



ANNUAL REPORT

2015

artscentre.org.nz



Te Matatiki Toi Ora



Cover photograph: Johannes Van Kan
Design: Libby & Ben - The Creative Agency



FOREWORD

It has been a year of considerable progress on many levels for the Arts Centre, both on site and behind the scenes.

Consolidating our focus on particular buildings sped up restoration progress and resulted in a number of them being completed.

This enabled us to take the next exciting step toward re-populating the site, with a number of leases being signed and tenant fit-outs getting underway.

We welcomed the community back in increasing numbers by facilitating events and hosting our own, including an inaugural outdoor cinema series and a private ceremony in the Great Hall.

Behind the scenes there was a major shift in how the Arts Centre is governed. We moved from a representative governance model to a modern skills-based board that comes into power in January 2016.

A guiding principle for the site's restoration continues to be the blending of heritage features with modern services.

This will ensure the buildings serve the community better than ever when they re-open.

Key to this future proofing is the construction of a brand new, centralised plant room that will control the site's electricity, data and essential services. This largely underground building is rapidly taking shape and will start to be commissioned by winter 2016.

The Arts Centre is an independent charitable trust that relies largely on donations and grants to fund the restoration and maintenance of the site. We greatly appreciate the support of our sponsors and the donations we have received. To reach our goal of opening the whole site by 2019, our fundraising focus is now on securing funding for the second half of the restoration work.



"We welcomed the community back in increasing numbers by facilitating events and hosting our own."



CHAIRPERSON REPORT

2015 marked a major shift in how the Arts Centre is governed.



The Arts Centre of Christchurch Trust Act 2015 was passed by Parliament in July. Our charitable objectives are now enshrined in statute. This means the objectives can only be changed by Parliament. We hope that this will give confidence to our community that the Arts Centre will remain in perpetuity as a treasured cultural asset.

A key part of the legislation was to update and modernise our governance arrangements. The move from a representative governance model, to one that is skills-based with appointments made through a transparent and independent process, is in line with best practice governance principles. There was a high degree of interest in Board positions and the independent appointments committee was impressed with the calibre of those who put their names forward. Candidates were selected towards the end of 2015, with the new Board starting in January 2016.

I'm delighted that the incoming trustees share the same passion and vision as those who are retiring. The new Board will build on the excellent governance and leadership of their predecessors, some of whom have been personally involved with the Arts Centre since its inception in the 1970s. The immense, voluntary contribution by our retiring trustees has laid a great foundation that will help the new Board to succeed. It has been a seamless transition at the governance level and I want to make a special acknowledgement to Hon. Margaret Austin; Martin Hadlee; Deane Simmonds; Gillian Heald; Scott McCrea; Rob Hall; Paula Rigby; and Yani Johanson.

Another exciting moment in 2015 was when our CEO André Lovatt received a Blake Leader Award from the Sir Peter Blake Trust.

I believe this signals that the Arts Centre is on the right track. We are determined to maintain momentum with the new Board and continue to support management and the wider team as we progress the restoration and revitalisation of the Arts Centre.

Fundraising remains a key focus and we are incredibly grateful for the support of our sponsors and the donations we have received – support that has undoubtedly helped drive the restoration forward.

A personal highlight this year was the WW100 rededication of the Great Hall's Memorial Window at a private ceremony in December. It was rededicated to the memory of all staff and students who fell in World War One and who had previously attended an institution once based on the site now known as the Arts Centre: Canterbury College, the School of Engineering, the School of Art, Christchurch Boys' High School and Christchurch Girls' High School. Being able to welcome the families of faculty and students into the space was a reflective and sombre moment but also one of celebration that we have been able to restore this great civic space.

It was an amazing way to finish the year and we are looking forward to celebrating the public opening of additional spaces over the coming months with our friends, supporters and the wider community.

Jen Crawford
Board Chairperson





"A personal highlight this year was the rededication of the Great Hall's Memorial Window at a private ceremony in December. Being able to welcome the families of faculty and students into the space was a reflective and sombre moment but also one of celebration."



CEO REPORT

What an amazing year it has been, with buildings being completed, the signing of leases and the community returning to the site in increasing numbers.



It has been incredibly exciting to see the Arts Centre Vision taking its first steps toward becoming reality and this has only been possible thanks to the drive of our committed and talented team.

Consolidating our focus on specific buildings has paid off and the structural work is now complete on the Great Hall, Chemistry, the Clock Tower – including Rutherford's Den – the Library, Classics, the Common Room and Boys' High.

Great care has been taken to restore all the beautiful heritage features – some of which have not been seen on the buildings for decades. Meanwhile, cleverly hidden beneath the surface are significant strengthening and modern technologies – ensuring the buildings will serve the community better than ever.

We've been working closely with the University of Canterbury to integrate the requirements of their fit-out with the Chemistry building base-build works. Significant progress has been made thanks to this approach and we can't wait to see what they have planned for the building.

Our new centralised plant room building is really taking shape, with equipment and technology being installed ready to control the provision of electricity, data and essential services to the entire site. Water drawn from on-site aquifers will be heated in the building, circulated around the site via underground pipes, and then returned to the artesian spring it came from – making the Arts Centre more sustainable, and warmer, than it has ever been.

The underground network of services, including the wells and water reticulation, is now almost complete and we are gearing up to start landscaping. We anticipate welcoming people back to the North and South quadrangles in 2016.

LEASING

A number of leases were signed in 2015 and significant progress made with tenant fit-out designs.

Christchurch & Canterbury Tourism is the confirmed anchor tenant for Boys' High and will operate its central Christchurch i-SITE Visitor Information Centre from the ground floor.

The Curator's Deli has signed a lease for space in Registry Additions next to Canterbury Cheesemongers, progressing our vision of creating a food hub in this area. Our long-standing tenants Rhodes and Associates have relocated to larger offices in Registry, with its vacated space upstairs in Registry Additions now leased to SCAPE Public Art and the Christchurch Arts Festival.

Preparations are complete for our go-to-market leasing campaign for Clock Tower and we're looking forward to securing a hospitality tenant for the former Le Café space.

Interest in leasing space at the site is high and we are in numerous discussions with potential organisations and businesses that are keen to make the Arts Centre their home.



FUNDRAISING

To enable the whole site to be accessible and functional by end of 2019, our fundraising goal is to secure funding for the second half of the restoration. The Arts Centre is an independent charitable trust that relies heavily on grants and donations, and we are grateful to all of our 2015 supporters.

The Cornerstone Programme was launched in May at a Meet the Stonemasons event where some of our gifted craftsmen displayed work and spoke about their passion and commitment to this ancient craft. The programme was well received and a number of major donors provided significant gifts to help ensure the Arts Centre restoration is funded. It will continue in 2016, with unique benefits offered to new members.

The Lottery Grants Board funded a new set of bronze plaques that now sit beneath the Great Hall's Memorial Window. They permanently memorialise the staff and students from Canterbury College, the School of Engineering, the School of Art, Christchurch Boys' High School and Christchurch Girls' High School who died in World War One. The window is now earthquake strengthened thanks to steel frames funded by Mainland Foundation.

The conservation and engineering plans for several key buildings that are yet to be restored have been generously funded by the Lottery Board, while the Rātā Foundation provided funding for architectural plans for these buildings.

Drawdowns from the Christchurch Earthquake Appeal Trust grant continued in 2015 because of the high volume of work carried out on the Great Hall and Clock Tower block.

