



**DEVELOPMENT
CHRISTCHURCH
LIMITED**

ANNUAL REPORT 2016

DCL

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1 | Chairman and Chief Executive's Review

In April 2015, Christchurch City Council's established Development Christchurch Limited (DCL) as a new urban development agency. This reflected the Council's ambition to enable investment, development and regeneration activities for the benefit of the city. With a commitment to successful engagement and investment attraction, DCL is strongly focused on helping realise the Council's goals.

DCL's first year of operation has been an extremely busy one as it managed the challenges of both establishing a new entity and advancing the four priority projects the Council tasked DCL with leading. These comprised:

- Leading the implementation of the New Brighton Master-plan developed by the Council.
- Engaging with the private sector in respect of opportunities to partner in the development of new car-parking facilities across the central city.
- Preparing a development management plan for the redevelopment of the Peterborough Quarter, centred around the old convention centre site, and;
- Investing in the Christchurch Adventure Park as a significant new amenity for locals and visitors alike.

In addition to this, DCL has supported the Council in its discussions with the Government around the establishment of Regenerate Christchurch and the refresh of the 2013 Cost Share Agreement.

A New Entity

DCL's vision is to contribute to the enhanced well-being of Christchurch through the improved economic, social, community and sustainability outcomes that successful development, investment and regeneration activities bring. In doing so it will complement the activities of its shareholder, Christchurch City Holdings Ltd (CCHL), as well as both the Council and Regenerate Christchurch as this city transitions from recovery to locally-led regeneration.

Key achievements in relation to our establishment activities in the 2016 financial year included:

- **Statement Of Intent** - the 2016/17 Statement of Intent has been accepted by the boards of DCL and CCHL along with Council.
- **Governance** - the full board of DCL was appointed in June 2016.
- **Strategic frameworks** - work-streams that advance the key Engagement, Development and Investment Frameworks are well underway.

- **Organisation design and resourcing** – the company structure has been finalised, and the Chief Executive and key senior management appointed.
- **Work programme** – DCL’s work programme has been adopted and resourcing applied to priority work-streams.
- **Funding platform** – agreement has been reached with CCHL and the Council with regard to the funding platform that will support our activities over the next five years.
- **Reporting framework** – DCL has committed to meeting the expectations of our board, CCHL and the Council in ensuring that information around our key activities and performance flows in a timely fashion.

A commitment to successful engagement

To deliver high quality outcomes, DCL need to engage effectively with the Council and Community Boards as both stakeholders and service providers, as well as committing to early and effective engagement with Regenerate Christchurch, Ōtākaro Limited, other public sector agencies, community groups and the private sector. By doing this well, DCL will realise the benefits that a ‘shared value’ approach can bring.

With this in mind, the establishment phase of DCL prioritised the development of an engagement framework along with a media and communications strategy, both of which have been applied across our projects.

Successful Regeneration – a shared outcome

In asking DCL to provide advice on the implementation of the suburban master-plans, which cover key activity centres across Christchurch, the Council prioritised the leadership and implementation of the New Brighton Master-plan as a part of DCL’s work programme.

DCL has engaged with the Council, the Community Board, Regenerate Christchurch and a range of stakeholders in developing an understanding of both the objectives for successful regeneration and the mechanisms to achieve that. While the long-term benefits accrue primarily to the community, DCL must also ensure that there are opportunities through which a wide range of parties can create, and extract value, over time.

Progress toward the successful implementation of the New Brighton Master-plan is well advanced, with our High Level Implementation Plan providing a template through which other implementation and regeneration plans can be developed. Likewise, DCL’s presence within the New Brighton community continues to grow, with a particular emphasis on collaboration with community groups and the business sector.

Successful Investment and Development

One of the challenges Christchurch has faced in recent years has been reconciling a strong investor appetite with opportunities to land that investment in the form that the city needs. Too often the city has presented a fragmented offering, which has proved a barrier to successful long-term investment.

DCL has been working with other key entities in ensuring that the city develops a consistent Investor Ready City Strategy that addresses these gaps. At the heart of this strategy must be a clear vision, which in turn drives an equally clear understanding of what investment Christchurch is seeking and how it expects to successfully attract it.

The redevelopment of the Peterborough Quarter, based around the old Convention Centre site, is one example of this. This development provides an exciting opportunity to use surplus Council-owned land in partnering with the private sector to create a mixed-use development that will add to the vibrancy that is already building within this part of the central city.

At the same time DCL has undertaken its first investment in supporting the development of the Christchurch Adventure Park. This investment is an example of how the public sector and private sector can work together to develop an amenity which will provide visitors with the opportunity to explore and enjoy the natural environment that the Port Hills offers.

Increased Strategic Capacity and Capability

DCL's strong commercial focus and pro-active engagement with the private sector, community groups and other public sector agencies in pursuing better long-term regeneration outcomes will ultimately add to the Council's strategic capacity and capability.

The nature of this working relationship captures DCL's and the Council's collective roles as land-owner, funder, developer, service provider, regulator and client. A Memorandum of Understanding (MoU) reflecting these links will assist in ensuring that a strong working relationship delivers high quality development outcomes, risk transfer, and the integration of public and private sector interests.

Looking Ahead

The start of the new-year will see DCL move swiftly from establishment phase to full operation thanks to the hard work and strategic focus of the establishment team and board. DCL will build on the momentum established in its first year to ensure that the organisation performs well, with core strategies and people to take the organisation forward.

In addition to ensuring delivery of the agreed work programme, DCL will need to remain 'nimble' and capable of responding to unforeseen customer requests and the ever changing development environment in Christchurch.

The success to date of the Christchurch Adventure Park, and positive progress on the Peterborough Quarter project, holds DCL in good stead to take on future opportunities.

