

3. CLOSURE OF TURNING POINT 2000 TRUST AND TURNING POINT 2000 LIMITED

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Corporate Plan Output: Turning Point 2000	

The purpose of this report is to advise of the proposed process for the closure of the Turning Point 2000 Trust and Turning Point 2000 Limited.

BACKGROUND

The Chief Executive Officer, Turning Point 2000, reported to the December meeting of the Committee outlining the process to be followed for the closure of the Turning Point 2000 Trust and Turning Point 2000 Ltd.

The Committee requested the City Manager to designate an appropriate officer to liaise with Turning Point 2000 and to bring a recommendation to the February meeting of the Committee on the future ownership and management of events and projects of Turning Point 2000.

INTRODUCTION

Turning Point 2000 Limited ("the Company") is a wholly owned subsidiary of Turning Point 2000 Trust ("the Trust"). Both the Trust and the Company were set up in 1996 as charitable entities and have been recognised by the Inland Revenue Department as having been established for charitable purposes and accordingly have been granted tax exempt status by IRD.

The Trust and Company were formed for the purposes of promoting and celebrating the Year 2000 in Canterbury and the 150th Anniversary of the province of Canterbury.

The specified purpose of the Company and the Trust will be completed early in 2001 and the trustees of the Trust and the directors of the Company have agreed to wind up the Trust and the Company.

It is proposed that the Company and the Trust will distribute or gift the assets that they hold before the Trust and the Company are wound up. This means that by the time they are ready to be wound up or liquidated, they will have no assets left and will simply be "shells" to liquidate.

In one instance, the Port Hills 2000 project for the establishment of a penguin colony, a separate Trust has been established, The White-flipped Penguin Trust. Also, for the remaining Port Hills 2000 projects any remaining funding (approximately \$5,000) will pass to an existing society with charitable status, The Summit Road Society. In all other cases the assets will be gifted to the Christchurch City Council to be held for the people of Christchurch.

PROCESS FOR CLOSURE OF TRUST AND COMPANY

The following professional advisers are working with the management and Board of Directors to implement the closure:

Lisa Alexander, Chapman Tripp (Solicitors)
Brian Reddington, Bennett and Sheard (Accountants)
Graeme McGlenn, Grant Thornton (Auditors)
Peter Young, KPMG (Liquidator)
Lyll Matchett, Financial Advisor, Leisure, Christchurch City Council
Graeme Nicholas, Internal Audit Manager, Christchurch City Council
Peter Young from KPMG has agreed to act as liquidator for the Company and Trust on a pro bono plus disbursements basis on the understanding that the assets will be disposed of before the closure of the Trust and Company accounts.

Advice has been sought from Chapman Tripp regarding the process for winding up the Company and Trust and legal or tax implications regarding the gifting of assets or residual funds. A report was presented to the December 2000 Trust Board meeting and it was resolved, as shareholder of Turning Point 2000 Limited, that the Company's constitution be amended to enable the Company to distribute Company assets to the Trust, such amendment being subject to obtaining Inland Revenue Department approval. The Inland Revenue Department has since given this approval.

There are two further meetings of the Boards of the Trust and the Company scheduled for 15 February 2001 and 22 March 2001. The Annual General Meeting of the Company will be held in June/July to adopt the audited consolidated accounts. This would also be the final meeting of the Trust and Company Boards.

At the February and March meetings resolutions will be passed for the winding up of the Trust and Company. Chapman Tripp have advised that it is preferable to have a time lapse between winding up of the Company and the Trust.

Brian Reddington, Bennett and Sheard Accountants, and Lisa Alexander, Chapman Tripp Solicitors, have met on 23 January 2001 to discuss any potential tax or legal issues related to the winding up.