Daveron Scaffolding Ltd made a substantial donation towards a new Mazda truck for the property team, while Pedersen Read Ltd made a sizeable donation to the restoration fund. We will seek similar donations in 2016 from other companies with an interest and heart for heritage restoration and the future of arts, culture and education in Christchurch.

We value the support of the Friends of the Arts Centre – an organisation that is growing in number and has exciting fundraising activities planned for 2016.

Fundraising for the \$2 million Rutherford's Den refurbishment project ramped up and ignited the interest of several generous donors and other funders. Further funding is being actively pursued to enable completion of this exciting attraction. Several donations were made by recipients of the Royal Society Rutherford Medal, enabling and encouraging a whole new generation of children to explore science and creativity.

André Lovatt
Chief Executive



"The Arts Centre is an independent charitable trust that relies heavily on grants and donations, and we are grateful to all of our 2015 supporters."



PROGRESS

Immaculate heritage re-instatement teamed up with the installation of modern infrastructure during 2015, resulting in a massive number of restoration milestones across the site.



Restoration progress sped up by focusing on a select number of buildings that will open progressively during 2016: the Great Hall, Chemistry, the Clock Tower – including Rutherford's Den – the Library, Classics, the Common Room and Boys' High.

HERITAGE RE-INSTATEMENT

After being removed from the top of the Chemistry building following the earthquakes, its tower was completely restored and then returned back into position where it now presides over the South Quadrangle.

The tower was joined by a number of stone pinnacles and finials – some of which have not been seen on the building since the 1930s – illustrating the Arts Centre's commitment to restoring the heritage features of the site. Arts Centre stonemasons were given creative licence on five of Chemistry's decorative finials so, while the overall shape of them is similar to the originals, they symbolise different cultures from around the world.

Slates were reinstated to the roofs of Library, Clock Tower and Great Hall. Slate used on site is mainly imported from Wales – in fact the Arts Centre is the biggest importer of Welsh slate in New Zealand.

On the Library, however, the Arts Centre's philosophy of recycling was able to come into play, with the slate sourced from a condemned Southland hospital building. Meanwhile, re-instating the Great Hall's slate roof was an opportunity to continue the original pattern on the east side.

Beautiful historic chimneys were re-instated across the site and huge progress was made on a number of other heritage features:

- Brickwork, including delicate internal and external pointing.
- External stonework, including gables.
- Structural strengthening on about half of the Cloisters.
- Wood panelling restored and replaced back in the buildings.

A significant amount of earthquake strengthening was carried out on Engineering Extensions, including a seismic gap between this building and Boys' High. A seismic gap was also created between the Clock Tower and Engineering, and another is being developed between Classics and the arch leading into the North Quadrangle.

MODERN INFRASTRUCTURE

Trenches were dug across the site for a network of underground pipes and cables that will supply the buildings with electricity, data and essential services – all controlled from the site's new plant room.

Systems were installed for central heating and the internal fit-outs of the Common Room and Library were completed – including new kitchens and bathrooms.

Good progress was made on digging the on-site wells which will supply artesian water to the plant room where it will be heated, circulated around the site and then returned to the aquifer – making the Arts Centre more sustainable than it has ever been.

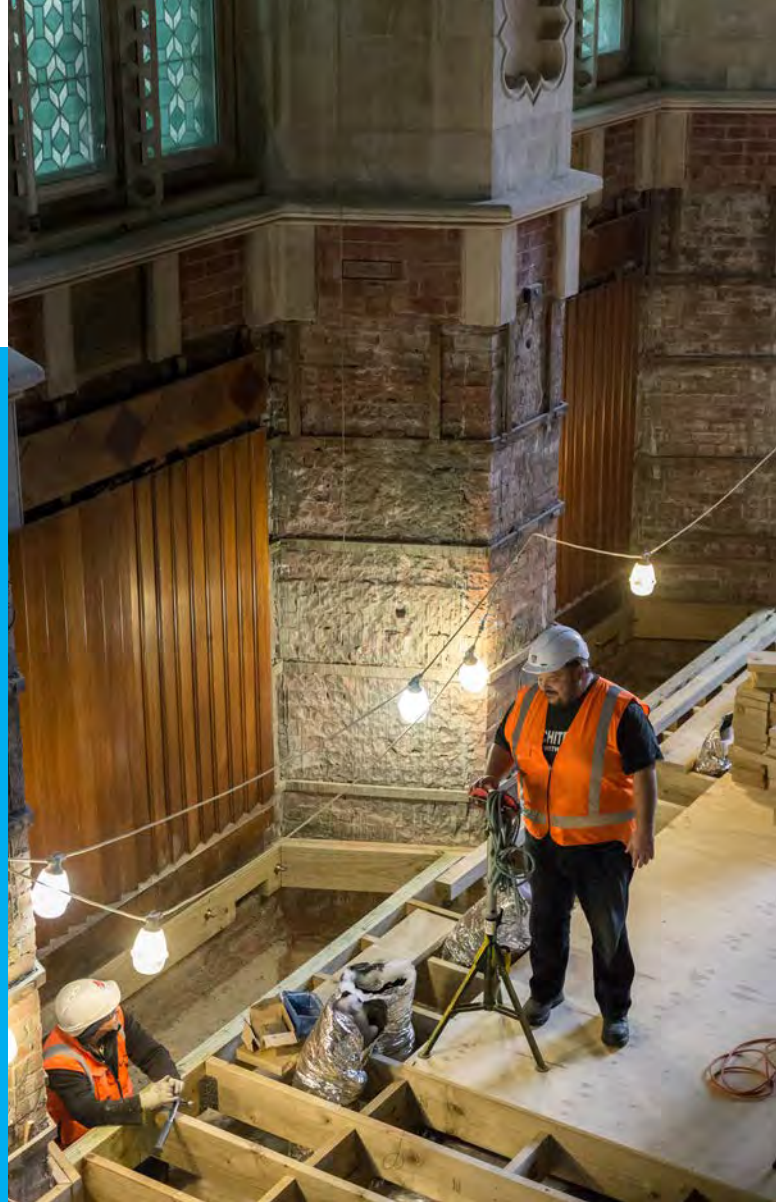
RUTHERFORD'S DEN OUTREACH EDUCATION PROGRAMME

About 3,000 students took part in this year's Rutherford's Den education outreach programme which was taken to Canterbury schools in a van sponsored by Miles Toyota.

This included more than 800 students attending Year 12 Radioactivity workshops hosted at the University of Canterbury.

The education programme is being taken to schools while the Rutherford's Den heritage space is closed until mid-2016 for a major transformation.