DCL will continue to have discussions with Council staff to explore the approach to land disposal and strategic land purchase, with a particular interest in the opportunity to assess land to determine whether there are alternative opportunities that may deliver improved benefits for the city. For DCL to mature as a development agency, further consideration will be given to putting in place protocols with CCHL and the Council regarding DCL's ability to enter into development agreements.

A handwritten signature in blue ink, appearing to read 'Rob Hall'.

Rob Hall
Chief Executive

A handwritten signature in blue ink, appearing to read 'Bill Dwyer'.

Bill Dwyer
Chairman

2 | Board of Directors



Bill Dwyer, Chairman

Bill is a commercial lawyer who is currently practising as a sole practitioner but for many years was the managing partner of Lane Neave. Bill is also a director of Coconut Culture and Ten Star Homes Ltd. He joined the Board of CCHL in 2005.



Dr. Jane Gregg

Jane is currently the Executive Director of Life in Vacant Spaces (LiVS) which exists to activate vacant sites and buildings around Christchurch.

She is a trustee of the Christchurch Arts Festival and has strong community linkages and is experienced in community engagement and building stakeholder links.



Peter Houghton

Peter has a background in investment banking at an international level.

He is currently a consultant and member of the Financial Advisors Disciplinary Committee of the Financial Markets Authority.



Fiona Mules

Fiona is a self-employed independent consultant with a specialty in government related projects.

Fiona was previously the head of the Public Private Partnership programme in the National Infrastructure Unit of the New Zealand Treasury. She is nationally recognised for her knowledge and expertise in this area. Fiona is currently on the National Infrastructure Advisory Board.



Darren Wright MNZM

Darren has broad governance experience in a variety of community orientated initiatives. He has been a member and chair of various Ministerial earthquake recovery forums. Most recently he was a member of the Dame Jenny Shipley led Advisory Board for Transition to Long Term Recovery.

Darren has property development and investment experience on developments in the suburbs and understands the challenges of commercial redevelopment.



Matt Russell (Intern Director)

Matt has built a successful career in infrastructure and project management. Currently Senior Project Manager at Savills, Matt has also worked as a Director at Harbour Wind Ltd and in various positions at Fulton Hogan and Christchurch City Council.

Matt was selected as an Intern Director through the CCHL Director Internship Programme.

3 | Corporate Governance Statements

This statement gives readers an overview of the company's main corporate governance policies, practices and processes adopted or followed by the DCL Board.

3.1 | Role of the Board

The primary role of the Board is the governance of the company. The Board undertakes stewardship on behalf of the shareholder (CCHL) to ensure the ongoing health and viability of the company.

The Board effectively represents, and promotes the interests of the shareholders with a view to adding long-term value to the company's shares.

The Board has all the powers necessary for managing, and for directing and supervising the management of the business and affairs of the company.

Having regard to its role, the Board directs and overviews the business and affairs of the company, including in particular:

Ensuring that the company goals are clearly established, and that strategies are in place for achieving them;

Establishing policies for strengthening the performance of the company and subsidiaries, to ensure enhancement of shareholder value;

Overseeing the role the company and its subsidiaries can play in the provision of essential infrastructure services for the region;

Monitoring the performance of subsidiaries;

Deciding on whatever steps are necessary to protect the company's financial position and the ability to meet its debts and other obligations when they fall due, and ensuring that such steps are taken;

Ensuring that the company's financial statements are true and fair and otherwise conform with law;

Ensuring that the company adheres to high standards of ethics and corporate behaviour;

- Ensuring that the company has appropriate risk management/ regulatory compliance policies in place;
- Approving and implementing the business plan and Statement of Intent of the company, and
- Reviewing and approving the company's capital investments and distributions.

The Board monitors economic, political, social and legal issues and other relevant external matters that may influence or affect the development of the business or the interests of the shareholder and, if thought appropriate, will take outside expert advice on these matters.

3.2 | Board relationship with its shareholder

The Board uses its best endeavours to familiarise itself with issues of concern to the shareholder.

The Board aims to ensure that the Council is informed of all major developments affecting the company's and group's state of affairs, while at the same time recognising that commercial sensitivity may preclude certain information being made public. Within this constraint, information is communicated to the Council through periodic reports to the Council, occasional seminars and through both the annual report and the half yearly report.

The Board has final approval over DCL's Statement of Intent.

3.3 | Conduct of Directors

The conduct of directors is required to be consistent with their duties and responsibilities to the company and, indirectly, to the shareholder. In carrying out its role the Board places emphasis on strategic issues and policy.

Directors are expected to keep themselves abreast of changes and trends in the business and in the company's environment and markets.

Directors use their best endeavours to attend Board meetings and to prepare thoroughly and are expected to participate fully, frankly and constructively in Board discussions and other activities and to bring the benefit of their particular knowledge, skills and abilities to the Board table.

Directors are entitled to have access, at all reasonable times, to all relevant company information and to management.

Directors are expected to strictly observe the provisions of the Companies Act 1993 applicable to the use and confidentiality of company information.

3.4 | Board Chairperson

The shareholder appoints from among the directors a Chairperson.

The Chairperson is responsible for representing the Board to the shareholder, and for ensuring the integrity and effectiveness of the governance process of the Board.

The Chairperson is responsible for maintaining regular dialogue with the CEO over all operational matters and consults with the remainder of the Board promptly over any matter that gives him or her cause for major concern.

The Chairperson acts as facilitator at meetings of the Board to ensure that discussion results in logical and understandable outcomes.

The Chairperson leads a Board and director evaluation exercise every two years. The Deputy Chairperson may fulfil the Chairperson's responsibilities in the absence of the latter.

3.5 | Directors' remuneration

The Board recommends to the shareholder on a triennial basis the level of remuneration paid to directors.

