

**ROD DONALD BANKS
PENINSULA TRUST
TE PATAKA O
RAKAIHAUTU**

ACCOUNTS FOR THE PERIOD

**01 JULY 2011
TO
31 DECEMBER 2011**

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DIRECTORY

Address	53 Hereford Street Christchurch
Trustees	G Moore (Chair) C Reid S Miller S Wright-Stow T Korako N Shirlaw S Mortlock
Bankers	Bank of New Zealand Christchurch
Auditors	Audit New Zealand on behalf of the Office of the Auditor General

**Statement of Comprehensive Income
for the six months ended 31 December 2011**

	Note	2012 \$
Revenue from operations	2(a)	-
Other income		48,267
		<u>48,268</u>
Other expenses	2(b)	10,619
		<u>10,619</u>
Profit (loss) before income tax expense		<u>37,649</u>
Income tax expense		-
Net Surplus/(Deficit) for period		<u>37,649</u>
Other Comprehensive Income		-
Total Comprehensive Income		<u>37,649</u>

The accompanying notes form part of these financial statements.

**Statement of Changes in Equity
for the six months ended 31 December 2011**

	Retained earnings \$
Balance as at 01 July 2011	3,567,509
Total comprehensive income for the period	37,649
Balance as at 30 June 2012	<u><u>3,605,158</u></u>

The accompanying notes form part of these financial statements.

**Statement of Financial Position
as at 31 December 2011**

	Note	2012 \$
Current assets		
Cash and cash equivalents		414,723
Trade and other receivables	4	40,434
Other financial assets - short-term deposits	7	<u>1,750,000</u>
Total current assets		<u>2,205,157</u>
Non-current assets		
Other financial assets - long-term deposits	7	<u>1,400,000</u>
Total non-current assets		<u>1,400,000</u>
Total assets		3,605,157
Current liabilities		
Trade and other payables	5	<u>-</u>
Total current liabilities		<u>-</u>
Non-current liabilities		
Borrowings		-
Total non-current liabilities		<u>-</u>
Total liabilities		-
Net assets		<u>3,605,157</u>
Equity		
Capital and other equity instruments		-
Retained earnings	6	3,605,158
Total equity		<u>3,605,158</u>

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

1. Statement of Significant Accounting Policies

a. Reporting Entity

These are the unaudited financial statements of the Rod Donald Banks Peninsula Trust, a Charitable Trust created by the Christchurch City Council on 12 July 2010. The Trust was established with endowment funds from Banks Peninsula District Council and named to honour the memory of Rod Donald and his commitment to Banks Peninsula and the Trust exists for the benefit of the present and future inhabitants of the Banks Peninsula and visitors to the region.

The Trust's long term vision is to restore the Banks Peninsula to its traditional status as Te Pataka o Rakaihautu – the storehouse that nourishes. In pursuit of this vision the Trust promotes the sustainable management and conservation of the natural environment of the Banks Peninsula.

These unaudited financial statements of the Trust are for the six month period ended 31 December 2011.

b. Basis of financial statement preparation

The financial statements of the Rod Donald Banks Peninsula Trust have been prepared in accordance with New Zealand generally accepted accounting practice. They comply with the New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) as appropriate for public benefit entities.

Differential Reporting

The Trust is a qualifying entity within the Framework for Differential Reporting. The differential reporting option is available to the Trust as it is not large within the meaning of this term as set out in the Framework and is not publicly accountable. The Trust has taken advantage of all differential reporting concessions available to it.

The financial statements are prepared under the historical cost convention, as modified by the revaluation of investment properties.

The functional and presentation currency is New Zealand dollars, and all values are rounded to the nearest dollar.

c. Revenue

Revenue is measured at the fair value of consideration received. Interest income is recognised using the effective interest method.

d. Borrowing Costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

e. Income tax

The Inland Revenue Department (IRD) has confirmed that the Trust has charitable status for tax purposes and is therefore not liable for income tax.

f. Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits, and other short-term highly liquid investments with maturities of three months or less.

g. Trade and other receivables

Trade and other receivables are initially measured at fair value and subsequently measured at amortised cost less impairment provision.

h. Trade and other payables

Creditors and other payables are initially measured at fair value and subsequently measured at amortised cost.

i. Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis.

j. Goods and Services Tax

The Rod Donald Banks Peninsula Trust is not registered for GST. All amounts stated are inclusive of GST where applicable.

k. Provisions

A provision is recognised in the balance sheet when the Trust has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits, the amount of which can be reliably estimated, will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the obligation.

I. Critical accounting estimates and assumptions

In preparing these financial statements the Trust has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

2. Profit from operations

a. Revenue

	2012 \$
Revenue from operations	
Grants & Donations	-
	<u>-</u>
Other Income	
Interest received	48,267
	<u>48,267</u>
Total revenue	<u><u>48,267</u></u>

b. Expenses

	Note	2012 \$
Other Expenses:		
Bank Charges		15
Professional Fees		4,873
Website costs		211
Trustee insurance cover		5,520
Auditors remuneration	3	<u>10,619</u>
Total expenses		<u><u>10,619</u></u>

3. Remuneration of Auditors

	2012 \$
Audit New Zealand:	
Audit of financial statements	-
	<u>-</u>

4. Current trade and other receivables

	2012 \$
Debtors and Accruals	
GST receivable	-
Interest Receivable	40,434
	<u>40,434</u>

The carrying value of trade and other receivables approximates their fair value.

5. Current trade and other payables

	2012 \$
Trade payables	-
GST payable	-
Related Party Payables	-
	<u>-</u>

6. Retained Earnings

	2012 \$
Balance at beginning of financial year	3,567,509
Surplus/(deficit)	<u>37,649</u>
Balance at end of financial year	<u>3,605,158</u>

7. Financial Instruments

Financial instruments are cash and cash equivalents and term deposits as set out below.

	2012
	\$
Current Financial Assets:	
Current account - Bank of New Zealand	414,723
Kiwibank term deposit	500,000
CBS Canterbury term deposit	250,000
Kiwibank term deposit	1,000,000
	<u>2,164,723</u>
Non-Current Financial Assets	
Kiwibank term deposit	1,000,000
Kiwibank term deposit	400,000
	<u>1,400,000</u>
	<u><u>3,564,723</u></u>

Risk

The Trust has policies to manage the risks associated with financial instruments. The Trust is risk averse and seeks to minimise exposure from its treasury activities.

Interest rate risk

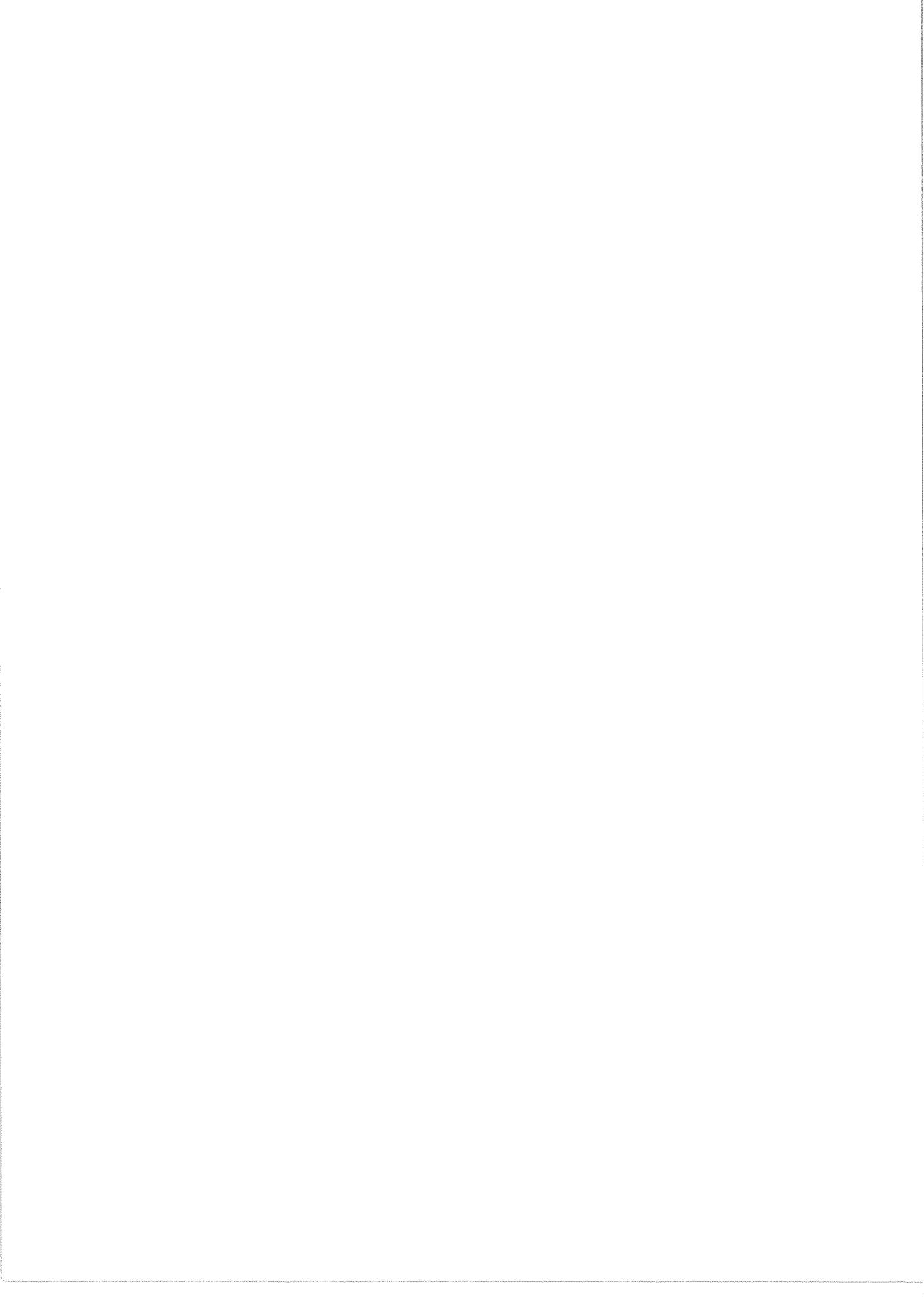
The Trust is exposed to interest rate risk on funds invested at both fixed and floating interest rates. The risk is managed by restricting investment to quality investment grade issues, pursuant to Christchurch City Council’s investment policy.

Credit Risk

Credit risk refers to the risk that a third party will default on its contractual obligations to the Trust, causing the Trust to incur a loss. Financial instruments which potentially subject the Trust to credit risk consist principally of cash and short term investments, and accounts receivable.

