Standards Board, and for such internal control as those charged with governance 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, those charged with governance are responsible for assessing the Trust'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 Trust 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) 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 the auditor's responsibilities for the audit of the financial statements is located on the External Reporting Board's website at: https://xrb.govt.nz/Site/Auditing_Assurance_Standards/Current_Standards/Description_Auditors_responsibilities.aspx

Restriction on use of our report

This report is made solely to the Arts Centre of Christchurch Trust Board's Trustees, as a body. Our audit work has been undertaken so that we might state to the Arts Centre of Christchurch Trust Board's Trustees, as a body, 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 Arts Centre of Christchurch Trust Board and the Arts Centre of Christchurch Trust Board's Trustees, as a body, for our audit work, for this report or for the opinion we have formed.

Grant Thornton New Zealand Audit Partnership



M.D Stewart
Partner
Christchurch

20 June 2017

Chartered Accountants
Member of Grant Thornton International Ltd



STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2016

	NOTE	2016 \$	1 JAN 2016 \$
Current assets			
Cash and cash equivalents		4,066,410	5,414,011
Accrued interest from exchange transactions		2,186,038	2,734,425
Accounts receivable from exchange transactions		393,092	881,791
Accounts receivable from non-exchange transactions		2,828	-
GST refund due		341,460	650,669
Prepayments		187,286	186,853
Inventories		328,531	604,319
Investments		63,549,475	93,464,792
		71,055,120	103,936,860
Non current assets			
Property, plant and equipment	3	327,025,716	278,085,560
Investments		8,500,000	-
		335,525,716	278,085,560
Total Assets		\$406,580,836	\$382,022,420
Current liabilities			
Accounts payable		3,366,625	4,038,609
Employee entitlements	4	148,102	94,945
Grants unspent	2	90,232	146,749
		3,604,959	4,280,303
Non current liabilities			
Bonus accrual	4	530,413	607,335
Trust capital and reserves			
Accumulated comprehensive revenue and expenses		204,627,223	198,832,071
Property and site revaluation reserve		197,818,241	178,302,711
		402,445,464	377,134,782
Total trust capital and liabilities		\$406,580,836	\$382,022,420

For and on behalf of the Trustees who authorise the financial statements for issue on:

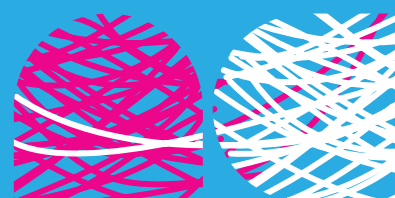
Trustee

Date

Trustee

Date

The accompanying notes form part of these financial statements.



STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES

FOR THE YEAR ENDED 31 DECEMBER 2016

	NOTE	2016 \$
Revenue from exchange transactions		
Property income		
General fees and other income		151,287
Over recovery of tenant energy and other operating expenses		8,516
Rentals and parking		273,347
Total property income		\$433,150
Insurance income	15	910,313
Interest received		3,698,226
Total revenue from exchange transactions		\$5,041,689
Revenue from non-exchange transactions		
Grants, sponsorship and donations		132,602
Grants and donations received utilised for capital projects		4,713,075
Total revenue from non-exchange transactions		\$4,845,677
Total revenues		\$9,887,366
Expenses		
Administration		515,002
Expenses relating to flood	15	910,313
Audit fees		12,420
Depreciation	3	468,749
Property costs		584,358
Public relations		96,990
Staff costs		1,444,389
Rutherford's Den		59,993
Total Expenses		\$4,092,214
Total surplus for the year attributable to the Trust Board		\$5,795,152
Other comprehensive revenue and expenses		
Revaluation of property and sites		19,515,530
Total comprehensive revenue and expenses for the year attributable to the Trust Board		\$25,310,682

The accompanying notes form part of these financial statements.