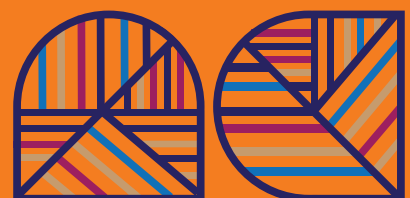
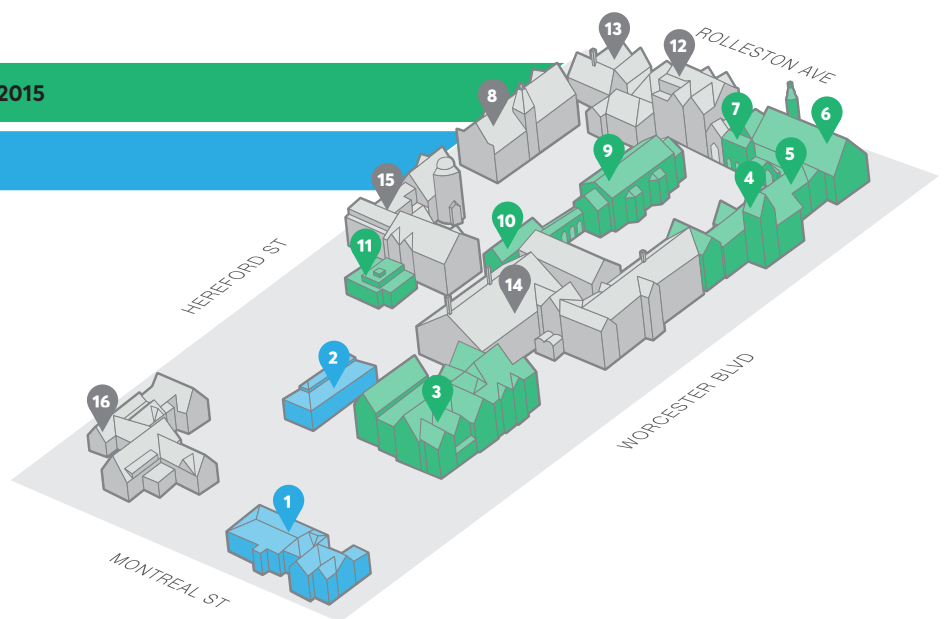
The dynamic, interactive, activities-based programmes are inspired by the work of famous New Zealand scientist, Ernest, Lord Rutherford, and have links to the curriculum and the five competencies.



RESTORATION PROGRESS FOCUS IN 2015

OPEN

- | | |
|-------------------------------------|------------------|
| 1 REGISTRY | 2 GYMNASIUM |
| 3 BOYS' HIGH | 4 CLOCK TOWER |
| 5 RUTHERFORD'S DEN | 6 GREAT HALL |
| 7 CLASSICS | 8 CHEMISTRY |
| 9 LIBRARY | 10 COMMON ROOM |
| 11 PLANT ROOM | 12 WEST LECTURE |
| 13 SCHOOL OF ART | 14 ENGINEERING |
| 15 PHYSICS, BIOLOGY AND OBSERVATORY | 16 STUDENT UNION |



Chemistry's fully restored tower was reinstated into pride of place overlooking the South Quadrangle.



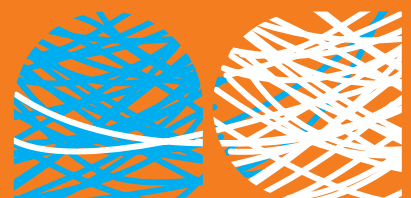
Stonemason Jonathan Tye works on a Chemistry finial featuring Māori design features – one of five finials on the building that symbolise cultures from around the world.



Site Manager Chris Whitty, right, and roofer James Herdman sourced Welsh slate from a condemned Southland Hospital which was used to re-roof the Library.



The Arts Centre is the biggest importer of Welsh slate in New Zealand.



Trenches across the site will house underground pipes and cables to supply buildings with electricity, data and essential services.



Clock Tower boasts many beautifully restored chimneys.



Gables being re-pointed by Elisa Manca.



GREAT HALL OPENS ITS DOORS

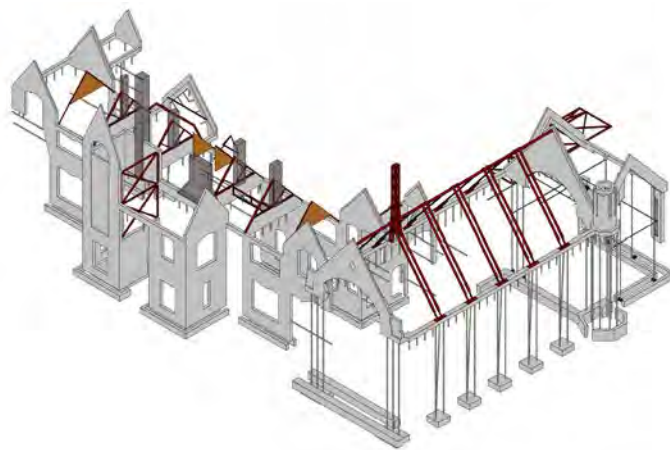


Illustration of earthquake strengthening hidden beneath the heritage fabric of the Great Hall, right, and adjacent Clock Tower.

The Arts Centre proudly opened the doors to the Great Hall in December 2015 to host a private rededication ceremony for the stunning Memorial Window.

Enabling people to go into the space marked a huge milestone for the Arts Centre. The Great Hall was extensively strengthened, repaired and restored following the earthquakes, although most of this work is intentionally hidden beneath its beautiful heritage fabric.

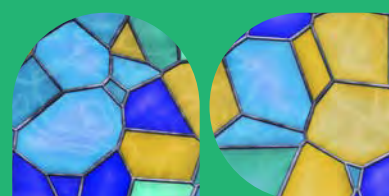
KEY ACHIEVEMENTS OF THE GREAT HALL'S RESTORATION:

- Comprehensive strengthening
- Immaculate treatment of heritage features
 - Stained glass Memorial Window fully restored and rededicated
 - Native timber panelling restored
 - Original fireplace fitted with new flue so it is fully operational once again
 - Removal, repair and reinstatement of Rolleston Avenue turret
 - Like-for-like replacement of floor and stage
- New underfloor heating
 - Part of site-wide sustainable heating system fed by artesian ground water
 - Heated by new system hidden beneath the stage
 - Complemented by air flow heating system

- New lighting scheme that highlights heritage features
- New state-of-the-art sound system that enables plug-and-play technology
- Replacement bathrooms, including a universal access toilet
- New emergency lighting, smoke alarms and sprinklers
- Latest fibre technology and Wi-Fi

Thank you to those who generously supported this project.

Christchurch Earthquake Appeal Trust
Ministry for Culture and Heritage
Fletcher Building
The Aotearoa Foundation
John Griffin
Great Hall Conservation Project Fund
The Southern Trust
Lottery Grants Board
Mainland Foundation



BRAND NEW PLANT ROOM TAKES SHAPE



The only new-build on site, the largely underground centralised plant room and workshop is on track to be completed in 2016. A number of its essential services will be operational earlier to provide heat, power and data to restored buildings.

It is here that artesian water drawn from on-site wells will be circulated around the entire site to provide central heating. The water is then returned to where it came from – making this new heating system both sustainable and renewable. The building is also the central control hub for the site's electricity, data and essential services.

In order to blend as much as possible with the surrounding historic buildings, the plant room has been constructed over two levels – a basement and mezzanine.

Basement features

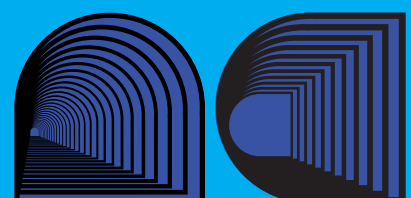
- Stonemasons' workshop and storage areas
- Main electrical switchboard room for the entire site
- Centralised plant rooms accommodating the site's mechanical and fire services infrastructure

Ground floor features

- The Arts Centre property team offices
- Data communications room for the entire site
- Centralised refuse area
- Orion substation enclosure
- Loading bays



"The only new-build on site, the largely underground centralised plant room and workshop is on track to be completed in 2016."