A critical path for the winding has been drawn up and includes in summary:

- Resolutions to wind up Company and Trust
- Project reconciliation
- Gifting of assets
- Close off books
- Final financial inputting and reconciliation
- Gift residual funds
- Close off bank accounts
- Deliver all materials for accountants to prepare draft consolidated accounts
- Present draft consolidated accounts to Board
- Prepare draft Chairman's report
- Prepare draft CEO's report
- Finalise consolidated accounts
- Sign audit report
- Sign audit representation letter
- Sign consolidated accounts
- Reports and consolidated accounts to be presented as formal Annual Report
- Trust, as shareholder, to adopt consolidated accounts at Company AGM
- Liquidator's Report
- Public Notification

The Company currently holds funds for the Travis Wetland Visitor Centre and the Rolleston Avenue Lighting. These funds are from The Community Trust grant for year 2000 projects. Both projects are being undertaken by Christchurch City Council Parks. Invoices for the funds remaining will be requested from Parks to enable the funds to be transferred.

TURNING POINT 2000, CHRISTCHURCH CITY COUNCIL TEAM CLOSURE

Turning Point 2000 has maintained an asset register. Much of the furniture at the Turning Point 2000 offices has been sourced from Pages Road Stores. Graeme Nicholas, Internal Audit Manager, Christchurch City Council, conducted an audit of the Turning Point 2000 offices in December 2000. A subsequent meeting was held with Alistair Graham, Lyall Matchett, Graeme Nicholas and Rae Finlay to confirm the timing and distribution of Turning Point 2000 operational assets and records from the offices in the Science Alive Building.

Turning Point 2000 will move into the 5th floor of Civic Offices from 26 January 2001. Most furniture, spare computers and equipment has been reallocated within the Leisure Unit and any remaining on Monday 29 January 2001 will be disposed of by the Pages Road Store. As staff contracts end the computers and equipment will be absorbed back into Council through the Leisure Unit. The movement of items is being recorded on the asset register to be checked by Graeme Nicholas and Lyall Matchett.

The GlobalNet.2000 project, which is being managed by the Children's Advocacy Office, is relocating to Canterbury Development Corporation on 26 January and they will take their furniture and equipment with them.

There are four Turning Point 2000 staff remaining. Contracts for Rachel Leitch and Sheree Stevens end on 23 February 2001. Contracts for Maureen Downes and Rae Finlay end on 6 April 2001.

In addition to the closure of the Trust and Company events and projects remaining are:

- Installation of Chalice - February/March 2001
- Distribution of Commemorative Oak trees to schools - February 2001
- Chalice lighting up Ceremony - March 2001
- Official Opening of the Sister Cities' Gardens - 17 February 2001
- Distribution of Commemorative Plates
- Environment Court Appeal Hearing for Bridge 2000 - Interim Hearing 22 February 2001
- Additional fundraising for publication of Rural Canterbury - Celebrating its History

Printing and launch of Rural Canterbury
 Funding applications for the Multi-Sensory Facility

Funding applications for the Sister Cities Gardens
 Ongoing display and management of Waka 2000
 Follow up for receipt of grants confirmed but not yet received
 Reports to Funding Agencies
 Project reports for handover
 Archiving

ONGOING OWNERSHIP AND MANAGEMENT OF EVENTS AND PROJECTS

An updated schedule of the ongoing ownership and management of events and projects follows. This has been prepared in consultation with the Advisory Groups, the Turning Point 2000 Board and Units of Council.

Advisory Group	Project	Ongoing Ownership and Management
Art 2000	Tapestry 2000	That ownership pass to the Christchurch City Council for the people of Christchurch. Unit responsible would be the Art Gallery Unit. Competition entries for Tapestry 2000 to be archived by Jenny May.
	Bridge 2000	That on completion ownership pass to the Christchurch City Council for the people of Christchurch. Units responsible would be Parks Unit for maintenance and the Art Gallery for conservation. The Interim Appeal Hearing in the Environment Court is scheduled for 22 February 2001. Art 2000 and the Turning Point 2000 Board will review the ongoing management of the Bridge 2000 project. Competition entries for Bridge 2000 to be archived by Jenny May.
	Chalice	That ownership pass to the Christchurch City Council for the people of Christchurch. Units responsible would be the Parks Unit for cleaning and maintenance and the Art Gallery for conservation. Marquette to be retained by the Artist.
	Artist's Book Exhibition	Works to be returned by the Robert McDougall Art Gallery to the artists. Commissioned text by John Allison - copyright will pass to the Christchurch City Council.
Canterbury Highway 2000	Canterbury Highway 2000	Management and ownership of the schemes are the property of the local authorities. Ideally, a group similar to the Advisory Group is formed to look after the project through 2001. That any residual funds are used to extend the Project Co-ordinator's contract into 2001.
Children 2000	GlobalNet.2000	That the intellectual property, trademarks and associated assets be gifted to the Christchurch City Council (Children's Advocacy Office) with a view to GlobalNet.2000 becoming a standalone entity working in partnership with other stakeholders such as the Ministry of Education and Canterbury Development Corporation. That any residual funds from the Lottery Grants Board grant, that are yet to be paid, be passed to the Christchurch City Council for GlobalNet.
	Multi-Sensory Facility, QEII	That ownership of the Multi-Sensory Facility equipment is gifted to the Christchurch City Council, to be managed by Leisure (QEII) as an on-going facility. If the facility has not been opened by the closure of Turning Point 2000 the residual funds be transferred to the Christchurch City Council for the purchase of equipment by the Recreation Team, Leisure Unit when the allocated space for the Multi-Sensory Facility becomes available at QEII.