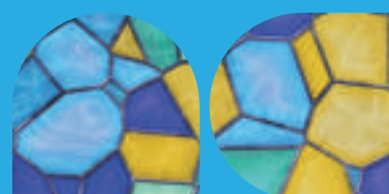
STATEMENT OF MOVEMENTS IN TRUST CAPITAL

FOR THE YEAR ENDED 31 DECEMBER 2016

	ACCUMULATED COMPREHENSIVE REVENUE AND EXPENSES \$	PROPERTY AND SITE REVALUATIONS \$	TOTAL \$
Balance at 1 January 2016	198,832,071	178,302,711	377,134,782
Net surplus for the year	5,795,152	-	5,795,152
Other comprehensive revenue and expenses	-	19,515,530	19,515,530
Total comprehensive revenue and expenses	-	19,515,530	\$25,310,682
Balance at 31 December 2016	204,627,223	197,818,241	\$402,445,464



The accompanying notes form part of these financial statements.



STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2016

	NOTE	2016 \$
Operating activities		
Cash was provided from:		
Grants and donations received		4,717,557
Interest received		4,245,658
Receipts from suppliers		1,694,910
		10,658,125
Cash was applied to:		
Net movement in GST		(309,745)
Payments to suppliers		3,050,599
		2,740,854
		\$7,917,271
Net cash inflow (outflow) from operating activities		
Investing activities		
Cash was provided from:		
Proceeds from the disposal of investments		21,415,316
Cash was applied to:		
Purchase of fixed assets and property improvement		30,680,188
		(\$9,264,872)
Net cash outflows from investing activities		
Net decrease in cash held		(1,347,601)
Add opening cash brought forward		5,414,011
		\$4,066,410
Ending cash carried forward		
Cash balances in statement of financial position		
Current assets		4,066,410
		\$4,066,410
Ending cash carried forward		

The accompanying notes form part of these financial statements.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

1. STATEMENT OF ACCOUNTING POLICIES

REPORTING ENTITY

The Arts Centre of Christchurch Trust Board ("the Trust") is a registered charity under the Charities Act 2005.

These financial statements have been approved and were authorised for issue by the Board of Trustees on 19 June, 2017.

STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with generally accepted accounting practices in New Zealand ("NZ GAAP") and the requirements of the Charities Act 2005. The Trust is a public benefit entity for the purpose of financial reporting. The Trust is eligible to report in accordance with Tier 2 Not-for-Profit PBE IPSAS because it does not have public accountability and it is not large.

The financial statements of the Trust comply with Public Benefit Entity International Public Sector Accounting Standards ("PBE IPSAS") and other applicable financial reporting standards as appropriate that have been authorised for use by the External Reporting Board for Not-for-Profit entities.

The Board of Trustees has elected to report in accordance with Tier 2 Not-for-Profit PBE Accounting Standards and in doing so has taken advantage of all applicable Reduced Disclosure ("RDR") disclosure concessions, except for PBE FRS 47 First-time adoption of PBE standards by entities other than those previously applying NZ IFRS paragraph RDR 27.2 and RDR 27.3.

As such, the Trust has not presented comparative information in accordance with PBE Standards. A copy of the previous years financial statements have been attached. As noted with in the Effect of First Time Adoption, there are no significant differences in accounting policies adopted.

MEASUREMENT BASE

The financial statements have been prepared on a historical cost basis, except for certain property assets and investments that have been measured at fair value. The financial statements are presented in New Zealand dollars which is also the functional currency and all values are rounded to the nearest dollar (\$).

GOING CONCERN

The Trustees are of the opinion that the Trust is a going concern. They have resolved that they will not commit to preservation and reconstruction activity unless they have secured adequate certainty of funds to pay for such work.

The Trust's activities are structured to minimise ongoing administrative costs and have adequate resources to fund these costs.



EFFECT OF THE FIRST-TIME ADOPTION OF PBE STANDARDS RDR

This is the first set of financial statements of the Trust that is presented in accordance with PBE RDR Standards. The Trust have previously reported in accordance with New Zealand accounting standards and pronouncements that were applicable in New Zealand prior to the adoption of New Zealand Financial Reporting Standards. The Trust previously qualified and applied differential reporting concessions.

The accounting policies adopted in these financial statements are consistent with those of the previous financial year, except for instances when the accounting or reporting requirements of PBE RDR standards are different to requirements under old GAAP.