RESTORATION PROGRESS



FINANCIAL POSITION

2014

2015

SHORT TERM
INVESTMENTS

\$65,664,694

GRANTS AND
DONATIONS RECEIVED

\$3,950,200

\$74,464,792

\$9,540,907

PURCHASE OF FIXED ASSETS
AND PROPERTY IMPROVEMENT

\$25,016,486

\$38,328,674

TOTAL CAPITAL
COMMITMENTS

\$48,599,996

\$27,271,208



TEAM ON SITE

The incredible progress made on site this year was achieved because of the drive and talent of those listed below along with the Arts Centre team and trustees.



DESIGN TEAM

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

CONTRACTORS

AF Plumbing Services
Alarm Solutions
Arbor-Tek
Benmax
Blakely Construction
C.Lund & Son
Cashmere Engineering
Chubb
Concut
Daveron Scaffolding Ltd
Dooleys Masonry
Fletcher Construction
Gillett & Johnston (Croyden)
James Herdman Roofing
McMillan Drilling
McMillan Civil
McTavish and McTavish
MultiMedia Communications
October Protection
Parkside Quarries
Quasar Systems Limited
Simon Construction
Stewart Stained Glass
Strawberry Sound
Technosol
Titan Cranes Ltd
Triton



BRINGING PEOPLE BACK



While the Arts Centre's main focus continues to be completing the restoration, it's also time to start inviting people back to enjoy this special and unique site. The Arts Centre ran a number of events this year, in addition to facilitating opportunities that activated the site with arts, culture and education.

The year kicked off with thousands of visitors flocking to Market Square to enjoy the World Buskers Festival. The Free Theatre and Arts Circus continue to lease the Gymnasium, consistently bringing people to the site with their varied programme of performances, educational workshops and the hosting of top-quality events.

In September, the Christchurch Arts Festival ran another sell-out season of world-class performances, with the Arts Centre acting as a central hub. Market Square hosted the festival's Spiegeltent for the duration of the festival and performances were also held in the Gymnasium. Planning is already underway for the 2017 festival that will feature numerous events at the Arts Centre.

We opened up our stonemasons' tent in October as part of Beca Heritage Week, giving visitors the opportunity to see carvings take shape and have a go for themselves. Market Square was filled with budding young artists when we hosted Christchurch Art Gallery's Big Draw.

In December, the Great Hall's magnificent stained glass Memorial Window was once again in pride of place over-looking Worcester Boulevard and we took the opportunity to hold a private ceremony for about 180 people.

The window was dedicated to the memory of all staff and students who served in World War One and who previously attended an institution once based on the site now known as the Arts Centre: Canterbury College, the School of Engineering, the School of Art, Christchurch Boys' High School and Christchurch Girls' High School. In addition, all 235 who perished are now honoured with dedication plaques that sit beneath the window.

December marked the beginning of our summer season of monthly outdoor cinema screenings in Market Square. Over a period of three months, about 1,500 people attended the screenings.

The Friends of the Arts Centre continues to grow its number of supporters and planning is underway for a major on-site fundraising event in the middle of next year.



"The window was dedicated to the memory of all staff and students who served in World War One and who previously attended an institution once based on the site now known as the Arts Centre."



INCOMING BOARD

Our new skills-based board was selected near the end of 2015 and starts in January 2016.



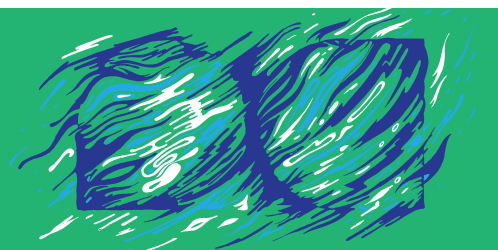
JEN CRAWFORD - CHAIRPERSON

A resource management law specialist and a Partner at Anderson Lloyd Lawyers, Jen Crawford was appointed to the Trust Board in May 2010. She has more than 20 years of experience in project consenting and also holds a First Class Honours Bachelor of Arts (History). Jen is a Chartered Member of the Institute of Directors, a member of Heritage New Zealand Pouhere Taonga and the Resource Management Law Association, as well as being a past trustee of the University of Canterbury Foundation. She regards the Arts Centre as an absolute treasure that deserves to be respected and cared for. Her hope is that, in years to come, people will feel that a revitalised Arts Centre has anchored them back to Christchurch.



MICHAEL RONDEL - DEPUTY CHAIRPERSON

A born and bred Cantabrian, Michael Rondel has been an Arts Centre Trustee since 2011. He is committed to Christchurch's rebuild and the preservation of its cultural heritage such as the Arts Centre which he sees as the most significant collection of heritage buildings in New Zealand. Michael is a Chartered Accountant who has spent more than 20 years providing professional services to medium- to large-sized corporate entities in both New Zealand and overseas. His career has included a number of statutory appointment roles at schools on behalf of the Ministry of Education. In addition, Michael works with a large number of not-for-profit and public sector organisations, including Christchurch City Council, Harewood Golf Club, the International Track & Field Trust and Chartered Accountants Australia and New Zealand.





FELICITY PRICE

Strategic communications advisor Felicity Price is a board member of the Creative New Zealand Arts Council and former Chair of the Court Theatre, the Christchurch Symphony Orchestra and the Christchurch Writers' Festival. Her career has included managing her own communications consultancy and being a director of the Canterbury Employers' Chamber of Commerce. In 2000, Felicity received the Officer of the New Zealand Order of Merit for services to the arts and business. She is a Fellow of the Institute of Directors and of the Public Relations Institute of New Zealand. In her spare time, Felicity has authored eight novels and three works of non-fiction.



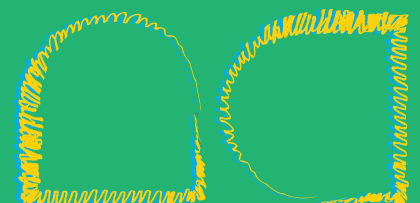
MARK TODD

With a career in senior leadership roles in both the private and public sectors, Mark Todd spent many years working for outdoor clothing and equipment brand Kathmandu. As well as his executive roles as Chief Operating Officer and Chief Financial Officer, Mark was a Director of Kathmandu Holdings Ltd following the listing of the company on the ASX and NZX in 2009. Mark now works as an independent consultant and Director, and is an independent Director of City Care Limited. He is a Chartered Accountant and a Chartered Member of the Institute of Directors.



OLIVIA EGERTON

Manager of Te Hono Movement, Olivia Egerton has a background in professionally managing and delivering projects, partnerships and events. Her previous roles include being Communications Manager for The New Zealand Merino Company and five years with Remarkables Park. Olivia has also been involved in several community development projects – Shaping our Future, Wakatipu Heritage Trust and the Queenstown Festival of Colour. Olivia holds a Master of Cultural Heritage from Deakin University, Melbourne, and a Bachelor of Fine Arts from the University of Auckland.





PUAMIRIA PARATA-GOODALL

Puamiria Parata-Goodall has a blend of talents including event management, cultural expertise, museum know-how and a passion for Māori performing arts. She describes the Arts Centre rebuild and redevelopment as an amazing opportunity to reinvigorate Christchurch's taonga and breathe life back into its cultural heart. As the Director of Te Pākura Ltd, Puamiria managed the local operations for the 2015 Te Matatini national kapa haka competition held in Christchurch plus the Māori component of the opening of the Cricket World Cup 2015. In addition she has been closely involved in the establishment of Te Pā o Rākaihautū, a new special character school in Christchurch. A self-confessed kapa haka fanatic, Puamiria performs, tutors and leads several kapa haka teams and initiatives.