The Trust banks with Bank of New Zealand (BNZ), Kiwibank, and CBS Canterbury. The credit ratings for each of these organisations from Standard and Poor’s (Australia) Pty Ltd are:

Bank of New Zealand	AA
Kiwibank	AA –
CBS Canterbury	BBB –



**Christchurch Agency for Energy (CAfE)
Statement of Financial Performance
for Period to 31 December 2011**

Revenue	Total	2011/2012 Budget	YTD Variance
Appointor Contributions	\$360,000.00	\$360,000.00	\$0.00
Project CCC	\$432,500.00	\$432,500.00	\$0.00
EECA Project Grants	\$15,000.00	\$135,000.00	-\$120,000.00
Interest Income	\$7,427.61	\$14,000.00	-\$6,572.39
Total Income	\$814,927.61	\$941,500.00	-\$126,572.39
Expenses			
Trustee costs	\$0.00	\$3,000.00	\$3,000.00
Staff & Contractor Costs	\$129,605.40	\$248,000.00	\$118,394.60
Financial & Legal Costs	\$8,993.56	\$34,300.00	\$25,306.44
Office Administration	\$8,165.78	\$66,500.00	\$58,334.22
Accommodation Costs	\$0.00	\$0.00	\$0.00
Marketing	\$14,379.13	\$53,000.00	\$38,620.87
Direct Project Costs			
Beacon Pathways	\$25,000.00		
Community Energy Action	\$22,500.00		
DES Information Report*	\$30,000.00		
Design Advisory	\$16,710.00		
Energy Monitoring	\$20,200.00		
DES Feasibility Study**	\$292,750.01		
Total Direct Project Costs	\$407,160.01	\$926,800.00	\$519,639.99
Total Expenses	\$568,303.88	\$1,331,600.00	\$763,296.12
Net surplus (deficit) before tax	\$246,623.73	-\$390,100.00	\$636,723.73

Assets **\$0.00** **\$8,000.00** **\$8,000.00**

* 50% subsidy from EECA (\$15,000) shown in Revenue as EECA Project Grants

** EECA subsidy of \$120,000 will be invoiced on receipt of final invoices and delivery of implementation plan for next steps in project development.

Christchurch Agency for Energy (CAfE)
Balance Sheet
As of December 2011

Assets**Current Assets****Cash and Cash Equivalents**

Cheque Account	\$1,231,951.04
Electronic Clearing Account	\$0.00
Total Cash and Cash Equivalents	\$1,231,951.04

Trade and Other Receivables

Accounts Receivable	\$40,000.00
Total Trade and Other Receivables	\$40,000.00
Total Current Assets	\$1,271,951.04

Non Current Assets

Asset Purchases Clearing	\$0.00
Total Non Current Assets	\$0.00

Total Assets **\$1,271,951.04**

Liabilities**Current Liabilities****Trade and Other Payables**

Trade Payables	\$155,354.97
General Accruals	\$2,500.00
Total Trade and Other Payables	

GST

GST Collected	\$17,596.83
GST Paid	(\$87,287.36)
GST Payments/Refunds	\$37,401.75
Total GST	(\$32,288.78)
Total Current Liabilities	\$125,566.19
Other Long-Term Liabilities	\$0.00

Total Liabilities **\$125,566.19**

Net Assets **\$1,146,384.85**

Equity

Retained Earnings	\$904,644.07
Current Year Surplus/Deficit	\$241,740.78

Total Equity **\$1,146,384.85**

Riccarton Bush Trust

Half Yearly Report for Period to 31 December 2011

**(To Be Submitted to the Christchurch City Council
in accordance with the provisions of Section 66
of the Local Government Act 2002.)**

**Riccarton Bush Trust
6 Monthly Report
Period Ending 31 December 2011**

1. Introduction

The purpose of this 6 monthly report is to inform the Christchurch City Council of activities /outcomes/ forecasts at Riccarton House and Bush in accordance with the "Statement of Intent" (SOI) for the year ending 30 June 2012.

A copy of the Council approved SOI is attached for reference.

2. Outcomes

2.1 Financial Performance Targets

As at 31 December 2011	\$Actual	Forecast	Budget
Revenue	*\$184,453	*\$163,824	\$70,109
Operating Expenses	*\$148,215	*\$151,698	\$189,988
Operating Surplus before depreciation	*\$36,238	*\$12,126	(\$19,879)

Notes:

- Revenue exceeds both budget and forecast due mainly to better than expected performance of the lessee caterer.
- Operating expenses have been tightly controlled.
- The operating surplus before depreciation pleasingly exceeds both budget and the post-earthquake forecast.

2.2 Project Performance Targets

Target	Performance Measure 31 December 2011
1. Improve landscape in front of Riccarton House.	Landscape enhancement plan completed. Target Achieved
2. Management Plan for Riccarton House and Bush as required by the new amendment to the Riccarton Bush Act.	Process for Management Plan adopted by Board December 2011. On Target
3. Upgrade of heating for Riccarton House.	Design completed & Resource Consent obtained. Earthquake repairs may delay installation On Target.
4. Upgrade of commercial kitchen.	Design & specification completed and tendered. Delayed due to lack of Contract Works Insurance. On Target

2.3 Environmental & Social Performance Targets.

Target	Performance Measure 31 December 2011
1. Continue the successful partnership with DOC and Operation Nest Egg and the Kiwi Crèche in Riccarton Bush.	5 Kiwi successfully crèched during winter/spring 2011 completing this years' partnership undertaking with DOC. Target Achieved.
2. Resolve non performing Council administered Asset Waterways in and adjacent to Riccarton Bush.	Issues paper completed by Ranger and provided to Council staff and Kauri Lodge. On Target
3. Qualified survey of Bush conditions and trends.	Trustee Dr. Brian Molloy has made contact with Dr. David Norton, School of Forestry Canterbury University. Dr. Norton has agreed to undertake this survey with assistance from Dr. Molloy

3. General

- Riccarton House is currently closed to the public pending earthquake damage repairs being project managed by Insight-Unlimited.
- The earthquake damage and house closure has impacted and will continue to impact on a number of performance targets as noted above.
- There has been limited (non-structural) further earthquake damage to Riccarton House post 22 February 2011.
- Council Plan Change 44 has provided better future protection from urban development, for Riccarton Bush.
- Audit New Zealand confirmed an unqualified Audit for the Trust for the financial year ending 30 June 2011.
- Outcomes report to Charities Commission lodged (and accepted) in accordance with statutory requirements.
- Taste Catering (lessee in-house caterer) have weathered the earthquake storm, operating, from a semi-permanent on site marquee.

Rob Dally
Manager Riccarton House & Bush

Vbase Limited Income Statement

For the six months ended 31 December 2011

	Dec 11 YTD Actual \$'000	Dec 11 YTD Budget \$'000	Dec 10 YTD Actual \$'000	Full Year Budget \$'000	Full Year Reforecast \$'000
Income					
Venue Rental and Event Revenue	988	784	3,901	1,356	1,674
Food and Beverage	2,108	1,479	7,523	2,355	4,080
Equipment Hire Revenue	259	251	1,025	503	491
Memberships and Naming Rights	138	94	3,467	173	78
Other - including JEFL	2,365	5,692	2,152	8,985	10,491
	5,858	8,300	18,068	13,372	16,814
Less Expenditure					
Food and Beverage	2,157	1,836	5,653	3,141	4,167
Event/Hosting Costs	871	864	3,085	1,664	1,724
Facilities	725	661	1,523	1,368	1,614
Administration	1,328	1,551	1,917	2,869	2,839
Other - including JEFL	483	1,056	2,520	2,076	1,199
	5,564	5,968	14,698	11,118	11,543
EBITDA	294	2332	3370	2254	5,271
Net Interest	2,082	2,311	3,919	4,622	4,072
Depreciation	3,559	4,826	5,313	9,651	8,000
Net loss before income tax	-5,347	-4,805	-5,862	-12,019	-6,801
Income tax expense/(credit)	-1,859	-886	-2,288	-1,771	-1,771
After tax loss for the period	-3,488	-3,919	-3,574	-10,248	-5,030

Vbase Limited Consolidated Statement of Changes in Equity
For the six months ended 31 December 2011

	Share Capital \$'000	Retained Earnings \$'000	Other Reserves \$'000	Total \$'000
Balance at 1 July 2010	143,789	-70,477	55,868	129,180
After tax loss for the full year		12,002		12,002
Asset impairment at 22/2			-57,282	-57,282
Asset revaluation at 30/6			12,039	12,039
Deferred tax adj on revaluation of buildings			14,054	14,054
Issue of Preference Shares	53,750			53,750
Buy back of Preference Shares	-12,000			-12,000
Trsf of prior revaluation on de-recognised assets		9,594	-9,594	0
Equity Component of mandatory RPS	-824	824		0
Balance at 30 June 2011	184,715	-48,057	15,085	151,743
After tax loss for the period		-3,488		-3,488
Issue of Preference Shares	9,000			9,000
				0
Balance at 31 December 2011	193,715	-51,545	15,085	157,255

Vbase Limited Balance Sheet

For the six months ended 31 December 2011

	Dec 11 YTD Actual \$'000	Dec 10 YTD Actual \$'000	Jun 12 Budget \$'000
Assets			
Current Assets			
Cash & Cash Equivalent	8,685	4,097	7,731
Trade & Other Receivables	25,298	6,571	5,262
Other Financial Assets	2,000	7,700	0
Inventories	93	440	706
Current Tax Assets	3,374	3,901	1,905
Other Current Assets	324	403	0
Total Current Assets	39,774	23,112	15,604
Non-Current Assets			
Property, Plant, Equipment & Intangibles	165,640	233,030	228,542
Non-Current Financial Assets	25,423	0	0
Finance Lease Receivables	24,112	25,853	26,899
Other Non-Current Assets	3,075	3,285	0
Total Non-Current Assets	218,250	262,168	255,441
Total Assets	258,024	285,280	271,045
Liabilities			
Current Liabilities			
Trade & Other Payables	4,562	10,257	8,680
Current Provisions	163	523	532
Total Current Liabilities	4,725	10,780	9,212
Non Current Liabilities			
Non-Current Borrowings	57,096	97,272	46,573
Deferred Tax	38,948	44,621	45,160
Other	0	0	42
Total Non-Current Liabilities	96,044	141,893	91,775
Total Liabilities	100,769	152,673	100,987
Net Assets	157,255	132,607	170,058
Represented by:			
Equity			
Retained Earnings	-51,545	-72,713	-100,455
Capital & Reserves	208,800	205,320	270,513
Total Equity	157,255	132,607	170,058

Vbase Limited Statement of Cashflows
For the six months ended 31 December 2011

	Dec 11	Dec 10	Jun 12
	YTD Actual	YTD Actual	Budget
	\$'000	\$'000	\$'000
Cash flows from operating activities			
Receipts from customers	5,743	21,428	18,065
Receipts from Insurance	24,006	0	0
Payments to suppliers and employees	-8,867	-19,022	-13,875
Taxation (paid)/received	3	87	4,237
Net GST movement	895	-125	0
Net cash flows from operating activities	21,780	2,368	8,427
Cash flows from investing activities			
CCC Deposits	-25,423	0	0
Sale/purchase of fixed assets	-3,988	-4,118	-6,002
Net interest received/(paid)	-2,536	-3,588	-4,634
Deferred acquisition payment	0	-65	0
Net movement in bank deposits	25	-7,700	0
Net cash flows from investing activities	-31,922	-15,471	-10,636
Cash flows from financing activities			
Share increase	9,000	7,000	11,995
Change in finance lease	0	0	0
Borrowings	0	0	-700
Net cash flows from financing activities	9,000	7,000	11,295
Net inflow/(outflow) of cash	-1,142	-6,103	9,086
Opening bank	9,827	10,200	-1,355
Closing bank	8,685	4,097	7,731

Financial performance targets

Vbase Ltd

	Group 30 Jun 2012 Target \$'000	Group 31 Dec 2011 Actual \$'000
Income	\$6,486	\$5,858
Less Operating Expenses	\$4,455	\$5,564
EBITDA	\$2,031	\$294
Less		
Interest	\$4,523	\$2,082
Depreciation	\$9,124	\$3,559
Loss on derecognition of property	\$0	\$0
Net Surplus (deficit) before tax	-\$11,616	-\$5,347
Taxation	-\$2,074	-\$1,859
Net Surplus (deficit) after tax	-\$9,542	-\$3,488

F&B revenue and expenses account for more than twice the annual budget in the first six months, however F&B margin has been significantly overestimated in the budget. \$6m of BI receipts are included in the target - none have been received to date.