3.6 | Protocol on conflicts of interest

The Board maintains a separate policy on conflicts of interest which meets all current legislative requirements.

The Board maintains a full and updated interest register which is available at all Board meetings.

3.7 | Board and director evaluations

The Board, every two years, evaluates its own performance, and its own processes and procedures to ensure that they are not unduly complex, that each director is performing adequately and that the Board as a whole is effectively fulfilling its role.

3.8 | Indemnities and insurance

The company provides directors with, and pays the premiums for, directors and officers liability insurance cover while acting in their capacities as directors, to the fullest extent permitted by the Companies Act 1993.

The company indemnifies all directors and the CEO to the fullest extent allowed for, and in compliance with the requirements of the Companies Act 1993.

3.9 | The Chief Executive Officer

The CEO is an employee of the company and employed in terms of a contract between the CEO and the company.

On an annual basis the Chairperson will undertake a performance appraisal with the CEO and set appropriate key performance targets for the year ahead.

The CEO ensures that appropriate, relevant reporting systems are in place and maintained to provide relevant, complete, accurate and timely information to the Board;

- Provides day to day management of the company;
- Acts as a spokesperson for the company unless the Chairperson has specifically adopted this role for a particular issue; and
- Meets business plan and Statement of Intent targets set by the Board.

When the Board agrees with the CEO to achieve specific results directed towards the company goals, the CEO is authorised to make any decision and take any action directed at achieving those specific results.

The CEO is expected to act within all specific authorities delegated to him or her by the Board.

3.10 | Board – management relationship

The Board delegates management of the day to day affairs, and management responsibility of the company, to the executive team under the leadership of the CEO to deliver the strategic direction and goals determined by the Board.

All Board authority conferred on management is delegated through the CEO.

The CEO is responsible to the Board to provide advice and implement Board policy.

4 | Financial Statements

4.1 | Statement of Responsibility

The Board is responsible for the preparation of Development Christchurch Ltd's financial statements and for the judgements made in them.

The Board of Development Christchurch Ltd has responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the Board's opinion, the financial statements fairly reflect the financial position and operations of Development Christchurch Ltd for the year ended 30 June 2016.

Signed on behalf of the Board



Bill Dwyer
Chairman
12 August 2016



Peter Houghton
Director
12 August 2016

4.2 | Statement of Comprehensive Income

For the year ended 30 June 2016

	Note	2016 \$'000	2015 \$'000
Operating and other revenue	3	275	-
Operating expenses	4	(1,509)	-
Earnings before interest, tax, depreciation and amortisation		(1,234)	-
Depreciation	9	-	-
Earnings before interest and tax		(1,234)	-
Finance income	-	5	-
Net finance income		5	-
Loss before income tax expense		(1,229)	-
Income tax expense/(credit)	5	-	-
Loss for the year		(1,229)	-

The accompanying notes form an integral part of these financial statements and should be read in conjunction with them.

4.3 | Statement of Financial Position

As at 30 June 2016

	Note	2016 \$'000	2015 \$'000
Non-current assets			
Investments	8	2,000	-
Property, plant and equipment	9	2	-
Total non-current assets		2,002	-
Current assets			
Cash and cash equivalents	6	285	-
Trade and other receivables	7	381	-
Total current assets		666	-
Total assets		2,668	-
Current liabilities			
Creditors and other liabilities	10	397	-
Total current liabilities		397	-
Total liabilities		397	-
Net assets		2,271	-
Equity			
Capital and other equity instruments	12	3,500	-
Retained earnings		(1,229)	-
Total equity		2,271	-

The accompanying notes form an integral part of these financial statements and should be read in conjunction with them.

4.4 | Statement of Changes in Equity

For the year ended 30 June 2016

		Share capital	Retained earnings	Total
	Note	\$'000	\$'000	\$'000
Balance as at 1 July 2014		-	-	-
Profit/(loss) for the year		-	-	-
Balance as at 30 June 2015		-	-	-
Loss for the year		-	(1,229)	(1,229)
Share issue - ordinary shares	12	3,500	-	3,500
Balance as at 30 June 2016		3,500	(1,229)	2,271

The accompanying notes form an integral part of these financial statements and should be read in conjunction with them.

4.5 | Statement of Cash Flows

For the year ended 30 June 2016

	Note	2016 \$'000	2015 \$'000
Cash flows from operating activities			
Receipts from customers and other sources		-	-
Interest received		5	-
Payments to suppliers and employees		(1,218)	-
Interest and other finance costs paid		-	-
Net cash used in operating activities	14	(1,213)	-
Cash flows from investing activities			
Payment for property, plant and equipment	13	(2)	-
Payment for investments	8	(2,000)	-
Net cash used in investing activities		(2,002)	-
Cash flows from financing activities			
Proceeds from issue of shares	12	3,500	-
Net cash provided by financing activities		3,500	-
Net increase in cash and cash equivalents		285	-
Cash and cash equivalents at beginning of year		-	-
Cash and cash equivalents at end of year	6	285	-

The accompanying notes form an integral part of these financial statements and should be read in conjunction with them.

5 | Notes to the financial statements

For the year ended 30 June 2016

5.1 | Background and Significant Events During the Year

DCL is a wholly-owned subsidiary of Christchurch City Holdings Ltd (CCHL), which in turn is a wholly-owned subsidiary of Christchurch City Council (the Council).

The Company's business was established in July 2015 following a Council resolution passed in April 2015. The 2015/16 financial year largely encompassed the DCL's establishment phase, with key tasks such as the appointment of a permanent board, appointment of the Chief Executive, development of a Statement of Intent and business plan, development of governance policies being completed. The Company also undertook a number of operational projects as outline in the Chief Executive's review.