The Board has assessed the impact and determined there are no material differences resulting from the transition.

SIGNIFICANT ACCOUNTING POLICIES

Accounting policies have been applied on a consistent basis with those of the previous period.

The following is a summary of the significant accounting policies applied by the Trust in the preparation of these financial statements.

(a) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

(b) Accounts receivable

Accounts receivable are classified in the loans and receivables category of financial assets. They are initially measured at fair value plus transactions costs (if any). Accounts receivable are subsequently measured at amortised cost using the effective interest method, less an allowance for impairment. Trade receivables generally have 14 day terms.

Bad debts are written off during the period in which they are identified. An impairment provision is recognised when there is objective evidence that the Trust will not be able to collect the receivable. Financial difficulties of the debtor, default payments or debts more than 90 days overdue are considered objective evidence of impairment. The amount of the impairment loss is the receivable carrying amount compared to the present value of estimated future cash flows.

(c) Accounts payable

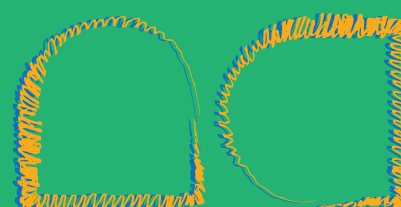
Accounts payable are initially recognised at fair value and subsequently carried at amortised cost, and due to their short term nature are not discounted. They represent liabilities for goods and services provided to the Trust prior to the end of financial year that are unpaid and arise when the Trust becomes obliged to make future payments in respect of goods and services. The amounts are unsecured and usually paid within 20 days of recognition.

(d) Inventories

Inventories are stated at the lower of cost or net realisable value. Cost is determined on a first-in first-out basis. Net realisable value is the estimated selling price less estimated costs necessary to make the sale.

(e) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.



Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available for sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For purposes of subsequent measurement financial assets are classified in four categories:

- Financial assets at fair value through profit or loss
- Loans and receivables
- Held-to-maturity investments
- AFS financial assets

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. The Arts Centre has designated investments as financial assets at fair value through profit or loss. The Arts Centre does not enter into derivative contracts. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value presented as other operating expenses (negative net changes in fair value) or other operating income (positive net changes in fair value) in the statement of comprehensive revenue and expenses.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of comprehensive revenue and expenses. The losses arising from impairment are recognised in the statement of comprehensive revenue and expenses in finance costs for loans and in cost of sales or other operating expenses for receivables.

This category generally applies to cash and cash equivalents accounts receivable from exchange transactions and accounts receivable from non-exchange transactions.

The Trustees have decided to separately present accrued interest on the statement of financial position in the current year.

Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Company has the positive intention and ability to hold them to maturity. After initial measurement, held to maturity investments are measured at amortised cost using the EIR, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance income in the statement of comprehensive revenue and expenses. The losses arising from impairment are recognised in the statement of comprehensive revenue and expenses as finance costs. No held to maturity assets are held by the Trust.



Available for sale financial assets

AFS financial assets include equity investments and debt securities. Equity investments classified as AFS are those that are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those that are intended to be held for an indefinite period of time and that may be sold in response to needs for liquidity or in response to changes in the market conditions.

After initial measurement, AFS financial assets are subsequently measured at fair value with unrealised gains or losses recognised in statement of comprehensive revenue and expenses and credited in the AFS reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in other operating income, or the investment is determined to be impaired, when the cumulative loss is reclassified from the AFS reserve to the statement of comprehensive revenue and expenses in finance costs. Interest earned whilst holding AFS financial assets is reported as interest income using the EIR method. No available for sale assets are held by the Trust.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised (i.e. Removed from the Company's statement of financial position) primarily when:

- The rights to receive cash flows from the asset have expired, or
- The entity has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the entity has transferred substantially all the risks and rewards of the asset, or (b) the entity has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

The Trust assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event'), has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Trust first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Trust determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in the statement of comprehensive revenue and expenses. Interest income (recorded as finance income in the statement of comprehensive revenue and expenses) continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Trust. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account.

If a write-off is later recovered, the recovery is credited to finance costs in the statement of comprehensive revenue and expenses.