Ratio of Shareholders funds to total assets

The forecast ratio of Shareholders funds to total assets is:

Target to Jun	Actual to Dec
64%	61%

The forecast capital structure is:

	Target to Jun	Actual to Dec
	\$m	\$m
Equity	\$169m	\$157m
Debt	\$35m	\$57m
Total Assets	\$256m	\$258m

Reporting against Statement of Intent

Objective and Strategy	Performance Measure	Result
<p>1 - Great Stages</p> <p>Vbase will tailor a great stage for any event</p> <ul style="list-style-type: none"> Establish the technology platform for best practice Asset & Facilities Management Utilize the CBS Arena to support displaced cultural/community business from the Christchurch Town Hall 	<p>Implement EBMS asset management software by June 2012</p> <p>90% booking for annual cultural events displaced from the Christchurch Town Hall</p>	<p>On track for full implementation by June 2012</p> <p>Approximately 60% re-booked for current financial year and another 20% for the following financial year</p>
<p>2 - Great Hosting</p> <p>deliver an outstanding client and service experience</p> <ul style="list-style-type: none"> Implement online client satisfaction survey 	<p>Achieve greater than 80% satisfaction during year</p>	<p>Client satisfaction surveys have not yet been undertaken</p>
<p>3 - Growth</p> <p>utilise assets and capabilities for growth</p> <ul style="list-style-type: none"> Maximize event days at CBS Canterbury Arena Support the Christchurch City Council in endeavours to increase the available conference venues 	<p>> 150 event days</p> <p>Business development team is part of project team for new conference venue development initiatives</p>	<p>96 event days to 31 December 2011</p> <p>Janelle Brooking is on the Convention Centre Working Group and Air Force Conference Venue Group</p>
<p>4 - Valuable Partnerships</p> <p>great to do business with and a great place to work</p> <ul style="list-style-type: none"> Secure events that will attract national and international visitors to Christchurch and generate positive economic impact Secure events that will encourage high usage of the venues Facilitate access to the venues for local sporting, charitable and cultural organisations 	<p>Annual visitor spending exceeds \$40m</p> <p>Visitors to venues exceeds 200,000</p> <p>Total venue discounts exceed \$200,000</p>	<p>Annual visitor spend was \$12,142,124 to 31 December</p> <p>134,375 visitors to 31 December 2011</p> <p>\$164,809 venue discounts given to 31 December 2011</p>
<p>5 - Brand Equity</p> <p>Vbase will build its reputation, profile and influence</p> <ul style="list-style-type: none"> Maintain the recognition level of the 	<p>Invest in trade shows, trade publications and client</p>	<p>Spent \$96,268 on subscriptions, conferences,</p>

Vbase brand	familiarizations to the value of \$100,000	travel, sales calls and advertising to 31 December
<p>6 - Health and Safety</p> <p>Vbase will be a safe place to work and visit</p> <ul style="list-style-type: none"> • Further develop Vbase staff culture and fully participate in CCC Engagement Survey • Continue to tune health and safety systems and processes • Provide leadership to clients, contractors and sub contractors 	<p>At least 59%</p> <p>Improvement in staff H&S performance review scores</p> <p>100% contractor and client compliance</p> <p>Improvement in contractor performance review outcomes</p> <p>100% accreditation of contractors</p>	<p>Vbase staff have not yet been involved in a CCC engagement survey</p> <p>H&S performance reviews are yet to be undertaken</p> <p>All contractors have been reviewed and compliance and accreditation achieved</p>

JEFL performance targets

Performance Target	Performance Measure	Result
The engine test cell continues to be provided as per the criteria established in the contract documentation	The Christchurch Engine Centre continues to operate the engine test cell successfully and meet its lease payment obligations	Achieved
The company meets all relevant legislative and contractual requirements	No breaches of legislative or contractual requirements are recorded	Achieved – no breaches

Civic Building Ltd

Half Yearly Report to December 2011

Civic Building Ltd

Income Statement

for the six months ended 31 December 2011

	Dec 11 YTD Actual \$'000	Dec 11 YTD Budget \$'000	Dec 10 YTD Actual \$'000	Full Year Budget \$'000
Revenue	6,523	5,441	5,171	7,818
Finance costs	2,752	2,752	2,752	5,459
Other expenses	4,548	3,655	269	4,032
	7,300	6,407	3,021	9,491
Profit/(loss) before tax	-777	-966	2,150	-1,673
Income tax expense/(income)	-731		471	
Profit/(loss) for the period	-46	-966	1,679	-1,673

Civic Building Ltd

Statement of changes in equity

For the six months ended 31 December 2011

	Share Capital \$'000	Retained Earnings \$'000	Total \$'000
Balance at 1 July 2010	6,188	-10,153	-3,965
Profit/(loss) for the year		-2,355	-2,355
Issue of Redeemable Preference Shares			0
Balance at 30 June 2011	6,188	-12,508	-6,320
Profit/(loss) for the period		-46	-46
Issue of Redeemable Preference Shares			0
Balance at 31 December 2011	6,188	-12,554	-6,366

Civic Building Ltd

Balance sheet

As at 31 December 2011

	Dec 11 YTD Actual \$'000	Dec 10 YTD Actual \$'000	Jun 12 Budget \$'000
Current Assets			
Cash and Cash Equivalents	2,380	5,534	3,326
Trade and Other Receivables	3,141	120	0
Finance Lease Receivable - Current	3,607	0	3,568
Current Tax Assets	1,948	2,635	1,266
Total Current Assets	11,076	8,289	8,160
Non-Current Assets			
Investment Property	4,399	60,474	4,614
Finance Lease Receivable - Non Current	48,625	0	48,625
Total Non-Current Assets	53,024	60,474	53,239
Total Assets	64,100	68,763	61,399
Current Liabilities			
Trade and Other Payables	2,192	2,671	0
Total Current Liabilities	2,192	2,671	0
Non-Current Liabilities			
Capital Expenditure Contributions	16		
Deferred Tax	8,970	9,090	0
Borrowings	59,288	59,288	59,288
Total Non-Current Liabilities	68,274	68,378	59,288
Total Liabilities	70,466	71,049	59,288
Net Assets	-6,366	-2,286	2,111
Equity			
Capital and Other Equity Instruments	6,188	6,188	6,188
Retained Earnings	-12,554	-8,474	-4,077
Total Equity	-6,366	-2,286	2,111

Civic Building Ltd

Cash Flow Statement

For the six months ended 31 December 2011

	Dec 11 YTD Actual \$'000	Dec 10 YTD Actual \$'000	Jun 12 Budget \$'000
Cash flows from operating activities			
Lease revenue	474	1,588	4,144
Insurance proceeds received (material damage)	4,302		3,065
Interest received	72	154	
Payments to suppliers and employees	-738	-354	-338
Payments for remedial works relating to insurance claim	-4,452		-3,142
Interest and other finance costs paid	-2,737	-2,722	-5,459
RWT (paid)/refunded	378	-46	
Subvention payment (paid)/received		0	1,787
Net GST movement	-28	574	
Net cash provided by/(used in) operating activities	-2,729	-806	57
Cash flows from investing activities			
Payment for property, plant and equipment	-103	-3,132	
Net movement in bank deposits	16		
Loan to related party			
Net cash provided by/(used in) investing activities	-87	-3,132	0
Cash flows from financing activities			
Proceeds from issues of equity securities			
Proceeds from borrowing			
Net cash provided by/(used in) financing activities	0	0	0
Net inflow/(outflow) of cash	-2,816	-3,938	57
Opening bank	5,196	9,472	3,269
Closing bank	2,380	5,534	3,326

Civic Building Ltd

Financial Performance Targets from Statement of Intent

	Dec 11 Target \$'000	Dec 11 Actual \$'000	Dec 11 Variance \$'000	Full year Target \$'000
Financial Performance Targets:				
<i>Income</i>				
Rental Income	2,034	2,033	1	4,067
Other Income	3,408	4,490	-1,082	3,885
<i>Expenses</i>				
Interest	2,752	2,752	0	5,459
Other Expenses	3,655	4,548	-893	4,166
Depreciation	0	0	0	0
Net Surplus (Deficit) Before Tax	-965	-777	-188	-1,673
Taxation	-633	-731	98	-1,266
Net Surplus After Tax	-332	-46	-286	-407

Variances:

Other Income

Material Damage insurance receipts were \$909,000 higher than originally expected

Recovery of property expenses was \$106,000 higher than expected

Interest revenue of \$67,000 was not budgeted for

Other Expenses

Building Remediation costs were \$953,000 higher than originally expected by the Joint Venture

Consultancy Fees were \$46,000 lower than expected. The majority of this is because the Vbase labour on charged has decreased

ROD DONALD BANKS PENINSULA TRUST
Te Pataka o Rakaihautu

Statement of Intent

For the year ending
30 June 2013

**ROD DONALD BANKS PENINSULA TRUST STATEMENT OF INTENT (SoI)
For the year ending 30 June 2013**

- 1. Introduction**
- 2. Objectives of the Trust**
- 3. Nature and Scope of Activities of the Trust**
- 4. Corporate Governance Statement**
- 5. Accounting Policies**
- 6. Performance Targets and Measures**
- 7. Information to be Provided**
- 8. Acquisition of Shares in any Company**
- 9. Ratio of Consolidated Trust Funds to Total Assets**
- 10. Estimate of Distributions of Accumulated Profits and Capital Reserves**
- 11. Commercial Value of Investment**
- 12. Activities for Which Compensation is Sought From any Local Authority**

INTRODUCTION

This Statement of Intent ("Sol") is prepared in accordance with Section 64(1) of the Local Government Act 2002.

The Sol specifies for the Rod Donald Banks Peninsula Trust ("RDBPT") the objectives, the nature and scope of the activities to be undertaken, and the performance targets and other measures by which the performance of the Trust may be judged in relation to its objectives, amongst other requirements.

The process of negotiation and determination of an acceptable Sol is a public and legally required expression of the accountability relationship between the RDBPT and its Settlor the Christchurch City Council, and its Trustees.

The Sol is reviewed annually by the Council and covers a three year period.

The RDBPT's registered office is at the offices of Christchurch City Council, 53 Hereford Street, Christchurch.

The contact details for the RDBPT and its officers are:

Postal Address: P.O. Box 5, Little River, Banks Peninsula 7591 or
info@roddonaldtrust.co.nz

Physical Address: c/o Simon Mortlock, Mortlock McCormack, 99 Clarence Street,
Riccarton, Christchurch

The RDBPT is a council-controlled organisation ("CCO") for the purposes of the Local Government Act 2002.

OBJECTIVES OF THE TRUST

The RDBPT is a trust for charitable purposes.

The RDBPT exists for the benefit of the present and future inhabitants of Banks Peninsula and for visitors to Banks Peninsula.

The RDBPT's activities will focus on the area within the district administered by the Banks Peninsula District Council immediately prior to its amalgamation with the Christchurch City Council (the "Region"). A map of this Region is included as Appendix One to this Statement of Intent.