DCL's core role is to provide the Council with the increased strategic capacity that arises from its commercial focus and commitment to engage effectively with developers, investors, businesses and other stakeholders. DCL is intended to be a streamlined organisation providing high-quality advice and services to the Council across three areas - Strategic Advice; Development Management; and Engagement and Investor Relations.

5.2 | Use of Judgments and Estimates

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

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

No judgements or estimates made are considered to be critical in relation to these financial statements.

6 | Profit and Loss Information

3	Operating revenue		2016	2015
		Note	\$'000	\$'000
	Project costs on-charged to Christchurch City Council		275	-
			275	-

Accounting policy - revenue

Revenue is recognised when the amount of revenue can be measured reliably and it is probable that economic benefits will flow to the Company, and measured at the fair value of consideration received or receivable.

The Company does not receive any revenue from non-exchange transactions.

Undertaking development management activities where a budget has been allocated to the Company by the Council

Revenue from services rendered is recognised in surplus or deficit in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to a survey of work performed at reporting date.

Dividends

Income from dividends is recognised when the Company's right to receive payment is established, and the amount can be reliably measured.

Rental income from sub-lease of operating leases

Rental income from sub-lease of operating leases is recognised in surplus or deficit on a straight-line basis over the term of the lease.

4	Operating costs		2016	2015
		Note	\$'000	\$'000
	Salaries and wages		88	-
	Defined contribution plan employer contributions		2	-
	Total personnel costs		90	-
	Audit fees	4(a)	15	-
	Directors' fees		34	-
	Other operating expenses		1,370	-
			1,509	-

4(a)	Remuneration of auditors		2016	2015
		Note	\$'000	\$'000
	Audit New Zealand			
	Audit of the financial statements		15	-
	Total	4	15	-

5	Income taxes		2016	2015
		Note	\$'000	\$'000
5(a)	Components of tax expense			
	Current tax expense/(income)		-	-
	Deferred tax expense/(income)		-	-
	Total tax expense/(income)		-	-
5(b)	Reconciliation of prima facie income tax:			
	Profit/(loss) before tax		(1,229)	-
	Tax at statutory rate of 28%		(344)	-
	Non-deductible expenses		344	-
	Tax loss not recognised as deferred tax asset		-	-
	Total tax expense/(income)		-	-

Costs associated with DCL's establishment phase have been treated as non-deductible, except to the extent that they have been able to recovered through invoicing the Council. Hence no tax losses have been recorded.

There are no timing differences of any significance (2015: \$Nil).

Imputation credits

No imputation credits are available for use in subsequent reporting periods (2015: nil).

Accounting policy - income tax

Income tax expense includes current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable surplus for the current year, plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted at balance date.

The tax currently payable is based on taxable profit for the reporting period. Taxable profit differs from profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items recognised directly in equity, in which case the tax is also recognised directly in equity.

7 | ASSETS AND LIABILITIES

6	Cash and cash equivalents		2016	2015
		Note	\$'000	\$'000
	Cash on hand and at bank		285	-
			285	-

All cash is held with Bank of New Zealand. The interest rate as at 30 June 2016 was 2.25% (2015: N/A).

Accounting policy - cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

7	Trade and other receivables		2016	2015
		Note	\$'000	\$'000
	Related party receivables		317	-
	Prepayments		30	-
	GST receivable		34	-
			381	-

Accounting policy - trade and other receivables

Trade and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Impairment of a receivable is established when there is objective evidence that the Company will not be able to collect amounts due according to the original terms of the receivable.

8	Investments		2016	2015
		Note	\$'000	\$'000
	Cost			
	Opening balance		-	-
	Equity investment during year		2,000	-
	Closing balance		2,000	-

Christchurch Adventure Park, currently under construction, has the ambition of becoming the pre-eminent mountain bike and adventure centre in the Southern Hemisphere. It has the potential to become an 'anchor' tourist attraction for Christchurch and stimulate economic activity across the local and South Island economies.

At the request of the Council, and after performing appropriate due diligence, DCL invested \$2m into Leisure Investments NZ Limited Partnership (LINZ LP). This investment was funded by a \$2m equity injection from CCHL.

The limited partners, through LINZ LP, have a proportionate interest in, and governance oversight over, Port Hills Leisure Ltd, the general partner, which leases the land and owns the assets being developed for the Christchurch Adventure Park. DCL's shareholding represents a 14.3% ownership interest. DCL has the right to appoint one director to LINZ LP.

Based on DCL's shareholding being less than 20%, and the terms of the Limited Partnership Agreement, it is not considered that LINZ LP is an associate within the meaning of PBE IPSAS 7 'Investments in Associates'.

Financial projections for Christchurch Adventure Park indicate that the project will be profitable and financially sustainable. At balance date, the DCL board considered that there was no objective evidence that an impairment loss in respect of its investment had occurred.

Accounting policy – financial assets – investments in unquoted equity assets

Investments in unquoted equity assets are initially measured at fair value and subsequently measured at cost, less any provision for impairment.

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses shall not be reversed.

9	Property, plant & equipment		2016	2015
		Note	\$'000	\$'000
	Cost			
	Opening balance		-	-
	Additions (computers)		2	-
	Closing balance		2	-
	Depreciation			
	Opening balance		-	-
	Depreciation for year		-	-
	Closing balance		-	-
	Carrying amount		2	-

Accounting policy – property, plant and equipment

Property, plant and equipment asset classes currently comprise computer equipment and office fixtures and fittings. Assets are shown at cost less any accumulated depreciation and impairment losses.

Additions

The cost of an item is recognised as an asset only when it is probable that the future economic benefits or service potential associated with the item will flow to the Company and the cost of the item can be measured reliably.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in profit or loss.

Depreciation

Depreciation is provided on a straight-line basis at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows.

Fixtures and fittings:	10 years	10%
Computer equipment:	3 years	33%

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial period end.