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Trust's financial liabilities includes trade and other payables.

The Trustees have re-assessed the bonus accrual in the current year and have decided to recognise an amount as a non-current liability in line with the substance of the arrangements entered into.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Gains or losses on liabilities held for trading are recognised in the statement of comprehensive revenue and expenses.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of comprehensive revenue and expenses. This category generally applies to interest-bearing loans and borrowings.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of comprehensive revenue and expenses.



Revaluations are performed with sufficient frequency to ensure that the book value of the asset does not differ materially from its fair value.

(f) Property, Plant and Equipment

Property, plant and equipment is measured initially at cost.

Land

Land is subsequently measured at fair value representing market value relative to the land's highest and best use, adjusted to reflect limitations on development in recognition of the heritage constraints associated with the site. Revaluations are performed with sufficient frequency to ensure that the book value of the asset does not differ materially from its fair value.

Land is not depreciated.

Buildings

Heritage buildings

Heritage buildings are subsequently measured at fair value. Revaluation is performed with sufficient frequency to ensure that the book value of the assets does not differ materially from the fair value. The Board has determined that the collection of heritage buildings has an indefinite future life and accordingly no depreciation will apply.

The fair value of heritage buildings are determined by the depreciated replacement cost. The valuation will be performed and/or received annually by a suitably qualified surveyor.

The method of valuation of buildings recognises the obligations of the Trust to preserve the original stone buildings of the site in perpetuity and to further recognise the maintenance and conservation practices that the Board adopted under the Arts Centre Asset Management Plan 2008.

Non-heritage buildings

Non-heritage buildings are subsequently measured at fair value less accumulated depreciation. The fair value of non-heritage buildings that operate independently on a fully commercial basis are measured using a depreciated replacement cost approach.

Portable buildings

Portable buildings are carried at cost less accumulated depreciation and impairment losses.

Depreciation is recognised on a straight-line basis over the estimated useful lives of buildings. Depreciation methods, useful lives and residual values are reassessed at each balance date. The depreciation rates used are:

The depreciation rates used are:

	Rate	Method
Portable buildings	3.0% - 13.5%	SL
Non-heritage buildings	3.0%	DV



The electrical, plumbing and drainage are an integral part of the original heritage stone buildings and they are maintained in the same manner as the building structure and therefore not depreciated.

The heating and ventilation, fire services and fitout of all buildings are depreciated using the following rates:

	Rate	Method
Heating and ventilation	4.5%	SL
Fire services	2.3%	SL
Fitout	4.6% - 5.2%	SL

Plant and equipment

Plant and equipment are subsequently measured at cost less accumulated depreciation and accumulated impairment.

Depreciation methods, useful lives and residual values are reassessed at each balance date. The depreciation rates used are:

	Rate	Method
Motor vehicles	8.0% - 36.0%	DV
Plant and equipment	8.0% - 67.0%	DV and SL
Furniture and fittings	1.0% - 60.0%	DV and SL
Computer equipment	25.0%	SL
Leasehold improvements	2.0% - 11.4%	DV and SL

Artwork

Artwork is subsequently measured at cost less impairment. Where artwork has been donated it is initially recorded at fair value.

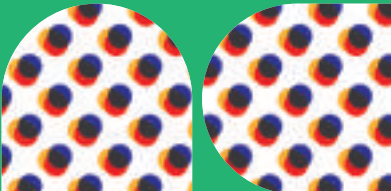
Artwork is not depreciated.

Revaluation of Property, Plant and Equipment

The Arts Centre accounts for revaluation on a class of asset basis.

The revaluation surplus is recorded in other comprehensive revenue and expense and credited to an asset revaluation reserve. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in surplus or deficit, the increase is recognised in surplus or deficit. A revaluation deficit is recognised in surplus or deficit, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amounts of the assets and the net amounts are restated to the revalued amounts of the assets.



Impairment of Property, Plant and Equipment (except for revalued buildings)

For the purpose of assessing impairment indicators and impairment testing, the Trust classifies all property, plant and equipment as cash generating assets.

At each reporting date, the Trust reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For cash generating assets, value in use is determined using fair value method.