The objectives of the RDBPT are:

- (a) to promote sustainable management and conservation (consistent with the purposes and principles of the Resource Management Act 1991 and the Conservation Act 1987 and any replacement legislation) of the natural environment in the Region;
- (b) to establish, support or facilitate environmental based projects that are focussed on:

- (i) the maintenance and development of recreation facilities including parks, reserves, walkways and affordable camping grounds in the Region;
 - (ii) providing public access to recreation facilities including parks, reserves, walkways and affordable camping grounds in the Region;
 - (iii) the reinstatement and preservation of native vegetation in the Region;
 - (iv) the enhancement of the natural biodiversity of the Region;
 - (v) the restoration of the Region's waterways to their natural state; and
 - (vi) the protection of native endangered species present in the Region;
- (c) to establish, support or facilitate projects that are focussed on the protection, preservation and enhancement of areas of historical or cultural significance, or the built heritage of the Region;
 - (d) to undertake or facilitate in any other way research projects or scientific enquiries to carry out the Objects;
 - (e) to provide educational opportunities to further the public's understanding or enjoyment of the natural, historical and cultural qualities of the Region;
 - (f) to commission or otherwise support research and monitor projects relating to the status and quality of the natural and physical environment throughout the Region;
 - (g) to purchase or lease land to:
 - (i) carry out any improvements on land for the sustainable management of the environment or more general environmental or conservational purposes of the Trust,
 - (ii) provide facilities or opportunities for the educational purposes of the Trust;
 - (h) to source and allocate funds for projects which support, promote or otherwise contribute to the Objects;
 - (i) to seek the support and involvement of appropriate persons, organisations and agencies, (including the Christchurch City Council) and

work alongside or collaboratively with such persons, organisations and agencies to carry out the Objects;

- (j) to hold seminars, tutorials and lectures within the Region and throughout Canterbury to demonstrate research relating to the objects, and to encourage the public to become involved with or to generally promote the aims and purposes of the Trust to the community;
- (k) to carry out any other charitable purpose which is capable of being carried out in connection with the Objects or may directly, or indirectly, advance the Objects;
- (l) to raise money and to seek, accept and receive gifts, donations, grants, endowments, legacies and bequests of money or in kind for the Objects; and
- (m) to do all such other acts and things that are incidental or conducive to the attainment of the Objects.

In pursuance of the objectives of the RDBPT, the Trustees are required to have regard to:

- (a) the views of Te Hapu o Ngati Wheke (Rapaki), Te Runanga o Koukourarata, Wairewa Runanga, Te Taumutu Runanga and Onuku Runanga in respect to the value of Banks Peninsula's Mana Whenua (Land), Mana Moana (Waterways) and Mana Tangata (People);
- (b) the potential for alignment between the activities of the Trust and any existing or future projects or initiatives of the Christchurch City Council;
- (c) whether other sources of funding or support are available, including assistance provided through industry or regional development policies and programmes of local authorities or central government;
- (d) the objectives, roles and activities of any other organisation engaged in similar activities on Banks Peninsula.

NATURE AND SCOPE OF ACTIVITIES OF THE TRUST

The long term vision of the RDBPT is that Banks Peninsula is restored to its traditional status as Te Pataka o Rakaihautu – the storehouse that nourishes. This vision encompasses the following goals for Banks Peninsula:

- a rich biodiversity;
- all streams are planted;
- the lakes and rivers flow with clean water;
- people are active in their care of the environment;

- it is regarded as a special recreation place and is actively but respectfully used by people;
- people of Banks Peninsula are prospering and passionately participate in engaged conservation;
- there is a walkway right around Banks Peninsula connecting all communities;
- a centre for environmental education and creative environmental thinking is established;
- people describe Banks Peninsula as an Ecological Island.

The RDBPT cannot achieve these goals on its own or in the short term. Instead, the RDBPT will focus on acting as a facilitator, conduit and connector - to assist groups and projects which have aims that align with the objects of the RDBPT.

The RDBPT has been established to honour the memory of Rod Donald and his commitment to the Banks Peninsula area. Therefore, the RDBPT's hallmark will be entrepreneurship and practical achievement, these were important values to Rod Donald. The RDBPT's funds will be well husbanded and will be used to achieve things that individual groups and projects cannot achieve on their own.

The "Performance Indicators" section of this Sol sets out the initial goals of the RDBPT. These Performance Indicators reflect the initial actions that the RDBPT will take towards achieving the RDBPT's long term vision.

CORPORATE GOVERNANCE STATEMENT

This statement gives readers an overview of RDBPT's main corporate governance policies, practices and processes to be adopted or followed by the RDBPT Trustees.

Role of the Trustees

The Trustees will manage the affairs of RDBPT in accordance with their legal obligations, the objectives of RDBPT and the terms of the RDBPT Trust Deed.

In addition the Trustees' decisions will reflect the following values and principles:

- *Leading* – the RDBPT should be a trusted and credible body making unique and courageous decisions
- *Linking* – the RDBPT will focus on the big picture issues of Banks Peninsula and link people and projects.
- *Influencing* – the RDBPT will engage with existing people and groups, supporting their passion for Banks Peninsula.
- *Enhancing* – the RDBPT will work as an entrusted steward/guardian enhancing the historic work of previous generations.
- *Enduring* – The funds and work of the Trust are to be used to create an enduring legacy for the Peninsula

The Trust will adhere to the following principles in its own work and partnerships:

- Respect and engage with the Peninsula community
- High trust relationships
- Transparency between partners
- No surprises, full disclosure

- Behave in an ethical manner
- Be well documented
- Have a process for dispute resolution and exiting
- Be formal in its processes – things properly approved and documented.
- Have clear benefits for the Peninsula community

Responsibility to Settlor

i. Statement of Intent

In accordance with the Local Government Act 2002, the RDBPT will submit an annual draft Statement of Intent (SoI) to the Council for consultation and approval. The SoI will set out the RDBPT's overall objectives, intentions and performance targets.

ii. Information flows

The Trustees will aim to ensure that the Council is informed of all major developments affecting the RDBPT's state of affairs. Information will be communicated to the Council through the RDBPT by periodic reports and through both the annual report and the half-yearly report.

The RDBPT will endeavour to operate on a "no surprises" basis with regard to all issues of relevance to the Settlor. Early notice will be given to the Settlor of issues that arise requiring its consent.

Trustees

Claudia Reid
PO Box 36
Diamond Harbour 8941

Stewart Miller
7 Heaphy Court
Rolleston 7614

Garry Moore
103 Warrington Street
Mairehau
Christchurch 8013

Stuart Wright-Stow
255 Okuti Valley Road
Little River 7591

Tutehounuku (Nuk) Korako
PO Box 210
Lyttelton

Nicola Shirlaw
236 Wilsons Road
Waltham
Christchurch 8023

Simon Mortlock
PO Box 13174
Christchurch 8141

Subsidiary and Monitored Companies

The RDBPT has no investments in other companies.

Financial Results

The Trustees will receive and review the RDBPT's financial and other reports regularly, and will provide financial statements to the Council on a 6 monthly basis.

ACCOUNTING POLICIES

The RDBPT will adopt accounting policies that are consistent with New Zealand International Financial Reporting Standards (NZ IFRS) and generally accepted accounting practice.

PERFORMANCE TARGETS AND MEASURES

Financial Performance Targets

The financial performance targets for the Trust are as follows:

Annual Operational Expenditure Budget	2012/13	2013/14	2014/15
Revenue	149,066	125,167	109,144
Operating Expenses	(43,329)	(44,521)	(45,412)
Operating Surplus/(Deficit)	105,737	80,646	63,732
Forecast Cashflow	2012/13	2013/14	2014/15
Opening Balance	3,702,193	3,597,930	3,290,601
Interest Income	149,066	125,167	109,144
Operating Expenditure	(43,329)	(44,521)	(45,412)
Annual Minor Projects	(60,000)	(60,000)	(60,000)
Project Expenditure	(150,000)	(327,975)	(327,975)
Total Expenditure	(253,329)	(432,496)	(433,387)
Closing Balance	3,597,930	3,290,601	2,966,358

Forecast Capital Structure	2012/13	2013/14	2014/15
Equity	3,597,930	3,290,601	2,966,358
Debt	-	-	-

Note that in line with the Trust's Investment policy the project expenditure forecast is based on the goal of investing a total sum of approximately 40% of the Trust's capital (\$1,461,900) over the next 5 years (until June 2017) on projects which leave an enduring legacy. This will not necessarily be spread evenly over the 5 years as shown in the forecast, as it will depend on the development of the Trust's strategies and availability of matching opportunities. The annual minor projects are expected to be primarily funded from income.

The Trustees will report financial results as set out below in the "Information to be Provided" section.

Other Performance Measures

In addition to the above financial performance measures, the RDBPT Trustees may use other measures to assess the RDBPT's performance over the 2012/13 to com2014/15 financial years.

Performance Indicators

Indicator 1

Inform the public and relevant interest groups about on-going activities and progress of the Trust

Achievement

Finalise a communications and advertising policy for the RDBPT.

Develop a branding for the Trust and a website that enables easy upload of Trust documents for sharing.

Share the report of the Stocktake project and on-going progress with groups involved.

Indicator 2

Develop relationships with, and gain the trust of, existing interest groups on Banks Peninsula with aims aligned to those of the RDBPT, along with relevant government agencies and territorial authorities.

Achievement

Develop a list of key interest groups that the RDBPT would like to work with.

Continue to meet with key contacts within the groups to discuss their projects and the manner in which the RDBPT can work with them.

Indicator 3

Invest the Trust fund prudently to minimise risk to the capital while achieving the aims of local

Achievement

Adopt the draft investment policy and strategy for the RDBPT.

and ethical investment. In the longer term ensure that the capital fund is invested or spent in ways that leave a long term legacy for the people of the Peninsula and visitors. Keep annual operating costs within the income generated from the invested funds.

Indicator 4

The Trust has determined three key pillars on which its projects will be based; Access, Knowledge and Partnerships. Identify the key projects supporting these pillars that the Trust wishes to be involved in on Banks Peninsula over the next 3 years.

Indicator 5

Provide tangible support for the key projects and leadership building the Access pillar

Indicator 6

Provide tangible support and leadership for projects building the Knowledge pillar.

Indicator 7

Provide tangible support for partners

Identify other bodies which have funds available for projects aligned with the objectives of the RDBPT, develop strategic relationships with these bodies with the aim of a 5:1 leverage on Trust capital where possible.

Achievement

In conjunction with Indicator 2, and the pillars, establish a list of the projects which will be the key focus of the RDBPT in the short to medium term, and the assistance that the RDBPT will provide in respect to these projects.

Develop a distributions policy in respect to the distributions to be made to any projects identified.

Achievement

Development of a walkway strategy.

Enabling access to support this strategy.

Achievement

Explore and define how to do this.

Identify other funders who can support projects.

Achievement

Identify some key projects that others have initiated that align with the RDBPT objectives and explore how the RDBPT can support these with either funding or knowledge and broker and leverage its SOI objectives.

Ensure that the partnership arrangements entered into with other groups are formalised with a Memorandum of Understanding

INFORMATION TO BE PROVIDED

Statutory Information Requirements

i. Annual Statement of Intent

The RDBPT will provide this in accordance with Section 64(1) of the Local Government Act 2002. The Trustees will include any other information they consider appropriate.

ii. Half yearly report

The RDBPT will provide a half yearly report in accordance with Section 66(1) of the Local Government Act 2002. This will comply with NZ IFRS and generally accepted accounting practice and include any other information the Trustees consider appropriate.

iii. Annual report

The RDBPT will provide an annual report including audited financial and performance statements in accordance with Section 67 of the Local Government Act 2002. Again this will comply with NZ IFRS and generally accepted accounting practice and will include any other information the trustees consider appropriate.