Advisory Group	Project	Ongoing Ownership and Management					
Gardens 2000	Sister Cities' Gardens, Halswell Quarry Park	<p>Residual funds be transferred to Parks, Christchurch City Council, to held in trust for the development of the Sister Cities' Gardens. Ownership of any assets passes to Parks, Christchurch City Council.</p> <p>Parks, Christchurch City Council, take responsibility for the ongoing management and implementation of the project.</p> <p>Turning Point 2000 supports the establishment of a 'Friends of the Sister Cities' Gardens' group to undertake on-going fundraising, promotion and activities related to the Gardens. Sister Cities' Gardens Committee is to ensure that a comprehensive written history and briefing be made available to Parks, Christchurch City Council.</p>					
	Native Trees Please!	<p>Any surplus funds are transferred to Parks, Christchurch City Council, to administer.</p> <p>Ownership of any assets is passed to Parks, Christchurch City Council.</p> <p>Parks, Christchurch City Council, take responsibility for the ongoing management and implementation of the project.</p> <p>Native Trees Please! Committee to be a point of referral for Christchurch City Council Parks, if required, ensuring continuity.</p> <p>Native Trees Please! Committee ensures that a comprehensive written history and briefing be made available to Christchurch City Council, Parks</p>					
Heritage 2000	Heritage Trail	<p>Ongoing maintenance will pass to the Christchurch City Council. If the brochure has not been printed at the time of closure of the Company the residual funds will be passed to the Christchurch City Council, Environmental Policy and Planning Unit, to administer for the project.</p>					
Perform 2000	Song 2000	<p>Copyright of Song 2000 and remaining cassettes to pass to the Recreation and Arts Team, Leisure, Christchurch City Council.</p> <p>Entries in the year 2000 song competition have been returned to entrants.</p>					
Port Hills 2000	<table border="1"> <tr> <td data-bbox="453 1240 916 1279">Crater Rim Native Forest</td> <td data-bbox="916 1240 1409 1408" rowspan="4">That any residual funds are transferred to the Summit Road Society to be held in Trust to meet the ongoing objectives of Port Hills 2000.</td> </tr> <tr> <td data-bbox="453 1279 916 1317">Castle Rock & Whaka Raupo Reserves</td> </tr> <tr> <td data-bbox="453 1317 916 1355">Bridle Path Restoration</td> </tr> <tr> <td data-bbox="453 1355 916 1408">Cultural Gardens</td> </tr> </table>	Crater Rim Native Forest	That any residual funds are transferred to the Summit Road Society to be held in Trust to meet the ongoing objectives of Port Hills 2000.	Castle Rock & Whaka Raupo Reserves	Bridle Path Restoration	Cultural Gardens	
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	Penguin Colony	<p>That any residual funds are transferred to the White-flipped Penguin Trust to develop the project.</p>					
	Enjoying the Port Hills book	<p>That after all expenses for the book have been met, any royalties go to the Summit Road Society for development of Port Hills 2000 projects.</p> <p>Copyright remains with the author Gordon Ogilvie and publisher Caxton Press.</p>					