Assets that suffered an impairment are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have reversed.

(g) Equity

Equity is measured as the difference between total assets and total liabilities. It is made up of the following components:

Accumulated comprehensive revenue and expenses

Accumulated comprehensive revenue and expenses is the accumulated surplus or deficit since the formation of the Trust, adjusted for transfers to and from specific reserves.

Property and site revaluation reserve

This reserve is for the revaluation of property, plant and equipment items that are measured at fair value after initial recognition. The affected properties are Old Boys High School, Engineering, Clock Tower, The Great Hall, Classics & Western Lecture, Girls High, Old Chemistry Block, Old Botany/ Physics Block, Common Room, Library, Old Registry Building, Links, Student Union Building and Registry Additions.

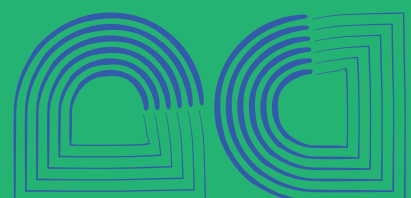
(h) Taxation

Income Tax

The Trust is exempt from income tax due to its charitable status.

Goods and Services Tax (GST)

The financial statements are prepared on a GST exclusive basis, with the exception of accounts receivable and accounts payable which are shown inclusive of GST.



(i) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits or service potential will flow to the Trust and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

The specific recognition criteria described below must also be met before revenue is recognised.

Revenue from non-exchange transactions

Donations, grants and sponsorships

Revenue from non-exchange transactions is recognised when the Trust obtains control of the transferred asset (cash, goods, services, or property) and the transfer is free from conditions that require the asset to be refunded or returned if the conditions are not fulfilled. If there are conditions attached that give rise to a requirement to repay the grant or return the asset, deferred revenue is recognised. In this situation, revenue is recognised once the Trust has satisfied the conditions.

Revenue from exchange transactions

Interest received

Interest income is recorded using the effective interest rate.

Property income

Rental revenue is recognised on a straight line basis over the lease term. Outgoings and power recovered are recognised on an accrual basis.

(j) Leases

Operating lease rentals are expensed on a straight line basis over the term of the lease.

(k) Employee entitlements

Liabilities for wages and salaries, including non monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Expenses for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

Significant accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities in future periods.

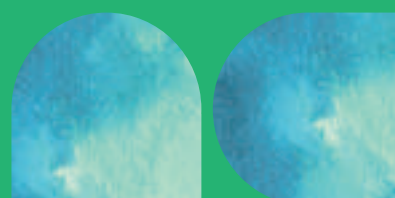
Revaluation and impairment of property, plant and equipment are based on judgements provided by Rhodes & Associates, an external valuation company.

Quadrangle Holdings Limited is currently non trading, therefore there is a nil result and the Trustees have decided not to consolidate the company.

2. GRANTS UNSPENT

	2016 \$
Great Hall Restoration Fund	67,600
The Southern Trust	20,000
Wayne Francis Charitable Trust	2,632
	\$90,232

Grants are taken to revenue and recorded in the year in which they are recovered unless there is an explicit return obligation. In this instance unspent grants or the unspent portion thereof are not taken to revenue and are recorded as current liabilities.