The RDBPT will provide its annual reports to the Lyttelton/Mt Herbert and Akaroa/Wairewa Community Boards, for the information of the Community Boards.

Other Information to Meet the Needs of the Council

The RDBPT will meet at least six monthly with the Councillor representing the Banks Peninsula ward and the Chairpersons of the Akaroa/Wairewa and Lyttelton/Mt Herbert Community Boards, to discuss the RDBPT's activities. If called upon by the Council the RDBPT will meet with these representatives on a further two occasions in any one financial year.

ACQUISITION OF SHARES IN ANY COMPANY

The Trust will only acquire securities or debt shares in any company after having notified Council.

RATIO OF CONSOLIDATED TRUST FUNDS TO TOTAL ASSETS

The RDBPT's funds equal its total assets, therefore the ratio of total trust funds to total assets is 1:1.

ESTIMATE OF DISTRIBUTIONS OF ACCUMULATED PROFITS AND CAPITAL RESERVES

The Trustees will explore options to attract funds from other sources to grow the trust fund and/or to serve the trust objectives.

The RDBPT will identify projects that it wishes to support. This support may be in the form of the distribution of accumulated profits or the through use of the capital. Any

projects identified and the related estimated distributions of accumulated profits will be signalled in the RDBPT's six monthly reports to the Council. The RDBPT will develop a distributions policy in regard to these distributions.

COMMERCIAL VALUE OF INVESTMENT

The commercial value of the investment is equal to the net assets of the RDBPT. The current asset of the RDBPT is approximately \$3,654,000 cash (May 2012). The commercial value will be reviewed on a 6 monthly basis when the financial reports for the RDBPT are prepared.

ACTIVITIES FOR WHICH COMPENSATION IS SOUGHT FROM ANY LOCAL AUTHORITY

Currently there are no activities for which compensation will be sought from any local authority.

APPENDIX ONE

**MAP OF DISTRICT ADMINISTERED BY THE FORMER BANKS PENINSULA
DISTRICT COUNCIL**

Rod Donald Banks Peninsula Trust Investment Policy

March 2012

The following document lays out the

- Rod Donald Banks Peninsula Trust Investment Principles
- Available funds
- Proposed annual expenditure budget
- Method to achieve principles
- Proposed Investments for next 5 years

Trust's Investment Principles

The strategy is aimed at the next 5 years until 2017 and incorporates the following principles:

- In support of its Trust Deed and Statement of Intent, the Trust will invest funds locally and ethically
- Ensure a prudent spread of investments so that risk on the capital fund is minimised.
- To limit its risk, no more than 30% of fixed income investments will be in instruments or with counterparties meeting the local and ethical criteria but falling outside of the Christchurch City Council Investment Policy. Any such investments must be further restricted to a maximum of 7% of total fixed income funds being invested with each non rated Non Bank Deposit Takers (NBDT) and no more than 15% in total. Any such investments should be assessed by the Investment Sub-Committee for credit risk acceptability.
- The Trust will only acquire securities or debt shares in any company after having notified Council.
- Ensure funds are available to cover the annual basic running costs of the Trust.
- Have some funding available annually for Trust projects and grants to partners.
- Expend up to 40% of the capital in investments over the next 5 years in ways that will leave a long term legacy.
- Aim to achieve a multiplier effect of 5:1 through partnerships with other organisations – ie for every \$1 the Trust invests, it would look for \$4 to come from partners or other sources.
- Retain approximately 60% of the capital for the next period.
- Any decisions on re-investment are to be approved by the Board with the proviso that if the Board is not available a decision can be made by the Secretary in conjunction with the Chair or another Board member if the Chair is not available and will need to be affirmed at the next Board meeting.

Available Funds

The following tables list the funds anticipated as available to the Trust at its next re-investment opportunity in May 2012.

Table 1 Investments maturing in May 2012

Bank	Amount	Due	Rate	Interest*	Interest payout
CBS	250,000.00	14/05/2012	4.50%	2,773.97	On maturity
Kiwibank	500,000.00	14/05/2012	3.64%	4,487.67	On maturity
Kiwibank	1,000,000.00	14/05/2012	3.64%	8,975.34	On maturity
Kiwibank	120,000.00	on call	2.50%	739.73	On maturity
Kiwibank	309,000.00	15/05/2012	3.64%	2,773.38	On maturity
Total	2,179,000.00			19,750.09	
Total with interest	2,198,750.09				

*interest amounts assume Trust has obtained RWT exemption certificate by maturity date

Table 2 Longer term investments

Bank	Amount	Due	Rate	Interest*	Interest payout
Kiwibank	1,000,000.00	4/02/2013	5.39%	13,438.08	interest paid quarterly to BNZ
Kiwibank	400,000.00	4/02/2014	5.87%	5,853.92	interest paid quarterly to BNZ
Total	1,400,000.00			77,168.00	

*interest amounts assume Trust has obtained RWT exemption certificate by maturity date

Table 3 Other funds (approximate amounts)

Source	Amount
BNZ current account	\$ 6,000.00
Tax refund owing*	\$ 50,000.00
Total	\$ 56,000.00

(* to date Resident Withholding tax has been paid on interest. The Trust is now in the process of obtaining a RWT exemption certificate so that in future interest will be tax free. Once the RWT exemption certificate has been obtained, then a refund of the tax paid to date will be claimed from IRD, but the time IRD takes to process such a claim has not yet been ascertained.)

Grand total Trust assets at the next re-investment point (15 May, 2012) are therefore approximately \$3,654,750.09

Annual Expenditure

The proposed Annual expenditure includes both the Trust's annual operational expenditure and a nominal amount of \$60,000 for project work, to be carried out either directly by the Trust or through grants to key partners to support their work and progress areas of common interest.

Table 4 Annual operational expenditure budget

Item	Budgeted amount p.a.
Secretary/Administrator 2 days per week*	22,080.00
Auditing	3,000.00
Insurance	6,000.00
Admin costs (facilitating, printing, postage etc)	5,000.00
Total running costs	36,080.00
Safety/Risk margin (approx. 10%)	3,920.00
Total annual operating expenditure budget	40,000.00

(*based on current contractual arrangement)

Table 5 Total annual budget

Item	Budgeted amount p.a.
Annual operating expenditure	40,000.00
Project work	60,000.00
Total annual budget	100,000.00*

(*Applying an assumption of a 2% p.a. CPI inflation, this will rise to \$108,243 by 2017.)

Method to achieve principles

Splitting the Grand total assets of the Trust into 40% of capital for potential expenditure over the next 5 years and 60% to be retained for the future period gives amounts of:

40%	1,461,900.04
60%	2,192,850.06
Total	3,654,750.09

Funding annual expenditure

The method proposed is that the Annual expenditure of the Trust for the next 5 years is derived from interest on its capital investments.

The interest rates within the local and ethical market which the Trust seeks to invest are currently set at between 3.5% (for short term investments) to 5.95% for longer term (3 to 5 year) investments and also vary dependent on the institution chosen. An annual expenditure budget of \$100,000 is therefore achievable by investing \$2,000,000 of the capital fund at an average interest rate of 5%. The following method is proposed to achieve that interest return.

1. \$2,000,000 of the total fund is invested in a laddered manner to mature over a 3, 4 and 5 year period at an average interest rate of at least 5% to spread the risk of funds maturing at a point when interest rates are low.
2. this \$2,000,000 is allocated from the funds maturing in May 2012
3. the funds are invested to produce a quarterly cash flow to the Trust of \$25,000 per quarter or part thereof over the next two years while the other existing investments in Kiwibank (\$1,000,000 and \$400,000) are still making a return.
4. on maturity the \$2,000,000 will be re-invested to extend the period to 5 years.

Retaining 60% of funds for the future

\$2,000,000 equates to 55% of the current capital fund, therefore investing \$2,000,000 over a 5 year period while using the interest from it to fund the annual expenditure budget almost achieves the aim of retaining 60% of the capital for future use. The remaining 5% (\$182,000) cannot be taken from the investments maturing in May 2012 (totalling \$2,198,750.09 assuming RWT exemption is obtained in time) as the Trust has committed \$150,000 to capital projects this year (\$50,000 to the Wilson book publication and \$100,000 to the Saddle Hill). The remaining 5% will therefore need to come from the tax refund and the funds maturing in 2013 or 2014.

Expending up to 40% of capital over the next 5 years

40% of the available funds equates to \$1,461,900.04. The funds maturing in February 2013 and 2014 (\$1,400,000) and the \$198,750.00 retained from the funds maturing in May 2012 equate to \$1,598,750, therefore more than covering the 40% capital available for spending on long term investment projects over the next 5 years. To date only \$150,000 of this has been allocated.

The details on the investment decisions on the balance of these funds are to be deferred until they are nearing maturity enabling the Trust to use the remainder of 2012 to work further on its strategic plans so that by the end of the year it is in a better position to determine when these funds are likely to be needed and how to best invest them. If the Trust determines to adhere rigorously to the 60:40 split, then it will need to allocate \$198,750 from the maturing funds toward the longer term 60% capital fund for the future.

Proposed investments to achieve Strategy

The investment structure given in Table 6 (overleaf) is proposed to achieve the strategy as envisaged for the next 5 years until May 2017.

As the funds to be re-invested will not mature until mid-May, some minor adjustments may be made at the actual time of investment if necessary to achieve the Trust's income stream goal of \$100,000 per annum. The current rates have been obtained either from the websites of the institutions or from indicative quotes provided by them. Over and above the \$100,000 per annum cash flow required, investments will be set up to pay interest on maturity if and when this attracts a higher rate.

For the first two years some of the \$100,000 cash flow will be obtained from the funds invested with Kiwibank and maturing February 2013 and 2014 as well as from the \$2,000,000 investment to be retained for 5 years. This will lead to a surplus in the first year of interest over the annual budget requirement of \$100,000, but that surplus will then be used in the subsequent two years to top-up the operating budget. This enables one of the investments to gain the highest rate possible for a 3 year investment. After that the entire cash flow will come from the \$2,000,000 reinvestment fund. \$198,000 will be retained in an interest bearing on call account for the current project commitments and a \$40,000 safety margin. Interest used for cashflow will be paid into the Kiwibank's best interest bearing on call account and transferred to the BNZ cheque account on an as required basis.