Impairment of non-financial assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amounts might not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

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.

10	Creditors and other payables		2016	2015
		Note	\$'000	\$'000
	Trade payables and accrued expenses		390	-
	Employee entitlements		7	-
			397	-

Creditors and other payables are non-interest bearing and are normally settled on 30-day terms.

Accounting policies - creditors and other payables, employee entitlements and GST

Creditors and other payables

Creditors and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

Employee entitlements

Employee entitlements that the Company expects to be settled within 12 months of balance date are measured at undiscounted nominal values based on accrued entitlements at current rates of pay.

Goods and services tax

All items in the financial statements are presented exclusive of goods and services tax (GST), except for receivables and payables, which are presented on a GST-inclusive basis. Where GST is not recoverable as input tax, it is recognised as part of the related asset or expense.

8 | FINANCIAL RISK MANAGEMENT

8.1 | Financial Risk Management

The Company's activities expose it to a variety of financial instrument risks, including liquidity risk, interest rate risk and credit risk. The Company has a series of policies to manage the risks associated with financial instruments and seeks to minimise exposure from financial instruments. These policies do not allow any transactions that are speculative in nature to be entered into.

8.2 | Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty raising liquid funds to meet commitments as they fall due. To date the Company's primary mechanism for managing liquidity risk has been through issuing shares to CCHL to fund ongoing operations, and to invoice the Council for projects for which the Council has approved a specific budget. CCHL has also provided DCL with a letter of comfort that enables DCL to enter into medium to long term commitments.

The Council has provided in its most recent Annual Plan a mandate to CCHL to provide up to \$3m of funding per annum over the next five years, which will fund DCL's core operations. Additionally, a Memorandum of Understanding currently being progressed with the Council will assist in providing a framework for putting in place funding arrangements for future projects. It is intended to negotiate a formal funding agreement in the 2017 financial year.

In meeting its liquidity requirements, the Company maintains a target level of cash which is available within specified timeframes.

Contractual maturity analysis of financial liabilities

The following table analyses the Company's financial assets and liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows. The contractual undiscounted amounts are equal to the carrying amounts.

	Balance sheet	Contractual cash flows	Less than 1 year	1-2 years	2-5 years	5 years +
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
30 June 2016						
Cash, cash equivalents and deposits	285	285	285	-	-	-
Debtors and other receivables	351	351	351	-	-	-
Creditors and other payables	(397)	(397)	(397)	-	-	-
	239	239	239	-	-	-

All comparative 2015 figures are nil.

8.3 | Interest Rate Risk

Fair value interest rate risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate owing to changes in market interest rates. The Company's exposure to fair value interest rate risk is limited to its bank balances. Because these are not accounted for at fair value, fluctuations in interest rates do not have an impact on the profit/loss of the Company or the carrying amount of the financial instruments recognised in the statement of financial position.

Cash flow interest rate risk

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. At call cash deposits and borrowings (where applicable) at variable interest rates expose the Company to cash flow interest rate risk.

Sensitivity analysis

Given the relatively small size of cash holdings, a 100 basis point increase or decrease in interest rates would have had an insignificant impact on the results (2015: \$Nil).

8.4 | Credit Risk

Credit risk is the risk that a third party will default on its obligation to the Company, causing the Company to incur a loss. Credit risk arises in the Company from exposure to counterparties from trade and other receivables and cash deposits.

The Company invests surplus cash with major registered trading banks and limits exposure to any one institution.

The Company's maximum credit exposure for each class of financial instrument is represented by the total carrying amount of cash and cash equivalents (Note 6) and trade and other receivables (Note 7). There is no collateral held as security against these financial instruments and no instruments are overdue or impaired.

All receivables have been reviewed and are considered to be fully collectible.

9 | OTHER DISCLOSURES

9.1 | Share Capital

12	Share capital	Note	2016 \$'000	2015 \$'000
	Opening balance		-	-
	Shares issued to CCHL for:			
	Core funding		1,500	-
	Christchurch Adventure Park	8	2,000	-
	Closing balance		3,500	-

There were no costs associated with share issues (2015: nil).

Capital management

The Company's capital is its equity, which comprises retained earnings and share capital. Equity is represented by net assets. The Company manages its equity as a by-product of prudently managing revenues, expenses, assets, liabilities, investments and general financial dealings to ensure the Company effectively achieves its objectives and purpose, whilst remaining a going concern.

Accounting policy - equity instruments

An equity instrument is any contract that provides a residual interest in the assets of the Company after deducting the Company's liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of any direct issue costs.

Related Party Disclosures

Identification of related parties

CCHL is the 100% shareholder of DCL. The ultimate controlling entity is Christchurch City Council (CCC).

The Chairman of DCL, Bill Dwyer, is a director of:

- Regenerate Christchurch Ltd, an entity jointly owned by the Council and the Crown
- CCHL, the 100% owner of DCL
- Lyttelton Port Company Ltd, a subsidiary of CCHL.

During the course of its business, DCL has engaged with a number of group entities, including CCC, CCHL, Canterbury Development Corporation, Christchurch International Airport Ltd and Christchurch and Canterbury Tourism regarding the development of strategies and other operating matters.

9.2 | Significant transactions and balances with related entities

	Note	2016 \$'000	2015 \$'000
Transactions during year			
Shares issued to CCHL	(i)	3,500	-
Services purchased from CCHL	(ii)	47	-
Invoiced to CCC	(iii)	275	-
Services provided to CCC	(iv)	-	-
Balances at end of year			
Amounts owed by CCC	(v)	317	-

- (i) Shares issued to CCHL comprised \$1.5m for core funding, and \$2m to fund the investment in Canterbury Adventure Park (Note 8).
- (ii) Services purchased from CCHL relate to staff time. CCHL provided other facilities and services, such as accommodation, secretarial and information technology, to DCL at nil cost.
- (iii) DCL has invoiced CCC for \$275K (\$317K inc..GST) in relation to costs incurred in the 2016 financial year in respect of the New Brighton High level Implementation Plan, Saltwater Pool and Promenade projects.
- (iv) DCL performed a range of advisory and other services for the Council during the year. The cost of providing these services has been borne by the company for the 2016 financial year through utilising its establishment capital. Looking forward, DCL will receive funding of \$3m per annum for its core operations.
- (v) This represents the amount due from CCC in respect of the invoice for New Brighton costs referred to in (iii) above.