3. PROPERTY, PLANT AND EQUIPMENT

	LAND	MOTOR VEHICLES	PLANT AND EQUIPMENT	COMPUTERS	FURNITURE AND FITTINGS	LEASEHOLD IMPROVEMENTS	ARTWORKS	HERITAGE BUILDINGS	NON-HERITAGE BUILDINGS	TOTAL
Cost										
At 1 January 2015	27,480,000	220,524	1,435,368	308,356	485,887	94,269	23,440	316,851,701	2,455,098	349,354,643
At 31 December 2015	27,480,000	233,648	1,524,922	349,204	504,329	94,269	23,440	322,989,730	5,703,470	358,903,012
Additions	-	-	31,615	315,369	282,731	-	-	27,731,558	1,531,425	29,892,698
Revaluations	465,000	-	-	-	-	-	-	72,365,207	-	72,830,207
At 31 December 2016	\$27,945,000	\$233,648	\$1,556,537	\$664,573	\$787,060	\$94,269	\$23,440	\$423,086,495	\$7,234,895	\$461,625,917
Depreciation and Impairment										
At 1 January 2015	-	82,087	863,178	252,665	381,779	43,086	-	116,387,851	8,867	118,019,513
At 31 December 2015	-	75,394	981,409	277,363	394,637	45,649	-	79,027,648	15,352	80,817,452
Depreciation	-	22,917	98,467	94,388	41,100	2,371	-	202,405	7,101	468,749
Impairment	-	-	-	-	-	-	-	53,314,000	-	53,314,000
Disposals	-	-	-	-	-	-	-	-	-	-
At 31 December 2016	-	\$98,311	\$1,079,876	\$371,751	\$435,737	\$48,020	-	\$132,544,053	\$22,453	\$134,600,201
Net Book Value										
At 31 December 2016	\$27,945,000	\$135,337	\$476,661	\$292,822	\$351,323	\$46,249	\$23,440	\$290,542,442	\$7,212,442	\$327,025,716



VALUATION

Heritage buildings

The Trust has engaged the use of expert advice of qualified and experienced engineers, quantity surveyors and valuers in determining the fair value of heritage buildings. The valuation of heritage buildings was prepared by Rhodes and Associates and reviewed by Savills NZ.

The depreciated replacement cost model was applied to assess the fair value of the Arts Centre buildings. Where depreciated replacement cost is somewhat limited in its ability to provide an estimate of fair and current value, it is regarded as the most suitable approach as it incorporates the obligations placed on the Trust.

In repairing and conserving these buildings the Trust is obliged, under its commitment to the principles of the ICOMOS (1) charter, to use (where possible) construction methods, techniques and materials that are the same as those that were used originally in the late 1800's or early twentieth century.

This original approach to repair and conservation work can be as much as three or four times more expensive, on a cost per square metre of building basis, than the cost incurred when applying currently available construction methods, techniques and materials.

Using an original approach to value the heritage buildings on the site results in a carrying value for these buildings (pre-impairment) in the order of \$345 million (2).

Extensive works that have been undertaken over the last financial period in repairing and strengthening earthquake damage on-site in a manner that aligns with the obligations on the Trust to conserve the heritage buildings and their associated historic values, has been taken into consideration when determining fair value.

BUILDING IMPAIRMENT

The heritage buildings on the Arts Centre site were extensively damaged by the series of earthquakes that have affected the Canterbury region during both the 2010 and 2011 financial periods.

It is estimated (3) the cost to repair those buildings as a consequence of those three events, less repair work carried out since 2011, is in excess of \$53 million.

During the 2016 year, approximately \$19.6 million was spent on repair work to the buildings (2015: \$29 million). This amount has been capitalised to buildings in the balance sheet as the costs are part of the capital restoration of the Arts Centre's heritage assets.

(1) ICOMOS New Zealand Charter - for the Conservation of Places of Cultural Heritage Value. Revised 2010.

(2) Based on a rebuild cost estimate - original construction prepared by Rhodes and Associates effective 31 December 2016 and reviewed by Savills Valuation and Advisory Services effective 31 December 2016.

(3) Based on observations and plans prepared by Holmes Consulting Group, as consulting structural engineers, and cost estimates prepared by Rhodes & Associates, as quantity surveyors.



4. EMPLOYEE ENTITLEMENTS

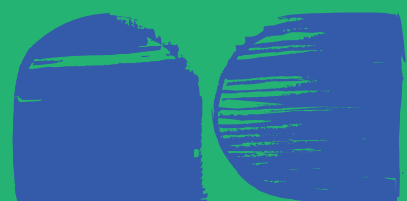
	2016 \$
Opening balance	702,280
Employee entitlements accrued	226,187
Employee entitlements paid	(289,529)
	\$638,938

All employee entitlements relate to holiday pay and a gratuity bonus scheme. The wages accrual of \$39,577 is also included in the balance sheet.