Table 6 Proposed investments

Bank	Amount	Due	Indicative Interest rate	Indicative Interest* amount annually	Interest Paid to	Notes
BNZ on call	198,000.00	On call	3%	Not included		Interest earned will vary depending on project spend, so not included in cash flow calculations.
Kiwibank Existing investment	1,000,000.00	4/02/2013	5.39%	\$53,900	quarterly to on call account	Interest used for Trust running costs until maturity. Decision on re-investment made later this year. Interest will not be needed after maturity for running costs.
Kiwibank Existing investment	400,000.00	4/02/2014	5.87%	\$23,480	quarterly to on call account	Interest used for Trust running costs until maturity. Decision on re-investment made later this year. Interest will not be needed after maturity for running costs.
Prometheus	250,000.00	14/5/2014	4.25%	\$10,625	Annually to on call account	Interest will be used for Trust's annual running costs and fund will need to be re-invested for cash flow on maturity
CBS	250,000.00	14/5/2015	5.95%	\$14,875	quarterly to on call account	Interest will be used for Trust's annual running costs and fund will need to be re-invested for cash flow on maturity
Kiwibank	500,000.00	14/5/2015	5.10%	\$25,500	Pay on maturity	Re-invest on maturity
Kiwibank	500,000.00	14/05/2016	5.15%	\$25,750	Monthly to on call account	Interest will be used for Trust's annual running costs and fund will need to be re-invested for cash flow on maturity
TSB	500,000.00	14/5/2017	5.9%	\$29,500	Quarterly to on call account	Matures at end of 5 year period
Total	\$ 2,198,750.09					

(* assumes RWT exemption obtained)

Rod Donald Banks Peninsula Trust Investment Policy

Advice was sought from Stuart Henderson of Asia-Pacific Risk Management Ltd, who advises the Council Treasury, regarding areas of concern that the Finance Manager had around the direction of investments being considered by the Rod Donald Trust. On 8 March 2012, Mr Henderson provided the following advice to Suky Thompson at the Rod Donald Trust:

The Rod Donald Trust is an independent trust and accordingly it is entirely up to the Trustees to set the investment policy as they see fit in keeping with the overall objectives of the Trust's statement of intent. It is their fiduciary responsibility to ensure that such investments are commensurate with the capital protection and income objectives of the Trust. This being the case there are likely to be investments in property, equities and all manner of activities that meet the Trust's objectives. I focused our advice purely in relation to "fixed interest investments" which effectively embrace cash, short-term deposits, bonds and other debt instruments (i.e. essentially where the Trust parks the money whilst it decides what to do with it).

Our recommended amendments to the investment policy simply aimed to put a bit of safety and process around the Trustees' intention to invest money with non-credit rated and therefore non-transparent credit counterparties. The intention was not to question the Trust's statement of objectives but to keep in perspective that investments in unrated Non-Bank Deposit Takers require more careful credit scrutiny from the Trustees when considering risk/reward judgments. In doing so, we always have a very conservative eye towards capital preservation which may ultimately conflict with the Trust's broader objectives.

Our recommended amendments are encapsulated in the following highlighted section of the Trust's investment principles and policy:

Trust's Investment Principles and Policy

The strategy is aimed at the next 5 years until 2017 and incorporates the following principles:

- In support of its Trust Deed and Statement of Intent, the Trust will invest funds ethically and locally.
- Ensure a prudent spread of investments so that risk on the capital fund is minimised.
- To limit its risk, no more than 30% of fixed income investments will be in instruments or with counterparties meeting the local and ethical criteria but falling outside of the Christchurch City Council Investment Policy (normally an independent trust would actually state this policy rather than cross reference to CCC's policy). Any such investments must be further restricted to a maximum of 5% of total fixed income funds being invested with non-rated Non Bank Deposit Takers (NBDT). Any such investments should be assessed by the Investment Sub-Committee for credit risk acceptability.
- Ensure funds are available to cover the annual basic running costs of the Trust.
- Have some funding available annually for Trust projects and grants to partners.
- Expend up to 40% of the capital in investments over the next 5 years in ways that will leave a long-term legacy.
- Aim to achieve a multiplier effect of 5:1 through partnerships with other organisations – i.e. for every \$1 the Trust invests, it would look for \$4 to come from partners or other sources.
- Retain approximately 60% of the capital for the next period.
- There is no aim to grow the capital fund.

Dated 12 July

2010

DECLARATION OF TRUST

relating to

**ROD DONALD BANKS PENINSULA TRUST
TE PATAKA O RAKAIHAUTU**

Settlor
THE CHRISTCHURCH CITY COUNCIL

Trustees
THE PERSONS LISTED IN SCHEDULE 1

I, *Simon George Mouton*, certify that this document is a true and correct copy of the Declaration of Trust dated *12th July* 2010.

[Signature]
Certified at Christchurch this *12th* day of *July* 2010

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DECLARATION OF TRUST

relating to

ROD DONALD BANKS PENINSULA TRUST TE PATAKA O RAKAIHAUTU

DATED

12 July

2010

PARTIES

- (1) THE CHRISTCHURCH CITY COUNCIL (the "Settlor")
- (2) THE PERSONS LISTED IN SCHEDULE 1 (the "Initial Trustees")

RECITALS

- A. The Settlor has paid an amount of \$1.00 to the Initial Trustees. The Trust Fund shall comprise the initial \$1.00 and any other money or property hereafter paid to or transferred to the Trustees with the direction that it be held on the trusts set out in this Deed.
- B. The Settlor and the Initial Trustees wish to enter into this Deed for the purpose of creating a charitable trust for the benefit of the present and future residents of the Region.
- C. The Initial Trustees wish to incorporate themselves as a Trust Board pursuant to Part II of the Charitable Trusts Act 1957.
- D. This Deed declares and constitutes the Trust, specifying its objects, and providing for its control, government and regulation.

IT IS DECLARED

1. GENERAL

- 1.1 In this Deed the following terms shall, where the context admits, have the following meanings:
 - (a) "**Concessionary Provisions**" means sections CW 41 (charities: non-business income), CX 25 (benefits provided by charitable organisations), DB 41 (gifts of money by company), DV 12 (Maori authorities: donations) and LD1 (credit in respect of gifts of money) of the Income Tax Act 2007 and section 73(1) of the Estate and Gift Duties Act 1968;
 - (b) "**Income**" means the income earned by the Trust, including donations and grants;
 - (c) "**Region**" means the area within the district administered by the Banks Peninsula District Council immediately prior to its amalgamation with the Christchurch City Council;

- (d) **"Trust"** means the charitable trust declared and constituted under this Deed;
- (e) **"Trustees"** means the Trustees for the time being of the Trust (including the Initial Trustees); and
- (f) **"Trust Fund"** means any money, investments or other property paid or given to or acquired by the Trustees after this Deed has been executed with the intention that it be held by the Trustees in accordance with the trusts and other provisions of this Deed.

1.2 In this Deed the following provisions shall apply:

- (a) references to clauses are to clauses of this Deed;
- (b) references to schedules are to schedules in this Deed;
- (c) references to this Deed include its schedules;
- (d) references to the provisions of any Act shall be construed as a reference to those provisions as modified, extended or replaced by any statute for the time being in force;
- (e) words importing the singular include the plural and vice versa;
- (f) "including" and similar words do not imply any limitation;
- (g) words importing one gender include the others; and
- (h) the contents page and the headings to clauses are for convenience only and are not part of the content of this Deed.

2. **ACKNOWLEDGMENT OF TRUST**

2.1 The Settlor directs that the Trustees and the Trustees acknowledge that they have been directed, to hold the Trust Fund upon the trusts and with the powers set out in this Deed.

3. **NAME OF TRUST**

3.1 The Trust is known as the Rod Donald Banks Peninsula Trust but the Trustees may amend or change the name.

4. **OBJECTS OF TRUST**

4.1 The Settlor declares that the Trust is a trust for charitable purposes for the benefit of the present and future inhabitants of the Region and visitors to the Region and further declares and directs that the Trust Fund may be applied and used exclusively by the Trustees for the following general purposes within the Region (the **"Objects"**), namely:

- (a) to promote sustainable management and conservation (consistent with the purposes and principles of the Resource Management Act 1991 and the Conservation Act 1987 and any replacement legislation) of the natural environment in the Region;

- (b) to establish, support or facilitate environmental based projects that are focussed on:
 - (i) the maintenance and development of recreation facilities including parks, reserves, walkways and affordable camping grounds in the Region;
 - (ii) providing public access to recreation facilities including parks, reserves, walkways and affordable camping grounds in the Region;
 - (iii) the reinstatement and preservation of native vegetation in the Region;
 - (iv) the enhancement of the natural biodiversity of the Region;
 - (v) the restoration of the Region's waterways to their natural state; and
 - (vi) the protection of native endangered species present in the Region;
- (c) to establish, support or facilitate projects that are focussed on the protection, preservation and enhancement of areas of historical or cultural significance, or the built heritage of the Region;
- (d) to undertake or facilitate in any other way research projects or scientific enquiries to carry out the Objects;
- (e) to provide educational opportunities to further the public's understanding or enjoyment of the natural, historical and cultural qualities of the Region;
- (f) to commission or otherwise support research and monitor projects relating to the status and quality of the natural and physical environment throughout the Region;
- (g) to purchase or lease land to:
 - (i) carry out any improvements on land for the sustainable management of the environment or more general environmental or conservational purposes of the Trust,
 - (ii) provide facilities or opportunities for the educational purposes of the Trust;
- (h) to source and allocate funds for projects which support, promote or otherwise contribute to the Objects;
- (i) to seek the support and involvement of appropriate persons, organisations and agencies, (including the Settlor), and work alongside or collaboratively with such persons, organisations and agencies to carry out the Objects;
- (j) to hold seminars, tutorials and lectures within the Region and throughout Canterbury to demonstrate research relating to the objects, and to encourage the public to become involved with or to generally promote the aims and purposes of the Trust to the community;
- (k) to carry out any other charitable purpose which is capable of being carried out in connection with the Objects or may directly, or indirectly, advance the Objects;
- (l) to raise money and to seek, accept and receive gifts, donations, grants, endowments, legacies and bequests of money or in kind for the Objects; and

- (m) to do all such other acts and things that are incidental or conducive to the attainment of the Objects.

4.2 In pursuance of the Objects, the Trustees will have regard to:

- (a) the views of Te Hapu o Ngati Wheke (Rapaki), Te Runanga o Koukourarata, Wairewa Runanga, Te Taumutu Runanga and Onuku Runanga in respect of the value of the Region's Mana Whenua (Land), Mana Moana (Waterways) and Mana Tangata (People);
- (b) the potential for alignment between the activities of the Trust and any existing or future projects or initiatives of the Settlor;
- (c) whether other sources of funding or support are available, including assistance provided through industry or regional development policies and programmes of local authorities or central government;
- (d) the objectives, roles and activities of any other organisation engaged in similar activities in the Region; and
- (e) any other matters that they believe are relevant.

4.3 The Objects of the Trust are and shall be charitable and shall not include or extend to any matter or thing which is or shall be held or determined to be non-charitable. Any private benefit which is conferred on any individual or individuals must be incidental to the pursuit by the Trust of the Objects. The powers and purposes of the Trustees shall be restricted accordingly and limited to New Zealand.

4.4 Unless the context requires otherwise, none of the Objects will be deemed subsidiary or ancillary to any other Object and the Trustees may pursue any one or more of those Objects independently of the other Objects.

4.5 If as a result of any change in the law, including any change brought about by the enactment of new legislation or the amendment or repeal of existing legislation or by any change in the official interpretation or application of any such legislation, it is at any time necessary to modify the terms of this Deed in order to achieve or preserve the availability of any concession in relation to the Trust under any of the Concessionary Provisions, then notwithstanding clause 18, the terms of this Deed will at that time be deemed to be modified to the extent necessary, unless the Trustees have determined that eligibility for the benefit of a Concessionary Provision is not required in the best interests of pursuing the Objects.

5. POLICIES AND PROCEDURES OF TRUST

5.1 The Trustees will develop and will from time to time review and alter the policies and procedures which they will follow in administering the Trust and in particular in distributing the Trust Fund in order to pursue the Objects.

6. DONATIONS

- 6.1 The Trustees may accept any property that is donated to the Trust.
- 6.2 The Trustees must not accept any property subject to any condition that is inconsistent with the achievement of the Objects.
- 6.3 All property donated to the Trust will form part of the Trust Fund.

7. INVESTMENT OF TRUST FUND

- 7.1 The Trustees will invest any part of the Trust Fund which is not presently required for the pursuit of the Objects in accordance with the investment policies and guidelines set by the Trustees from time to time.