Other related party disclosures

DCL enters into various transactions with the Council and related Council organisations. These transactions occur within a normal supplier or client relationship on terms and conditions no more or less favourable than those that it is reasonable to expect DCL would have adopted if dealing with those entities at arms-length in the same circumstances. These have not been disclosed as related party transactions.

14	Reconciliation of profit to net cash operating flows		2016	2015
		Note	\$'000	\$'000
	Profit for the year		(1,229)	-
	Add/(less) non-cash items			
	Depreciation, amortisation and impairment expense	9	-	-
			-	-
	Add/(less) movement in working capital items			
	Debtors, prepayments and other current assets		(381)	-
	Creditors and other liabilities		397	-
			16	-
	Net cash used in operating activities		(1,213)	-

15	Classification of assets and liabilities		2016	2015
	Note		\$'000	\$'000
Loans and receivables				
Cash and cash equivalents	6		285	-
Trade and other receivables	7		381	-
			666	-
Financial liabilities measured at amortised cost				
Creditors and other payables	10		397	-
			397	-

9.3 | Performance against Statement of Intent targets

The company's Statement of Intent for the 2016 financial year set out a number of performance targets, achievement of which is set out in the following tables:

Strategic/Governance objectives

	Objective	Performance target 2015-2016	Achievement
1.	DCL maintains a strategic direction that is consistent with that of 100% shareholder Christchurch City Holdings Ltd (CCHL).	<p>DCL adopts plans and strategies that are consistent with the Council's requirements for CCTO's.</p> <p>DCL will submit a draft Sol for 2016/17 for approval to CCHL by 1 March 2016.</p> <p>DCL will provide a monthly update to CCHL and the Strategy & Finance Committee of the Council.</p>	<p>DCL has prepared a business plan which has been reviewed by and agreed in principle with CCHL.</p> <p>Achieved.</p>
2.	DCL keeps CCHL informed of all significant matters relating to DCL.	Major matters of urgency are reported to CCHL at the earliest opportunity.	There has been ongoing daily contact with CCHL throughout the year. DCL has a policy of reporting all significant matters to CCHL via the monthly board reports with urgent matters being reported immediately to the CE and Chair.
3.	Corporate governance procedures are appropriate, documented and reflect best practice.	The company's policies will be prepared and approved by the Board.	Appropriate policies have been developed and approved by the Board.
4.	Directors make an effective	CCHL will work with the Establishment Board to	CCHL, in consultation with the DCL Establishment Board, appointed a

	contribution to the DCL board, and their conduct is in accordance with generally accepted standards.	select and appoint permanent Directors ensuring appropriate skills are obtained.	permanent Board with effect from 13 June 2016.
8.	Management are targeted with the role of delivering on the objectives set for DCL.	The Board of Directors of DCL will appoint a CEO to ensure objectives are achieved.	The Board appointed Rob Hall as Chief Executive with effect from 30 May 2016.
9.	Management are tasked with working collaboratively with the Council and Crown entities.	<p>DCL will agree a common set of objectives with Regenerate Christchurch.</p> <p>DCL will agree a common set of objectives with the Council through the annual planning process.</p>	<p>The first joint agency (DCL, CCC, RC) workshop for New Brighton was held in June. A regular joint agency meeting has been set up to co-ordinate communications across all the regeneration entities.</p> <p>A Memorandum of Understanding is currently being negotiated between DCL and the Council. Regular meeting are held between the Chief Executives of the two entities.</p>

Financial and operational objectives

	Objective	Performance target	Achievement
1.	Financial Sustainability	<p>DCL will prepare and deliver on an approved operating budget through to June 2017.</p> <p>DCL will develop a sustainable financial model effective from 1 July 2017.</p>	<p>An operating budget was developed and approved by the Establishment Board.</p> <p>A long term financial model was developed during the year.</p>
2.	Development Management Services	DCL will develop a commercial strategy to support the implementation plan for New Brighton's commercial core.	DCL is developing a High Level Implementation Plan which will drive DCL's activities around New Brighton. A list of "quick-wins" has been developed in conjunction with key

		<p>DCL will submit a development agreement for Peterborough Quarter to Council for approval.</p> <p>DCL will deliver commercial advice around the procurement of the new Lichfield Street Car Park and car parks generally.</p> <p>DCL will work with Council and CCHL to identify and evaluate a pipeline of potential development opportunities that enhance the economic wellbeing of the city.</p>	<p>stakeholders and is currently being implemented.</p> <p>DCL continues to advance the Promenade Feasibility project and New Brighton Legacy project (heated saltwater pool)</p> <p>A strategy for regeneration of the commercial core is being developed.</p> <p>A Stakeholder Engagement Implementation Plan for New Brighton has been drafted.</p> <p>DCL has requested early engagement with Regenerate Christchurch in regard to linking its work-streams with the development of a regeneration plan for the wider New Brighton Area.</p> <p>DCL is actively engaging with Community Groups and business units within Council to ensure effective implementation of both Council and DCL's work programme.</p> <p>An MOU is being developed between DCL and the preferred purchaser. The Development Agreement is scheduled for completion prior to December 2016.</p> <p>DCL has provided the Council with commercial advice around the Lichfield St car park. A business case for car parking in the south west quadrant of the CBD is being developed. A business case for car parking north of the square is also under development. The provision of general advice is ongoing.</p> <p>Development opportunities have been and will continue to be identified.</p>
3.	Investor Relations	DCL will work with Council and CDC, and RC in	As part of its mandate to act as a "single front door for investment" DCL