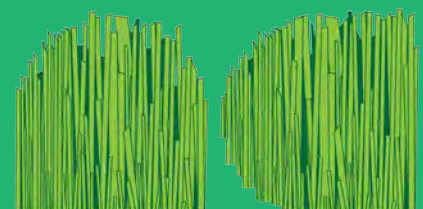
GRANT DEAN

An accomplished Executive Producer and Digital Production Director, Grant Dean has more than 20 years of international expertise in television and the development and publication of successful mobile, online and game console content. Although he spent more than two decades in London, Grant considers Christchurch home. His time in the UK included working for companies such as the BBC, The Walt Disney Company and Atari, developing some of the world's best-loved shows into digital entertainment that engages global audiences. In addition to his career, Grant is a long-time member and former Trustee of BAFTA (British Academy of Film & Television Arts).



ERIN VICTORIA JACKSON

Firmly dedicated to "the new Christchurch," Erin Victoria Jackson made a conscious decision following the earthquakes to remain in the city and contribute to its exciting future. A UC graduate (LLB/BA), Erin was President of the University of Canterbury Students' Association for two years and now holds five board positions and is a member of the Institute of Directors and Rotary Christchurch. She also runs her own campaign management agency, Narrative. Erin sits on a number of charitable and not-for-profit trusts, including the Committee for Canterbury, the Student Volunteer Army Foundation and the Winston Churchill Memorial Trust Board. She has also founded the Connection Collective – a grassroots initiative aimed at supporting career options for Canterbury high school students.



FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

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TRUST DIRECTORY

DATE OF SETTLEMENT: 31 DECEMBER 1978

Trustees:

Margaret Austin
Jennifer Crawford (Chairperson)
Martin Hadlee
Rob Hall
Gillian Heald
Erin Jackson
Yani Johanson
Scott McCrea (Deputy Chair)
Paula Rigby
Michael Rondel
Deane Simmonds

Bankers:

Bank of New Zealand
Christchurch

Solicitors:

Anderson Lloyd
Christchurch
Simpson Grierson
Christchurch

Auditors:

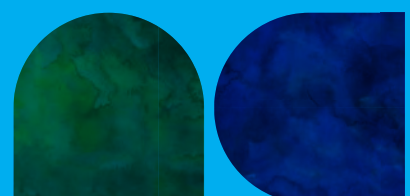
Grant Thornton New Zealand
Audit Partnership
Christchurch

Accountants:

Ernst & Young Limited
Christchurch

Chief Executive:

André Lovatt





Independent Auditor's Report

Audit

Grant Thornton New Zealand Audit Partnership

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Addington
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Christchurch 8140

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F: +64 (03) 366 3720

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To the Trustees of the Arts Centre of Christchurch Trust Board

We have audited the financial statements of the Arts Centre of Christchurch Trust Board on pages 21–35 which comprise the statement of financial position as at 31 December 2015, and the statement of financial performance, statement of movements in trust capital and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Trustees' responsibilities

The Trustees are responsible for the preparation of financial statements in accordance with generally accepted accounting practice in New Zealand and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibilities

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that present fairly the matters to which they relate in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the presentation of the financial statements.



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

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

Opinion

In our opinion, the financial statements on pages 21–35 present fairly, in all material respects, the financial position of the Arts Centre of Christchurch Trust Board as at 31 December 2015, and its financial performance and its cash flows, for the year then ended in accordance with generally accepted accounting practice in New Zealand.

Restriction on use of our report

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



Grant Thornton New Zealand Audit Partnership
Christchurch, New Zealand
24 May 2016

Chartered Accountants
Member of Grant Thornton International Ltd



STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2015

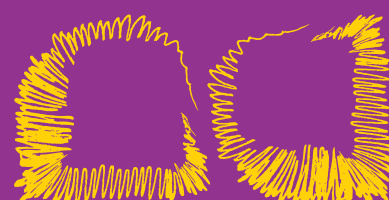
	NOTE	2015	2014
Current assets			
Cash and bank balances		5,414,011	5,202,008
Accounts receivable		3,616,216	1,093,594
GST refund due		650,669	575,059
Prepayments		186,853	294,757
Inventories		604,319	885,797
Short term investments		74,464,792	65,664,694
		84,936,860	73,715,909
Non current assets			
Property, plant and equipment	5	278,085,560	230,171,002
Investments		19,000,000	55,000,000
		297,085,560	285,171,002
Total Assets		\$382,022,420	\$358,886,911
Current liabilities			
Accounts payable		4,038,609	3,990,075
Employee entitlements	7	702,280	632,605
Grants unspent	3	146,749	140,141
		4,887,638	4,762,821
Trust capital	2	377,134,782	354,124,090
Total capital and liabilities		\$382,022,420	\$358,886,911

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

23.5.2016



Date
Trustee
Trustee



STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 31 DECEMBER 2015

	NOTE	2015	2014
Income			
Property income			
General fees and other income		113,652	41,415
Rentals and parking		183,111	168,068
Under-recovery of tenant opex and energy		(38,378)	(39,771)
Total property income		258,385	169,712
Grants, sponsorship and donations		94,101	65,799
Interest received		5,448,408	5,784,039
Depreciation recovered		13,469	–
		5,814,363	6,019,550
Expenses			
Administration		519,012	432,551
Audit fees	12	12,420	12,840
Depreciation	5	365,820	343,892
Property costs		479,449	369,035
Public relations		120,623	62,031
Staff costs		1,318,674	1,088,801
Total Expenses		2,815,998	2,309,150
Subtotal		2,998,365	3,710,400
Non-operating expenses			
Contribution to charitable and community organisations		–	(32,246)
Net trading surplus		2,998,365	3,678,154
Non-trading adjustments			
Grants and donations received utilised for capital projects		9,446,806	3,884,401
Distribution from Rutherfords Den	15	221,423	–
Earthquake insurance settlement – Rutherfords Den	15	–	(110,582)
Net surplus transferred to Trust capital		\$12,666,594	\$7,451,973



STATEMENT OF MOVEMENTS IN TRUST CAPITAL

FOR THE YEAR ENDED 31 DECEMBER 2015

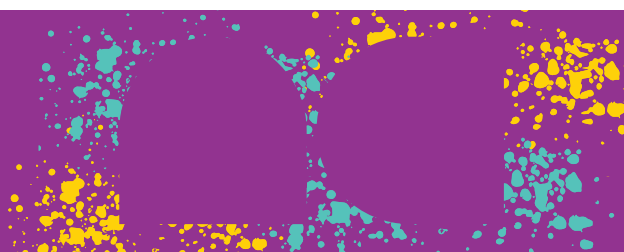
	NOTE	2015	2014
Trust capital at beginning of year		354,124,090	350,734,519
Net surplus transferred to Trust capital		12,666,594	7,451,973
Add contributions			
Revaluation movement – annual revaluation	2	(27,014,184)	(29,611,120)
Revaluation movement – earthquake impairment	2	37,358,282	25,548,718
Total contributions		10,344,098	(4,062,402)
Trust capital at end of year		\$377,134,782	\$354,124,090