5. CHRISTCHURCH CITY COUNCIL CONTRIBUTIONS

The Christchurch City Council have contributed the following funds for conservation work programmes:

	2016 \$
Current year contributions	350,000



6. CAPITAL COMMITMENTS

	2016 \$
AA Boys High Building	
Less than one year	1,509,995
	\$1,509,995
BA Engineering	
Less than one year	584,568
1 -2 years	-
	584,568
Clock Tower and College Hall buildings	
Less than one year	629,422
	\$629,422
EA Chemistry building	
Less than one year	1,177,753
	\$1,177,753
G Library and Arcade buildings	
Less than one year	118,603
	\$118,603
CE - West Lecture	
Less than one year	6,505,473
1 -2 years	2,168,491
	\$8,673,964
Sitewide Services and Infrastructure	
Less than one year	2,867,938
	\$2,867,938
New Workshop	
Less than one year	679,601
	\$679,601
Total capital commitments	\$16,241,844



7. OPERATING LEASE COMMITMENTS

At balance date, the Board of Trustees had entered into the following non-cancellable operating leases:

OPERATING LEASE COMMITMENTS	2016 \$
Less than one year	3,588
1 -2 years	4,784
Total operating lease commitments	\$8,372

8. RELATED PARTIES

Jennifer Crawford is a trustee and the Chairperson of the Arts Centre of Christchurch Trust Board. She is also a Partner at Anderson Lloyd. Anderson Lloyd provides legal advice and services to the Trust. For the year ended 31 December 2016, the total Anderson Lloyd fees were \$44,813, including an unpaid portion totalling \$9,715 (2015: \$30,540).

The Arts Centre owns 100% of the 100 shares in the company Quadrangle Holdings Limited. This company is not currently operational and has no assets or liabilities. Jennifer Crawford and Michael Rondel are the current directors.

Jennifer Crawford retired from the Trust Board as at 31 December 2016.

9. KEY MANAGEMENT PERSONNEL COMPENSATION

Key management personnel of the Trust include the Trustees, and the Senior Management Group. The Trustees are not remunerated. They are entitled to receive an expense allowance once a year (see Note 11). The Senior Management Group includes the CEO and Managers. The total remuneration of key management personnel and number of individuals, on a full-time equivalent (FTE) basis, receiving remuneration from the Trust are:

	2016 \$
Senior management group (9 FTE)	975,027

10. CONTINGENT ASSETS AND LIABILITIES

There are no contingent assets or liabilities at year end (2015: \$Nil).

11. TRUSTEE REIMBURSEMENTS

Trustees are partially reimbursed for their personal administration costs associated with their role. These are not attendance fees. Trustee reimbursements during the year total \$4,800 (2015: \$6,000). No amounts were outstanding at balance date.

12. DONATIONS

Donations paid during the year were \$Nil (2015: \$Nil).



13. EVENTS OCCURRING AFTER BALANCE DATE

Following Jennifer Crawford's retirement from the board at 31 December 2016, Felicity Price was elected Chairperson of the Trust Board from 1 January 2017.

Felicity Price also replaced Jennifer Crawford as a Director of Quadrangle Holdings Limited in January 2017.

On 13 February 2017 two new Trustees, Dr Rod Carr and Mark Russell, joined the Trust Board.

14. CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES

The carrying amounts of financial instruments presented in the Statement of Financial Position relate to the following categories of assets and liabilities:

FINANCIAL ASSETS	2016 \$
Loans and Receivables:	
Cash and Cash Equivalents	4,066,410
Receivables from exchange transactions	393,092
Receivables from non-exchange transactions	2,828
Fair value through Comprehensive Revenue & Expenses:	72,049,475
Investments	\$76,511,805
Financial liabilities	3,366,625
Trade and Other Creditors	148,102
Employee Entitlements	\$3,514,727

15. FLOOD DAMAGE

In June 2016 there was a flood in the new Workshop construction area. A claim for damage was made under the contract works insurance policy. This claim should be completed in the 2017 year.

APPENDIX ONE: 2015 ACCOUNTS

[HTTPS://WWW.ARTSCENTRE.ORG.NZ/ABOUT-US/NEWS/](https://www.artscentre.org.nz/about-us/news/)







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Te Matatiki Toi Ora