Advisory Group	Project	Ongoing Ownership and Management
Publications 2000	Rural Canterbury - Celebrating its History book	<p>That ownership of the book is with the publisher Daphne Brasell Associates as the prime partner and with the editor Dr Garth Cant as the secondary partner.</p> <p>That Daphne Brasell Associates has contracts with the chapter writers regarding payments to those writers if there are further printings of the book.</p> <p>If Daphne Brasell Associates declines further publishing then the right to publish is transferred to the editor Dr Garth Cant.</p> <p>If Daphne Brasell Associates or Dr Garth Cant are not willing or able to publish further editions then the publishing rights are transferred to the Geography Department, University of Canterbury, subject to their consent.</p> <p>Publishing is scheduled for February/March 2001.</p>
Sport 2000	The Children's Millennium Games	Copyright of logos and resource materials to pass to the Christchurch City Council, Leisure Unit. The Children's Millennium Games torches have been gifted to the Canterbury Museum and the Christchurch City Council.
	Sports Archive Project	Ongoing management through Christchurch City Council, Leisure Unit in partnership with Canterbury Museum.
Tu Tangata 2000	Waka 2000	<p>The ownership of the Waka 2000 is transferred to the Christchurch City Council for the people of Christchurch.</p> <p>Submission of proposals for the display and management of the waka close on 23 February 2001. The Christchurch City Council and the Turning Point 2000 Board will consider submissions.</p> <p>Ownership of the model of Waka 2000 will pass to the Christchurch City Council.</p>
Youth 2000	Tilt Youth'Zone Festival	That the Christchurch City Council, through the Recreation Team, Leisure, take over the management of the TILT Youth Zone Festival from 2001 as an annual event for the young people of Christchurch. Copyright of all logos will pass to the Christchurch City Council.
General	Office Equipment	<p>An Asset Register of furniture, phones, computers and equipment has been maintained by Turning Point 2000 and monitored by Lyall Matchett and Graeme Nicholas from the Christchurch City Council. Reallocation of furniture and equipment will be carried out through Leisure Unit with items that are not going back into Council Units being stored or disposed of by the Pages Road Store.</p> <p>Tracking of all items will be recorded on the Asset Register.</p>
Merchandise Profit and Royalties	Coins and Merchandise	<p>Royalty payments and profit on coin sales after the close of the Turning Point 2000 Trust and Company will be made to the Christchurch City Council.</p> <p>Events in Mind - 150th Anniversary Merchandise - Royalties Starfold - Commemorative Plates and Badges - Royalties NZ Mint - Coins - Profit on sales made by Turning Point 2000 or Christchurch City Council - coins purchased from the NZ Mint at the wholesale price.</p>
Trademarks	Turning Point 2000, 150 th Anniversary and Advisory Group logos.	Ownership of all trademarks and logos passes to the Christchurch City Council.

Advisory Group	Project	Ongoing Ownership and Management
Archives		<p>The Millennium Games Torch, the first minted Canterbury 150th Anniversary coin, the 150th Commemorative Passport and samples of the 150th Anniversary Commemorative Programme will go to the Canterbury Museum.</p> <p>The Minute Books of the Turning Point 2000 Trust and Turning Point 2000 Limited, minutes of Advisory Group Meetings, videos, printing and photographic archives will go to the Christchurch City Council to be archived by the Jenny May, Senior Heritage Planner.</p> <p>Turning Point 2000 general records and files will be placed in archive boxes and go to the Christchurch City Council Leisure Unit and Pages Road Store.</p> <p>The financial records will go to the Financial Advisor, Leisure, Christchurch City Council.</p> <p>General files for ongoing events and projects will be passed to the relevant Unit of Council or organisation.</p> <p>Discussions are currently taking place with the Canterbury Museum and the Macmillan Brown Library to check if they want to hold any particular records. An inventory of all archives will remain with the Christchurch City Council.</p>

At the meeting Councillors paid tribute to the wonderful work done by Turning Point 2000 in promoting and celebrating the year 2000 in Canterbury and the 150th anniversary of the province.

- Recommendation:**
1. That the procedures put in place be confirmed.
 2. That the Council thank the Turning Point 2000 Board, advisory groups and staff for their excellent work in making the year 2000 a memorable year for our people.