		<p>developing an 'Investor Ready City' strategy.</p> <p>DCL will develop an engagement framework to facilitate new investors and provide an effective point of engagement.</p>	<p>is facilitating the development of a city wide strategy that enables Christchurch to present itself to a wide range of investors as an "investor ready" city.</p> <p>DCL will work with RC and CDC in developing this framework and expand it to include other entities over time.</p> <p>This strategy will likely to be expanded to include the Precinct Strategy, which is anticipated to be led by Regenerate Christchurch.</p> <p>DCL has developed an Engagement Framework and Media Strategy and is now focused on the implementation of both.</p> <p>Engagement Plans for New Brighton and Peterborough Quarter have been developed.</p>
4.	Strategic Advice	<p>DCL will provide strategic advice to Council on matters relating to the establishment of Regenerate Christchurch (RC).</p> <p>DCL will provide strategic advice to Council on matters relating to public-private partnerships for property development.</p> <p>DCL will provide strategic advice to Council on how to facilitate developments and investment that deliver greater economic and residential density.</p>	<p>The Chair of DCL has engaged regularly with the Chair of RC regarding the alignment of objectives and activities.</p> <p>DCL has provided advice to Council around the Peterborough Quarter and other sites on the list of Council-owned land holdings. Two sites have been identified as worthy of further exploration for potential developments with the private sector.</p> <p>Advice has been provided on the Peterborough Quarter. Advice on additional projects/ opportunities will continue in FY17.</p>
5.	Operational Excellence	<p>DCL will develop an effective prioritisation framework.</p>	<p>This will be completed in the 2017 financial year.</p>

		<p>DCL will develop an effective working relationship with Council and Regenerate Christchurch.</p> <p>DCL will achieve a high level of satisfaction from those stakeholders that it has engaged with.</p> <p>DCL will develop a set of key development and investment metrics that will guide its future performance.</p>	<p>Completed – see above. Will be an ongoing focus.</p> <p>A process to assess the level of satisfaction will be developed in the 2017 financial year.</p> <p>This will be completed in the 2017 financial year.</p>
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17 Capital and operating lease commitments

Capital commitments

Nil (2015: Nil).

Operating lease commitments

There were no operating lease commitments as at balance date.

18 Contingent liabilities and assets

DCL had no contingent liabilities or assets as at 30 June 2016 (2015: \$nil).

19 Events after the balance sheet date

There were no significant events after the balance date requiring disclosure or adjustment in these financial statements.

10 | STATEMENT OF ACCOUNTING POLICIES

20 Statement of accounting policies

Reporting entity

The reporting entity is Development Christchurch Ltd (DCL or the Company). It was incorporated on 22 January 2008 as CCHL 6 Ltd, and remained a non-trading company until 3 July 2015 when it changed its name to Development Christchurch Ltd and commenced operations from that date. DCL is a limited liability company incorporated in New Zealand under the Companies Act 1993, and is a public benefit entity.

DCL is a wholly-owned subsidiary of Christchurch City Holdings Ltd, itself a wholly owned subsidiary of Christchurch City Council.

These financial statements were approved by the Board of Directors on 12 August 2016.

Statement of compliance

The financial statements of the Company have been prepared in accordance with New Zealand generally accepted accounting practice (Public Benefit Entity International Public Sector Accounting Standards).

The financial statements have been prepared in accordance with Tier 2 Public Benefit Entity Standards and disclosure concessions have been applied. The Company is eligible to report in accordance with Tier 2 Standards on the basis that it does not have public accountability and is not a large for-profit public sector entity.

Basis of preparation

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

Functional and presentation currency

The financial statements are presented in New Zealand dollars, and all values are rounded to the nearest one thousand dollars (\$000). The functional currency of the Company is New Zealand dollars.

Accounting policies

Accounting policies are included in the individual notes to the financial statements, as follows:

	Note		Note
Property, plant & equipment	9	Trade and other receivables	7
Operating revenue	3	Creditors and other payables	10
Operating costs	4	Share capital	12
Income taxes	5	Classification of assets and liabilities	15
Cash and cash equivalents	6		

Changes in accounting policies and disclosures

There have been no changes in accounting policies. All policies have been applied on bases consistent with the prior year.

11 | Statutory Information

11.1 | Principal activities

The principal activity of DCL is providing high-quality advice and services to Christchurch City Council across three areas - Strategic Advice; Development Management; and Engagement and Investor Relations.

11.2 | Directors' interests

DCL maintains an interests register in which particulars of certain transactions and matters involving the directors are recorded. These are requirements under the Companies Act 1993. The following entries were recorded in the interests register during the year ended 30 June 2016.