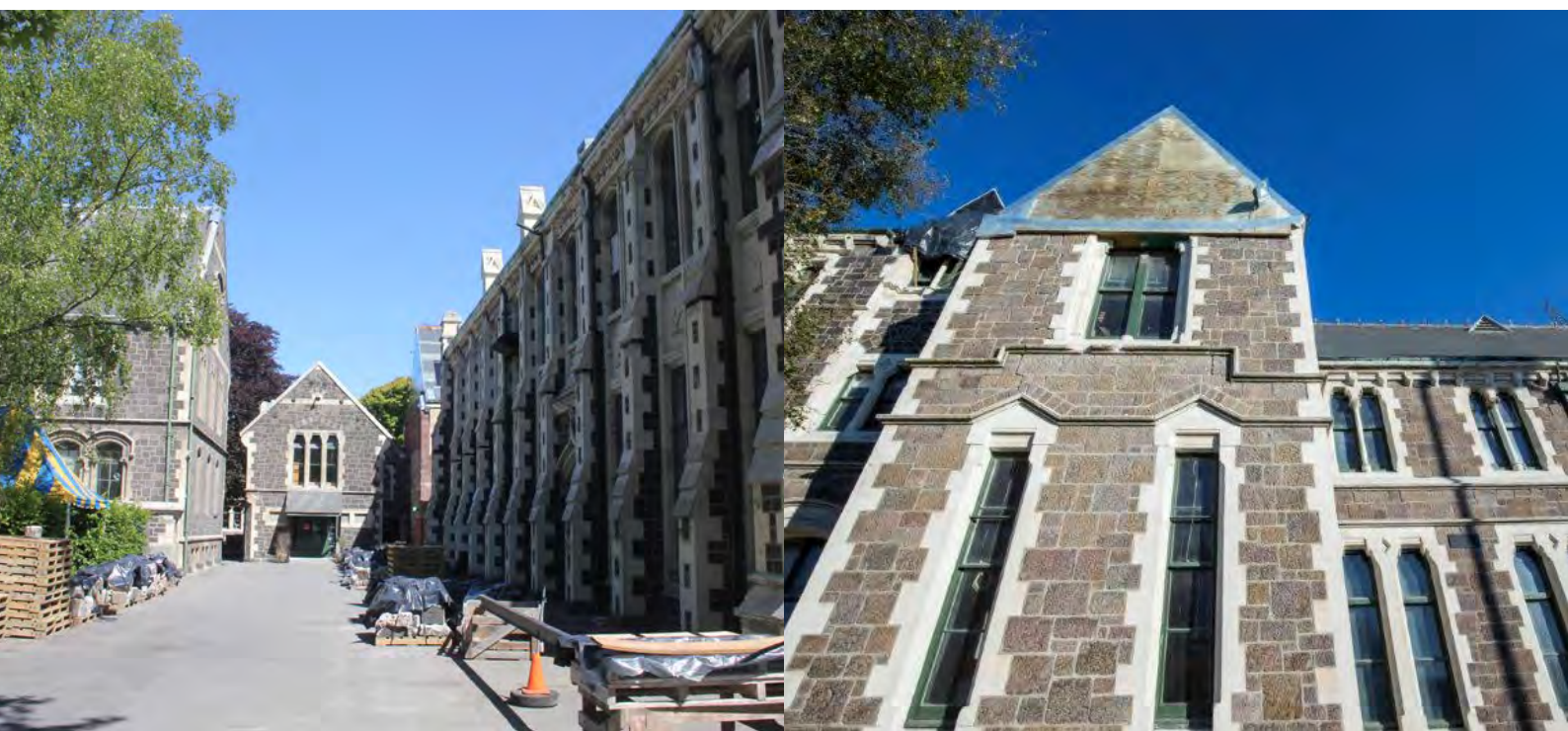
STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2015

	NOTE	2015	2014
Operating activities			
Cash was provided from:			
Grants and donations received		8,828,887	5,341,504
Interest received		3,741,769	6,205,272
Net movement in GST		–	245,032
Receipts from customers		520,657	152,084
		13,091,313	11,943,892
Cash was applied to:			
Net movement in GST		232,857	–
Payments to suppliers and employees		1,532,639	2,114,800
		1,765,496	2,114,800
Net cash inflow (outflow) from operating activities		11,325,817	9,829,092
Investing activities			
Cash was provided from:			
Proceeds from the disposal of investments		27,199,902	15,962,898
Proceeds from sale of fixed assets		14,957	–
		27,214,859	15,962,898
Cash was applied to:			
Purchase of fixed assets and property improvement		38,328,674	25,016,486
Net cash inflow (outflow) from investing activities		(11,113,815)	(9,053,588)
Net increase (decrease) in cash held		212,002	775,504
Add opening cash brought forward		5,202,009	4,426,505
Ending cash carried forward		\$5,414,011	\$5,202,009
Cash balances in balance sheet			
Current assets		5,414,011	5,202,009
Ending cash carried forward		\$5,414,011	\$5,202,009



	NOTE	2015	2014
Reconciliation of net profit with cashflows from operating activities			
Reported surplus		12,666,594	7,451,973
Add non-cash items:			
Depreciation		365,820	343,892
Depreciation recovered		(13,469)	0
Loss on disposal of fixed assets		-	(32)
		13,018,945	7,795,833
Add (less) movements in other working capital items:			
Decrease/(increase) in accounts receivable		(2,522,621)	1,955,224
Decrease/(increase) in prepayments		107,904	(40,383)
Decrease/(increase) in inventories		281,478	(397,988)
Increase/(decrease) in accounts payable		509,113	673,204
Increase/(decrease) in GST payable		(75,610)	(193,301)
Increase/(decrease) in unspent grants		6,608	36,503
Net cash inflow from operating activities		\$11,325,817	\$9,829,092



NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

1. STATEMENT OF ACCOUNTING POLICIES

Reporting entity

The Arts Centre of Christchurch Trust Board ("the Trust") is registered in accordance with the Charities Act 2005.

Statement of compliance

The financial statements comply with NZ Financial Reporting Standards.

Basis of preparation

The financial statements have been prepared in accordance with generally accepted accounting practices in New Zealand (NZ GAAP).

A new multi-standards financial reporting framework has been introduced in New Zealand by the External Reporting Board (XRB). The framework changes will mean the Trust, as a not-for-profit (NFP) public benefit entity (PBE), will report against a new suite of public benefit entity accounting standards (International Public Sector Accounting Standards). As the Trust is designated for as a PBE, the financial statements will need to be prepared using the new PBE standards from financial year ending 31 December 2016, with comparatives restated for the year ending 31 December 2015. The Trustees have not assessed the impacts arising from this transition.

Measurement base

The financial statements have been prepared on a historical cost basis, except for certain property assets that have been measured at fair value.

Going concern

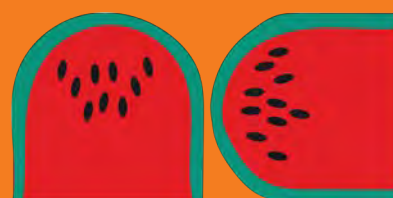
The Trustees are of the opinion that the Trust is a going concern. They have resolved that they will not commit to preservation and reconstruction activity unless they have secured adequate certainty of funds to pay for such work.

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

Significant accounting policies

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

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



(a) Accounts receivable

Accounts receivable are stated at estimated realisable value after providing against debts where collection is doubtful. Bad debts are written off during the period in which they are identified.

(b) Inventories

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

(c) Investments

Investments are stated at the lower of cost or market value for non listed securities. For listed securities these are stated at market value.