8. POWERS AND DISCRETIONS OF TRUSTEES

- 8.1 In addition to the powers, authorities and discretions vested in the Trustees by law or by this Deed, but subject to any specific or general prohibitions or restrictions on investment or trustee powers contained in this Deed, the Trustees in giving effect to the Objects in their discretion may at all times and from time to time exercise the fullest possible powers and authorities on such terms and conditions and in such manner and by such means as they think fit, as if they were the beneficial owners of the Trust Fund.
- 8.2 Without prejudice to the generality of clause 8.1, the Trustees have the powers set out in Schedule 2 and may in their discretion exercise any one or more of those powers in pursuit of the general administration of the Trust.

9. ELIGIBILITY FOR TAX CONCESSIONS

- 9.1 The Trustees must do all things necessary to ensure the availability of concessions in relation to the Trust under each of the Concessionary Provisions, unless in relation to any such provision the Trustees have determined that eligibility for the benefit of that provision is not required in the best interests of pursuing the Objects.
- 9.2 Without limiting the generality of clause 9.1, the things to be done under that clause include:
 - (a) maintaining registration with the Charities Commission under the Charities Act 2005; and
 - (b) complying with all relevant obligations under the Charities Act 2005, the Income Tax Act 2007, the Estate and Gift Duties Act 1968 and the Tax Administration Act 1994.

10. INCORPORATION

- 10.1 The Trustees will forthwith take all necessary steps to become incorporated under Part II of the Charitable Trusts Act 1957.

11. PECUNIARY PROFIT AND BENEFITS AND ADVANTAGES

11.1 No private pecuniary profit shall be made by any Trustee, except that (but subject to clause 11.3):

- (a) the Trustees may receive full reimbursement for all costs, charges and expenses properly incurred by the Trustees in connection with the affairs of the Trust; and
- (b) the Trustees may receive (and may also pay to any person) reasonable and proper remuneration in return for services actually rendered to the Trust.

11.2 The Trustees, in determining all reimbursements, remuneration and charges payable in terms of this Deed, must ensure that the restrictions imposed by clause 11.3 are strictly observed.

11.3 Notwithstanding anything to the contrary in this Deed, no remuneration or benefit or advantage (regardless of whether it is convertible into money) or income of the kind referred to in section CW 42(1) of the Income Tax Act 2007 shall be paid or afforded to or received or gained or achieved or derived by any person if the payment of such income would deny the Trustees an exemption from tax or income derived by the Trustees from the carrying on of any business by, or for, or for the benefit of the Trustees, by reason of section CW 42(1)(b) of the Income Tax Act 2007.

11.4 A person who, in the course of and as part of the carrying on of his or her business of a professional public practice, renders professional services to the Trust, shall not, by reason only of his or her rendering professional services to the Trust, be in breach of clause 11.3.

11.5 Nothing expressed or implied in this Deed will permit the activities of the Trustees to be carried on for the private benefit of any person so as to affect:

- (a) the operation of the Trust for exclusively charitable purposes in accordance with New Zealand law and not for private profit; or
- (b) the availability of any concession in relation to the Trust under any of the Concessionary Provisions, unless in relation to any such provision the Trustees have determined that eligibility for the benefit of that provision is not required in the best interests of pursuing the charitable purposes of the Trust.

12. TRUSTEES

12.1 The Initial Trustees are the first Trustees of the Trust.

12.2 The provisions of this Deed dealing with the number, appointment, payment and cessation of office of the Trustees are set out in Schedule 3.

12.3 The provisions relating to meetings of the Trustees are set out in Schedule 4.

13. INTERESTED TRUSTEES

- 13.1 A conflict of interest exists for a Trustee whenever a Trustee, whether directly or indirectly, has a material interest in any contract or proposed contract for arrangement or dealing with the Trust, in which case the relevant Trustee shall disclose the nature of that interest at a meeting of the Trustees and such disclosure shall be recorded in the minutes of the meeting.
- 13.2 A Trustee required to disclose an interest by clause 13.1 may be counted in a quorum present at a meeting but shall not vote in respect of the matter in which the Trustee is interested (and if the Trustee does so the vote shall not be counted) provided that the Trustee may expressly be permitted to vote by a unanimous vote of the other Trustees present given after the disclosure of the interest.
- 13.3 If any question shall arise at any meeting as to the materiality of a Trustee's interest or as to the entitlement of any Trustee to vote and such question is not resolved by the Trustee voluntarily agreeing to abstain from voting, such question shall be referred to the chairperson of the meeting and his or her ruling in relation to any such Trustee shall be final and conclusive except in the case where the nature or extent of the interests of the Trustee concerned have not been fairly disclosed.
- 13.4 Without limiting the generality of clauses 13.1 and 13.3, no person shall be deemed for the purposes of this clause 13 to have a disqualifying interest in respect of any matter concerning the Trust merely by reason of that person being:
- (a) an inhabitant of the Region; or
 - (b) an actual or potential user of the native bush, environmental projects, camping grounds, parks, reserves and walkways established, maintained or otherwise supported by the Trust.

14. EXECUTION OF DOCUMENTS

- 14.1 Whenever the Trustees need to sign or attest any deed, agreement or contract pursuant to a resolution of the Trustees, it will be sufficient for that deed, agreement or contract to be signed or attested by any 2 of the Trustees.

15. LIMITATION OF LIABILITY AND INDEMNITY

- 15.1 The Trustees are not liable for the consequence of any act or omission or for any loss unless the consequence or loss is attributable to their dishonesty or to the wilful commission by them of any act known by them to be a breach of trust or to the wilful omission by them of any act when the omission is known by them to be a breach of trust.
- 15.2 No Trustee is bound to take any proceedings against a co-trustee for any breach or alleged breach of trust by the co-trustee.
- 15.3 The Trustees are fully indemnified by and out of the Trust Fund for any loss or liability which they incur in the carrying out or omission of any function, duty or power of the Trustees under this Deed and in respect of any outlay or expenses incurred by them in the management and administration of the Trust unless the loss or liability is attributable to their dishonesty or to the wilful commission

by them of an act known by them to be a breach of trust or to the wilful omission by them of an act when the omission is known by them to be a breach of trust. The indemnity given by this clause extends to any loss or liability which the Trustees after having ceased to act as such incur through the carrying out of any function, duty or power of the Trustees, whether the carrying out took place before, during or after the period in which a person was a Trustee.

16. ACCOUNTS, AUDIT AND REPORTING

- 16.1 The Trustees must ensure that proper financial records are kept for the Trust.
- 16.2 The financial records must present the Trust's receipts, credits, payments, assets, liabilities and all other matters necessary or appropriate in a way that shows the true state and condition of the financial affairs of the Trust. The Trust's balance date will be 30 June.
- 16.3 The Trustees will have the annual accounts of the Trust audited.
- 16.4 The financial records and annual accounts will be kept at the Trustees' office or at such other place as the Trustees think fit.
- 16.5 The Trustees will, within two months after the end of the first half of the Trust's financial year, report on the affairs of the Trust to the Settlor during that first half year, in such form as may from time to time be agreed between the Trustees and the Settlor, but such report to include the information required to be included in the Trust's statement of intent. In addition, the Trust will, within 3 months after the end of the Trust's financial year, provide an annual report on the Trust's operations during that year which (in addition to what is required under generally accepted accounting principles) must disclose matters required by law to be publicly disclosed by entities similar to the Trust.
- 16.6 The financial records and annual accounts must always be available to be inspected by the Trustees.
- 16.7 The annual report will be made available to the public.

17. BORROWING

- 17.1 The Trustees shall have the power to borrow and to give guarantees or charges over the Trust Fund.

18. AMENDMENT OF TRUST DEED

- 18.1 Subject to any relevant legislation for the time being in force and only with the prior written consent of the Settlor, the Trustees have the power by deed:
- (a) to amend, revoke or add to any of the provisions of this Deed unless to do so would:
- (i) amend, revoke or add to the Objects;
 - (ii) allow the Trust to operate other than for exclusively charitable purposes in accordance with New Zealand law or to operate for private profit;

- (iii) affect the eligibility of the Trust for the benefit of any of the Concessionary Provisions, unless in relation to any such provision the Trustees have determined that eligibility for the benefit of that provision is not required in the best interests of pursuing the Objects; or
 - (iv) enable a payment or application of any part of the Trust Fund in a manner that is inconsistent with the Objects; and
- (b) notwithstanding clause 18.1(a), to amend, revoke or add to this Deed including the Objects if and to the extent that it is necessary to do so for the Trust to qualify as a charitable trust under the Income Tax Act 2007 and the Charities Act 2005.

19. WINDING UP

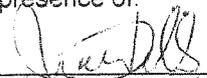
19.1 The Trust may be wound up or dissolved by a resolution of all Trustees. The net assets of the Trust after payment of all its debts and liabilities shall be disposed of by the Trustees by vesting those assets in such manner as shall ensure the assets will be applied exclusively for such charitable purposes within New Zealand similar to the Objects, as the Trustees may by resolution determine at or before or during the winding up, provided the Trustees have first used their best endeavours to vest the net assets exclusively for such charitable purposes within New Zealand that are identical to the Objects.

20. GOVERNING LAW

20.1 The Trust will be governed by, and this Deed will be construed in accordance with, the laws of New Zealand.

EXECUTION

THE COMMON SEAL of)
 THE CHRISTCHURCH CITY COUNCIL)
 was hereunto affixed by and in the)
 presence of:



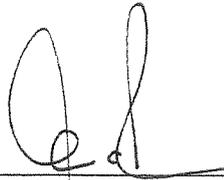
Mayor/Councillor



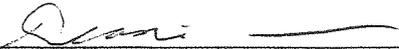
Authorised Officer

EXECUTED as a DEED by
CLAUDIA REID
in the presence of

)
)
)



Signature



Witness signature

DIANE LINDSAY BRANDISH
Full name

c/- CHRISTCHURCH CITY COUNCIL
Address

ACCOUNTANT
Occupation

Note: The signature must be witnessed by an independent person

EXECUTED as a DEED by
STEWART MILLER
in the presence of

)
)
)



Signature



Witness signature

DIANE LINDSAY BRANDISH
Full name

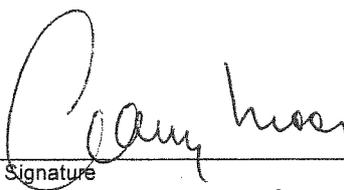
c/- CHRISTCHURCH CITY COUNCIL
Address

ACCOUNTANT
Occupation

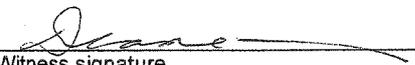
Note: The signature must be witnessed by an independent person

EXECUTED as a DEED by
GARRY MOORE
in the presence of

)
)
)



Signature



Witness signature

DIANE LINDSAY BRANDISH
Full name

c/- CHRISTCHURCH CITY COUNCIL
Address

ACCOUNTANT
Occupation

Note: The signature must be witnessed by an independent person

EXECUTED as a DEED by
STUART WRIGHT-STOW
in the presence of

)
)

Stuart Wright-Stow
Signature

Diane
Witness signature

DIANE LINDSAY BRANDISH
Full name

C/- CHRISTCHURCH CITY COUNCIL
Address

ACCOUNTANT
Occupation

Note: The signature must be witnessed by an independent person

EXECUTED as a DEED by
TUTEHOUNUKU (NUK) KORAKO
in the presence of

)
)