Director	Directors' Interests
Bill Dwyer (Chairman)	Director - Christchurch City Holdings Ltd Director - Lyttelton Port Company Ltd Director- Coconut Culture Ltd Director - Ten Star Homes Ltd Director - Regenerate Christchurch Ltd Trustee - Wavetree Trust
Jane Gregg (appointed 13 June 2016)	Executive Director - Life in Vacant Spaces Charitable Trust Trustee and Co-Chair - Christchurch Arts Festival Trust Trustee - Arts Circus Charitable Trust Part owner - Terraforma Stonemasonry and Landscape Design Ltd
Peter Houghton (appointed 13 June 2016)	Member - Financial Advisers Disciplinary Committee

Fiona Mules (appointed 13 June 2016)	Director - Soundgarden Holdings Ltd Director - Garsington Investments Ltd Member - National Infrastructure Advisory Board (effective 1 August 2016) Member - Tāmaki Redevelopment Company Ltd - Large Scale Procurement Steering Group
Darren Wright (appointed 13 June 2016)	Director - Wright Consulting Ltd Director - Land Company Holdings Ltd Director - UW Ltd Director - Full Circle Management Ltd Trustee - Committee for Canterbury Chair - Residential Advisory Service
Bruce Irvine (retired 13 June 2016)	Chair - Christchurch City Holdings Ltd Director - Heartland Bank Ltd Director - Godfrey Hirst Ltd; Godfrey Hirst Australia & subsidiaries Director - House of Travel Holdings Ltd Director - PGG Wrightson Director - MG Marketing Ltd subsidiaries Director - Rakon Ltd Director - Scenic Circle Hotels Ltd Director - Skope Industries Ltd Trustee - Christchurch Symphony Trust
Bob Lineham (retired 13 June 2016)	Director - Red Bus Ltd Director - Local Government Finance Corp Ltd Appointed Committee Member - Canterbury District Health Board - Finance, Audit & Risk Committee Director - San Dona Olives Ltd

11.3 | Directors' remuneration (accrued)

	\$
Bill Dwyer (Chairman)	26,740
Jane Gregg	1,726
Peter Houghton	1,726
Fiona Mules	1,726
Darren Wright	1,726
Bruce Irvine (retired 13 June 2016)	-
Bob Lineham (retired 13 June 2016)	-

11.4 | Attendances during the 2016 financial year

		Board meetings
Permanent Board	Total meetings	-
Bill Dwyer (Chairman)		-
Jane Gregg (appointed 13 June 2016)		-
Peter Houghton (appointed 13 June 2016)		-
Fiona Mules (appointed 13 June 2016)		-
Darren Wright (appointed 13 June 2016)		-
Establishment Board	Total meetings	7
Bill Dwyer (Chairman from 11 March 2016)		7
Bruce Irvine (Chair until 11 March 2016, retired 13 June 2016))		6
Bob Lineham (retired 13 June 2016)		7

11.5 | Employee remuneration

During the year ended 30 June 2016, no employee received compensation or other benefits exceeding \$100,000.

11.6 | Insurance

The Company has effected Directors' and Officers' Liability insurance. The Company indemnifies the Directors against costs and liabilities incurred by Directors for acts or omissions made in their capacity as Directors to the extent permitted by the Company's Constitution and the Companies Act 1993.

11.7 | Donations

No donations were made during the year.

11.8 | Dividends

No dividends were paid during the year.

12 | Directory

Shareholder

Christchurch City Holdings Ltd

Location and Registered Office

Level 1, 3M Building
82 Peterborough St
Christchurch 8013.
New Zealand
Web: www.dcl.org.nz
Email: info@dcl.org.nz
Phone: 03 941 5992

Auditor

The Auditor-General is the auditor pursuant to section 14 of the Public Audit Act 2001. Julian Tan of Audit New Zealand was appointed to perform the audit on behalf of the Auditor-General.

Banker

Bank of New Zealand

Legal advisers

Buddle Findlay
Chapman Tripp

Financial advisers

KPMG
PricewaterhouseCoopers

Independent Auditor's Report**To the readers of
Development Christchurch Limited's
financial statements and performance statement
for the year ended 30 June 2016**

The Auditor-General is the auditor of Development Christchurch Limited (the company). The Auditor-General has appointed me, Julian Tan, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and the performance statement of the company, on her behalf.

Opinion on the financial statements and the performance statement

We have audited:

- the financial statements of the company on pages 6 to 24, that comprise the statement of financial position as at 30 June 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the performance statement of the company on pages 20 to 23.

In our opinion:

- the financial statements of the company:
 - present fairly, in all material respects:
 - the financial position as at 30 June 2016; and
 - the financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand and have been prepared in accordance with Public Benefit Entity Standards Reduced Disclosure Regime.
- the performance statement of the company presents fairly, in all material respects, the achievements measured against the performance targets adopted for the year ended 30 June 2016.

Our audit was completed on 12 August 2016. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Board of Directors and our responsibilities, and explain our independence.

Basis of opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the financial statements and the performance statement are free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the financial statements and the performance statement. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements and in the performance statement. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements and the performance statement, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the preparation of the company's financial statements and performance statement 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 company's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Board of Directors;
- the adequacy of the disclosures in the financial statements and in the performance information; and
- the overall presentation of the financial statements and the performance information.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and the performance information. Also, we did not evaluate the security and controls over the electronic publication of the financial statements and the performance statement.

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

Responsibilities of the Board of Directors

The Board of Directors is responsible for the preparation and fair presentation of financial statements for the company that comply with generally accepted accounting practice in New Zealand and Public Benefit Entity Standards Reduced Disclosure Regime. The Board of Directors is also responsible for preparation of the performance statement for the company.

The Board of Directors' responsibilities arise from the Local Government Act 2002.

The Board of Directors is responsible for such internal control as it determines is necessary to enable the preparation of financial statements and performance statement that are free from

material misstatement, whether due to fraud or error. The Board of Directors is also responsible for the publication of the financial statements and the performance statement, whether in printed or electronic form.

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the financial statements and the performance statement and reporting that opinion to you based on our audit. Our responsibility arises from section 15 of the Public Audit Act 2001.

Independence

When carrying out the audit, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board.

Other than the audit, we have no relationship with or interests in the company.

A handwritten signature in dark ink, appearing to read 'Julian Tan'. The signature is fluid and cursive, with the first name 'Julian' and the last name 'Tan' clearly distinguishable.

Julian Tan
Audit New Zealand
On behalf of the Auditor-General
Christchurch, New Zealand

DCL

Development Christchurch Ltd.