(d) Property, Plant and Equipment

Land

Land is measured at fair value representing market value relative to the land's highest and best use, adjusted to reflect limitations on development in recognition of the heritage constraints associated with the site.

Land is not depreciated.

Buildings

Buildings are measured at fair value.

The fair value of non-heritage buildings that operate independently on a fully commercial basis are measured using a replacement cost approach.

Portable buildings are valued at cost less accumulated depreciation.

The depreciation rates used are:

	Rate	Method
Portable buildings	3.0% - 13.5%	SL

The fair value of heritage buildings are determined by the depreciated replacement cost without adjustment for optimisation. The valuation will be performed and/or reviewed annually by a suitably qualified surveyor.

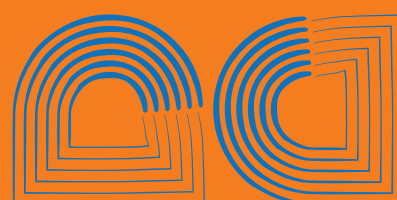
The method of valuation of buildings recognises the obligations of the Trust to preserve the original stone buildings of the site in perpetuity and to further recognise the maintenance and conservation practices that the Board adopted under the Arts Centre Asset Management Plan 2008.

The Board has determined that the collection of heritage buildings has an indefinite future life and accordingly no depreciation will apply.

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

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

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



Plant and equipment

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

The depreciation rates used are:

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

Artwork

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

Artwork is not depreciated.

Revaluation of Property, Plant and Equipment

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

The results of revaluing are credited or debited to an asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed in the Statement of Financial Performance. Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in the Statement of Financial Performance will be recognised first in the Statement of Financial Performance up to the amount previously expensed, and then credited to the revaluation reserve for that class of asset.

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

Impairment of Property, Plant and Equipment

If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written down to the recoverable amount

For revalued assets, any impairment loss is recognised against the revaluation reserve for that class of asset.

Where that results in a debit balance in the revaluation reserve, the balance is recognised in the Statement of Financial Performance.

For assets not carried at a revalued amount, any impairment loss is recognised in the Statement of Financial Performance.

Taxation

Income Tax

The Trust is exempt from income tax.

Goods and Services Tax (GST)

The financial statements are prepared on a GST exclusive basis.

Revenue recognition

Rental income, outgoings and power recovered are recognised on an accrual basis, as is investment income.

All grants are recognised as income when the money is spent for the designated purpose.

Leased equipment

Operating lease rentals are expensed in the period incurred.



2. TRUST CAPITAL

	NOTE	2015	2014
Property and site revaluation reserve			
Opening balance		167,958,613	172,021,015
Movement in land revaluation		1,155,000	1,500,000
Movement in buildings revaluation		(28,169,184)	(31,111,120)
Remediation of impairment due to earthquakes		37,358,282	25,548,718
		178,302,711	167,958,613
Undistributed income			
Balance brought forward		186,165,477	178,713,504
Net surplus after taxation		12,666,594	7,451,973
		198,832,071	186,165,477
Balance at end of year		\$377,134,782	\$354,124,090

3. GRANTS UNSPENT

	2015	2014
Great Hall Conservation Project Fund	94,471	94,471
The Southern Trust	–	25,000
New Zealand Lottery Grants Board	20,670	20,670
Rātā Foundation	27,069	–
Wayne Francis Charitable Trust	4,539	–
	\$146,749	\$140,141

Grants are taken to revenue and recorded in the year in which the amount was expended on the purpose for which the grant was made. Unspent grants or the unspent portion thereof are not taken to revenue and are recorded as current liabilities.

4. INVESTMENTS

Short term investments consist of bank term deposits which mature within 12 months of balance date.

Non-current investments consist of bank term deposits which mature after 12 months of balance date.



5. PROPERTY, PLANT AND EQUIPMENT

	CARRYING AMOUNT	ACCUM DEP	BOOK VALUE
2015			
Land	27,480,000	–	27,480,000
Motor vehicles	233,648	75,394	158,254
Plant and equipment	1,524,922	981,409	543,513
Computers	349,204	277,363	71,841
Furniture and fittings	504,329	394,637	109,692
Leasehold improvements	94,269	45,649	48,620
Artwork	23,440	–	23,440
Buildings	328,693,200	–	328,693,200
Buildings - impairment	(79,043,000)	–	(79,043,000)
	\$279,860,012	\$1,774,452	\$278,085,560

2014			
Land	26,325,000	–	26,325,000
Motor vehicles	220,524	82,087	138,437
Plant and equipment	1,435,368	863,178	572,190
Computers	308,356	252,665	55,691
Furniture and fittings	485,887	381,779	104,108
Leasehold improvements	94,269	43,086	51,183
Artwork	23,440	–	23,440
Buildings	319,306,799	4,564	319,302,235
Buildings - impairment	(116,401,282)	–	(116,401,282)
	\$231,798,361	\$1,627,359	\$230,171,002

Depreciation expense	2015	2014
Buildings	187,168	176,846
Motor vehicles	20,308	16,997
Plant and equipment	118,231	107,948
Computer equipment	24,691	24,313
Furniture and fittings	12,859	15,008
Leasehold improvements	2,563	2,780
	\$365,820	\$343,892



Valuation

Heritage buildings

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

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

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

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

Using an original approach to value the heritage buildings on the site results in a carrying value for these buildings (pre-impairment) in the order of \$325 million (2).

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

Building Impairment

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

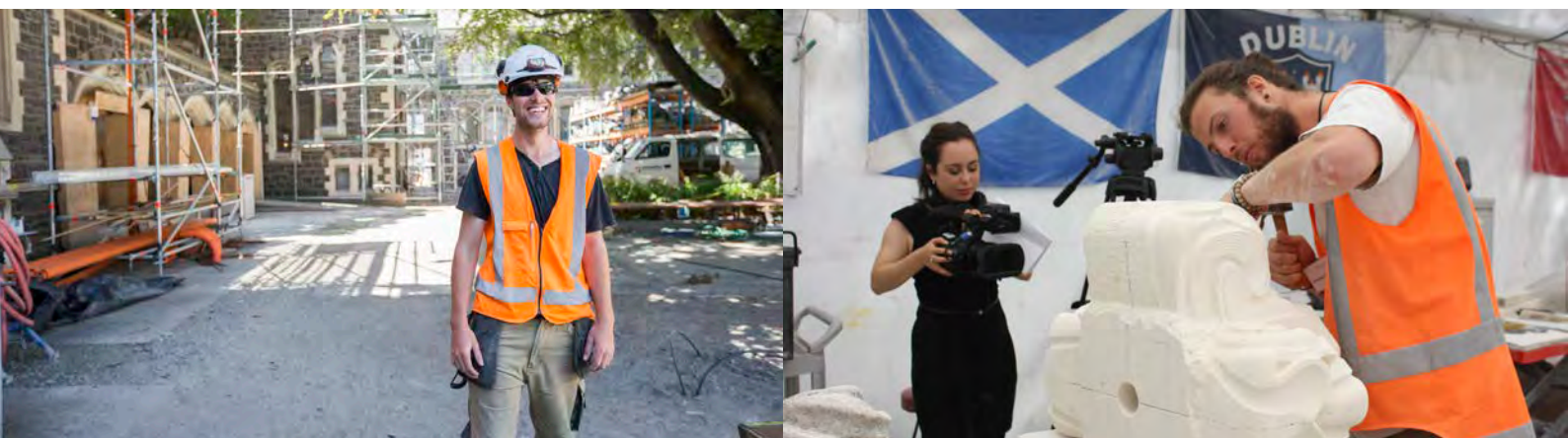
It is estimated (3) the cost to repair those buildings as a consequence of those three events, less repair work carried out since 2011, is in excess of \$79 million.