Tutehounuku Korako
Signature

Diane
Witness signature

DIANE LINDSAY BRANDISH
Full name

C/- CHRISTCHURCH CITY COUNCIL
Address

ACCOUNTANT
Occupation

Note: The signature must be witnessed by an independent person

EXECUTED as a DEED by
NICOLA SHIRLAW
in the presence of

)
)

N. Shirlaw
Signature

Diane
Witness signature

DIANE LINDSAY BRANDISH
Full name

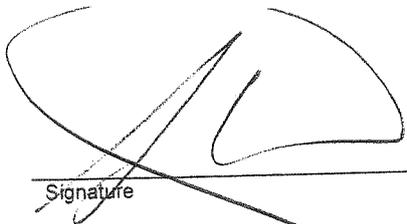
C/- CHRISTCHURCH CITY COUNCIL
Address

ACCOUNTANT
Occupation

Note: The signature must be witnessed by an independent person

EXECUTED as a DEED by
SIMON GEORGE MORTLOCK
in the presence of

)
)
)



Signature

[Handwritten Signature]
Witness signature

DIANE LINDSAY BRANDISH.
Full name

1- CHRISTCHURCH CITY COUNCIL
Address

ACCOUNTANT.
Occupation

Note: The signature must be witnessed by an independent person

SCHEDULE 1
The Initial Trustees

Claudia Reid
PO Box 36
Diamond Harbour 8941

Stewart Miller
7 Heaphy Court
Rolleston 7614

Garry Moore
103 Warrington Street
Mairehau
Christchurch 8013

Stuart Wright-Stow
255 Okuti Valley Road
Little River 7591

Tutehounuku (Nuk) Korako
PO Box 210
Lyttelton 8841

Nicola Shirlaw
236 Wilsons Road
Waltham
Christchurch 8023

Simon Mortlock
PO Box 13174
Christchurch 8141

SCHEDULE 2

Powers of Trustees

1. Interpretation

1.1 In this schedule:

- (a) expressions or terms have the meanings given by the Trust Deed, unless the context requires otherwise; and
- (b) unless the context requires otherwise, references to clauses are to clauses of this schedule.

2. Powers of Trustees

2.1 The Trustees have power in accordance with clause 8 of the Trust Deed:

- (a) to invest the Trust Fund in accordance with policies determined by the Trustees from time to time;
- (b) to accumulate Income;
- (c) to enter into contracts for the provision of services to achieve the Objects;
- (d) to open and maintain a bank account and to decide who will be the signatories to that account;
- (e) to advertise the Trust and the Objects;
- (f) to obtain incorporation or registration of the Trust in accordance with any law from time to time in force relating to charitable trusts;
- (g) to appoint or engage or employ any person or company (including the Trustees) for any period:
 - (i) as an expert or professional person or entity to advise on or carry out any of the trusts and powers authorised by this Deed;
 - (ii) as an attorney or delegate for the Trustees in New Zealand or elsewhere for all or any of the purposes of the Trust;
 - (iii) as a manager or agent for or on behalf of the Trustees in all or any matters relating to the management and the control of the Trust; or
 - (iv) as an employee of the Trustees in all or any matters relating to the Trust;
- (h) to act upon any opinion or advice or information obtained from a person or entity referred to in clause 2.1(g)(i);

- (i) to determine all questions and matters of doubt which may arise in the course of the management, administration, investment, realisation, distribution, liquidation, partition, resettlement or winding up of the Trust Fund or the Trust, or to apply for directions under section 66 of the Trustees Act 1956;
- (j) generally to do all such other lawful acts and things that are incidental or conducive to the attainment of the Objects; and
- (k) subject to clauses 11.1 and 11.3 of the Trust Deed, to pay from the Trust Fund any costs or expenses incurred in the course of the Trustees discharging, carrying out or exercising any of their duties and powers.

SCHEDULE 3

Rules governing the number, appointment, payment and cessation of office of the Trustees

1. Interpretation

1.1 In this schedule:

- (a) expressions or terms have the meanings given by the Trust Deed, unless the context requires otherwise; and
- (b) unless the context requires otherwise, references to clauses are to clauses of this schedule.

2. Number of Trustees

2.1 There shall be up to 9 Trustees.

2.2 The Settlor will have the right to:

- (a) appoint up to 7 of the Trustees for such term of office (not exceeding three years, as provided for in clause 4) as it sees fit; and
- (b) remove any Trustee as it sees fit.

2.3 In exercising its power to appoint and remove Trustees, the Settlor will be mindful of the need to provide balanced representation in the Trust, including appropriate representation for relevant interest groups. In exercising such power the Settlor will comply with its policy on the appointment of trustees to a council controlled organisation and endeavour to ensure that the Trustees include persons possessing the generic and specific competencies identified by the Settlor from time to time as being desirable to be possessed by the Trustees.

2.4 Notwithstanding the foregoing powers of the Settlor, the Trustees may themselves co-opt from time to time persons from the Region to serve as additional Trustees but (for the avoidance of doubt) such persons so co-opted will be subject to the removal power of the Settlor. The Trustees will also be mindful of the need to provide balanced representation in the Trust as set out in clause 2.3.

2.5 The Trustees will have the power to appoint their chairperson and to determine the period for which he or she is to hold office, provided that the term of appointment of the first chairperson will be a period of one year.

3. Initial Trustees

3.1 Notwithstanding clause 4, the Initial Trustees will hold office until 30 June 2011.

3.2 The role of the Initial Trustees is to:

- (a) develop a model for the operation of the Trust and the achievement of the Objects;
- (b) investigate options for obtaining further contributions to the Trust Fund; and
- (c) consider appropriate projects for the Trust to support.

4. Term of Appointment

- 4.1 The term of each Trustee is up to 3 years from the date of appointment. Trustees may serve more than one term. No person may hold office as Trustee for more than nine consecutive years.
- 4.2 At the first meeting of the Trustees other than the Initial Trustees, every Trustee shall draw by ballot the length of his or her term of appointment, being either a 1, 2 or 3 year term, the intent being that after the ballot process has been completed the Trustees will be divided equally between 1, 2 and 3 year terms, with membership terms ending as at 30 June in each year. The term of appointment of the first Trustees (other than the Initial Trustees) will end on 30 June 2012, 2013 and 2014 respectively. Trustees whose terms have expired will be eligible for re-appointment.

5. Payment of Trustees

- 5.1 Fees payable to the Trustees will be appropriate for entities of this type.

6. Cessation of Trusteeship

- 6.1 A person shall cease to be a Trustee if the Trustee:
- (a) resigns or retires by written notice to the other Trustees;
 - (b) has held office for nine consecutive years;
 - (c) dies;
 - (d) refuses or is unable to act in his or her capacity as a Trustee;
 - (e) is a bankrupt who has not obtained a final order of discharge or whose order of discharge has been suspended not yet expired, or is subject to a condition not yet fulfilled, or to any order under section 299 of the Insolvency Act 2006;
 - (f) is a person who has been convicted of any offence punishable by a term of imprisonment of 2 or more years;
 - (g) is a person who is disqualified from being a director of a company under section 382 of the Companies Act 1993;
 - (h) is a person in respect of whom an order has been made under section 383 of the Companies Act 1993;
 - (i) is a person who is mentally disordered within the meaning of the Mental Health (Compulsory Assessment and Treatment) Act 1992;
 - (j) is a person who is subject to a property order made under sections 30 or 31 of the Protection of Personal and Property Rights Act 1988;
 - (k) is absent from 3 consecutive meetings without leave of absence from the chairperson; or
 - (l) in the opinion of 75 percent of all Trustees, is not fulfilling his or her role as trustee or is disruptive to the governance of the Trust.

A Trustee will cease to be a Trustee as a result of the circumstances set out in sub-clauses 6.1(k) and (l) at the discretion of all Trustees who are not subject to any of the circumstances referred to in sub-clause 6.1.

SCHEDULE 4

Rules governing the meetings of Trustees

1. Interpretation

1.1 In this schedule:

- (a) expressions or terms have the meanings given by the Trust Deed, unless the context requires otherwise; and
- (b) unless the context requires otherwise, references to clauses are to clauses of this schedule.

2. Quorum

- 2.1 A quorum for meetings of Trustees shall be a majority in number of the Trustees.

3. Time of meetings

- 3.1 Subject to these Rules and to this Trust Deed, the Trustees shall meet and regulate their meetings as they think fit.

4. Chairperson

- 4.1 The chairperson of the Trustees will be appointed and may be removed by the Trustees.
- 4.2 The chairperson will have a casting vote.

5. Notice of meetings

- 5.1 The chairperson or any 3 Trustees may at any time summon a meeting. Seven days' notice of any meeting (stating the place, day and time of the meeting) shall be communicated to each of the other Trustees unless all of the Trustees agree to shorten or waive the notice period.
- 5.2 No notice will be necessary for the resumption of adjourned meetings except to Trustees not present at the meeting adjourned.

6. Decisions

- 6.1 All questions and matters arising at meetings of Trustees shall be decided by unanimous agreement by those Trustees present at the meeting. In the case of dissent, the Trustee raising the question or matter in issue or the chairperson, may bring the matter forward for decision at a meeting dated 30 days after the date of the meeting at which a decision about the question or matter was originally made. The question or matter will then be decided by a majority vote calculated as if all Trustees were present at the meeting, notwithstanding that not all trustees may be present at the meeting.
- 6.2 A resolution in writing signed by all of the Trustees shall be as effective as if it had been passed at a meeting. Such a resolution may consist of several like documents each signed by one or more of the Trustees and may be sent by facsimile.

6.3 Any resolution of the Trustees may be rescinded or varied from time to time by the Trustees.

7. Audible communication

7.1 The contemporaneous linking together by telephone or any other means of audible communication of enough of the Trustees to constitute a quorum shall be deemed to constitute a meeting of the Trustees so long as the following conditions are met:

- (a) each of the Trustees must have received notice of the meeting (or have waived notice) under clause 5.1;
- (b) each of the Trustees taking part in the meeting must be able to hear each of the other Trustees taking part at the commencement of the meeting and (subject to the terms on which a Trustee may leave the meeting under clause 7.2) throughout the meeting;
- (c) at the commencement of the meeting each of the Trustees must acknowledge his or her presence to all the other Trustees taking part in the meeting.

7.2 A Trustee may not leave the meeting (whether by departing or disconnecting his or her telephone or other means of communication) unless he or she has previously obtained the express consent of the chairperson of the meeting. A Trustee shall be conclusively presumed to have been present and to have formed part of the quorum at all times during the meeting unless he or she has previously obtained the express consent of the chairperson to leave the meeting.

8. Minutes

8.1 The Trustees are to keep minutes of their meetings and of all of their decisions. The minutes shall be kept in a minute book maintained by a person appointed by the Trustees.

8.2 Any minute of a meeting of the Trustees (including their decisions) purporting to be signed by the chairperson of the meeting or of the next meeting shall be prima facie evidence of the matters referred to in such minute having been authorised done or passed by the Trustees. The decisions recorded in the minutes will be read in conjunction with the Trust Deed and will be binding on all persons interested in the Trust.

9. Adjournment

9.1 If a quorum is not present within 20 minutes after the time appointed for any meeting, the chairperson of the meeting may adjourn the meeting to another time.

9.2 Any meeting may be adjourned if the Trustees present so resolve.

10. Interested Trustees and conflict of interest

10.1 Clauses 13.1 to 13.4 of the Trust Deed govern the instances and consequences of a Trustee for whom a conflict of interest exists. When there is a conflict of interest, clauses 2 to 10 of these Rules shall be deemed to have been varied to the extent required by clauses 13.1 to 13.4 of the Trust Deed.