During the 2015 year, approximately \$29 million was spent on repair work to the buildings (2014: \$26 million). This amount has been capitalised to buildings in the balance sheet as the costs are part of the capital restoration of the Arts Centre's heritage assets.

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

(2) Based on a rebuild cost estimate - original construction prepared by Rhodes and Associates effective 31 December 2015 and reviewed by Savills Valuation and Advisory Services effective 31 December 2015.

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



6. FINANCIAL INSTRUMENTS

Classes

The Trust has the following classes of financial instruments: cash and bank balances, accounts receivable, short term investments, non-current investments and accounts payable. The balances of these financial instruments are shown on the statement of financial position.

Credit risk

The Trust is party to financial instruments which potentially subject the organisation to credit risk. These instruments primarily consist of bank balances, accounts receivable and short and long term investments. Credit evaluations are performed on all customers requiring credit and the Trust generally does not require collateral or other security to support financial instruments with credit risk.

In some instances personal guarantees are required from tenants and accordingly, such obligations are incorporated into the lease agreements with those tenants.

Interest rate risk

The Trust has interest rate risk in relation to its short term investments and non current investments. Interest rates at balance date range from 3.75% per annum to 5.55% per annum.

Currency risk

At balance date the trustees consider that the Arts Centre of Christchurch Trust had no exposure to currency risk.

Fair values

The estimated fair values of the Trust's financial instruments as at 31 December 2014 are equivalent to the carrying values as detailed in the financial statements.

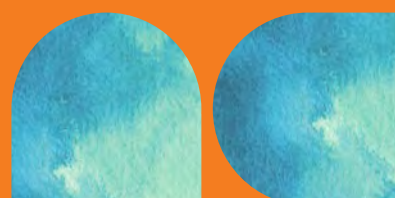
Insurance risk

All material damage policies on buildings have been cancelled and until repair and strengthening works are completed on buildings it is unlikely that new policies will be able to be established. However, the major building contracts on site have been able to obtain contract works insurance and the Registry additions (non-heritage building) has been able to obtain building insurance, not including natural disasters.

7. EMPLOYEE ENTITLEMENTS

	2015	2014
Opening balance	632,605	401,163
Employee entitlements accrued	260,990	373,506
Employee entitlements paid	(191,315)	(142,064)
	<u>\$702,280</u>	<u>\$632,605</u>

All employee entitlements relate to holiday pay and a gratuity bonus scheme.



8. CHRISTCHURCH CITY COUNCIL CONTRIBUTIONS

	2015	2014
The Christchurch City Council have contributed the following funds for conservation work programmes:		
Current year contributions	350,000	800,000

9. CAPITAL COMMITMENTS

	2015	2014
AA Boys' High Building		
Less than one year	6,351,135	11,862,441
	\$6,351,135	\$11,862,441
BA Engineering		
Less than one year	2,441,854	7,220,665
1 -2 years	-	3,610,332
	\$2,441,854	\$10,830,997
Clock Tower and College Hall buildings		
Less than one year	3,208,939	11,458,599
	\$3,208,939	\$11,458,599
EA Chemistry building		
Less than one year	3,090,706	5,465,092
	\$3,090,706	\$5,465,092
G Library and Arcade buildings		
Less than one year	1,673,761	5,110,312
	\$1,673,701	\$5,110,312
Groundwater Heating – Well drilling		
Less than one year	-	209,864
	-	\$209,864
Landscaping – Stage one		
Less than one year	3,209,496	-
	\$3,209,496	-
Sitewide Services and Infrastructure		
Less than one year	5,152,321	-
	\$5,152,321	-
New Workshop		
Less than one year	2,143,056	3,662,691
	\$2,143,056	\$3,662,691
Total capital commitments	\$27,271,208	\$48,599,996



10. OPERATING LEASE COMMITMENTS

	2015	2014
Operating lease commitments		
Less than one year	6,611	1,495
1 -2 years	3,588	3,588
2 - 5 years	4,784	10,764
Total operating lease commitments	\$14,983	\$15,847

11. RELATED PARTIES

Jennifer Crawford is a trustee and the Chairperson of the Arts Centre of Christchurch Trust Board. She is also a Partner at Anderson Lloyd. Anderson Lloyd provides legal advice and services to the Trust. For the year ended 31 December 2015, the fees paid to Anderson Lloyd were \$30,540 (2014: \$9,036).

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

12. AUDITORS REMUNERATION

Total auditors remuneration for the year was \$12,420 relating to the audit of the financial statements (2014: \$12,840).

13. TRUSTEE REIMBURSEMENTS

Trustees are partially reimbursed for their personal administration costs associated with their role. These are not attendance fees. Trustee reimbursements during the year total \$6,000 (2014: \$6,000). No amounts were outstanding at balance date.

14. DONATIONS

Donations paid during the year were \$Nil (2014: \$30,000).

15. RUTHERFORD'S DEN

The Arts Centre continued to operate the Rutherford's Den LEOTC Education Programme. In October 2015, the Rutherford's Den Trust Board wound up. All assets and liabilities were transferred to the Arts Centre in accordance with their trust deed.



16. ARTS CENTRE OF CHRISTCHURCH TRUST ACT 2015

Arts Centre of Christchurch Trust Act 2015 received Royal assent on 5 June 2015.

17. EVENTS OCCURRING AFTER BALANCE DATE

The drawdown of the Christchurch Earthquake Appeal Trust donation of \$14.2m continues. These funds are directed towards the Clock Tower / College Hall project and will be drawn down in full in 2016.

In accordance with the Arts Centre of Christchurch Act 2015; on 3 January 2016 a new Board was formed, this consists of:

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

All post balance date receipts stated in the 2014 financial statements have been received in the 2015 year.





SUPPORTERS

TRUSTS AND FOUNDATIONS

Aotearoa Foundation
 Christchurch Earthquake Appeal Trust
 Drummond Inheritance Trust
 Fletcher Building
 Henshaw Developments Trust
 Mainland Foundation
 Ministry of Culture and Heritage
 Rātā Foundation
 The Elizabeth Ball Trust
 The Trusts Community Foundation
 Wayne Francis Charitable Trust

MAJOR DONORS

John Griffin

CORPORATE

Daveron Scaffolding Ltd
 NZ Post
 New Zealand Property Council
 Pedersen Read Ltd
 Professional CAD System Limited

CORNERSTONE PROGRAMME

Anonymous (x 2)
 Annette and Robin Mann
 Carol Caldwell and Charley Fleischmann
 Dorothy Maclean
 Ian and Lynne Lochhead
 Jen Crawford and Andy Mathers
 Kathy Brown and Mark Wilson
 Michael Lane and Monica Ryan
 Peter and Deirdre Cottrell

DONORS

Christina Sell-McLachlan
 The late Colin McLachlan MNZM
 David Parry
 Gillian Heald
 Jen Crawford
 Hon. Margaret Austin
 Margaret Harrison
 Michael Kelly
 Nova Purchase
 Philippa Bates
 Rob Hall
 Rosemary and Ted Perry
 Scott McCrea
 Yani Johanson



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Te Matatiki Toi Ora