

## Independent Auditor's Report

### To the readers of Te Kaha Project Delivery Limited's financial statements and performance information for the year ended 30 June 2022

The Auditor-General is the auditor of Te Kaha Project Delivery Limited (the company). The Auditor-General has appointed me, Chantelle Gernetzky, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and performance information of the company on his behalf.

### Opinion

We have audited:

- the financial statements of the company on pages 2 to 5 and 13 to 21, that comprise the statement of financial position as at 30 June 2022, the statement of comprehensive revenue and expenses, statement of movement 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 information of the company on pages 6 to 12.

In our opinion:

- the financial statements of the company on pages 2 to 5 and 13 to 21:
  - present fairly, in all material respects:
    - its financial position as at 30 June 2022; and
    - its financial performance and cash flows for the year then ended; and
  - comply with generally accepted accounting practice in New Zealand in accordance with the Public Benefit Entity Reporting Standards; and
- the performance information of the company on pages 6 to 12 presents fairly, in all material respects, the company's actual performance compared against the performance targets and other measures by which performance was judged in relation to the company's objectives for the year ended 30 June 2022.

Our audit was completed on 2 October 2023. This is the date at which our opinion is expressed.

The basis for our opinion is explained below and we draw attention to the fact that no forecast financial statements were presented for comparison with historical financial statements. In addition, we outline the responsibilities of the Board of Directors and our responsibilities relating to the financial statements and the performance information, we comment on other information, and we explain our independence.

## **Other matter - Comparison of forecast financial statements with historical financial statements**

Without modifying our opinion, we draw attention to the fact that the company did not include forecast financial statements in its 2021/22 statement of intent, as required by the Local Government Act 2002. As a result, no comparison of the forecast financial statements with the historical financial statements was presented in the annual report.

### ***Our audit was completed late***

Our audit was completed on 2 October 2023. This is the date at which our opinion is expressed. We acknowledge that our audit was completed later than required by section 67(5) of the Local Government Act 2002. This was due to an auditor shortage in New Zealand and the consequential effects of Covid-19, including lockdowns.

## **Basis for our opinion**

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

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

## **Responsibilities of the Board of Directors for the financial statements and the performance information**

The Board of Directors is responsible on behalf of the company for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Board of Directors is also responsible for preparing the performance information for the company.

The Board of Directors is responsible for such internal control as it determines is necessary to enable it to prepare financial statements and performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the performance information, the Board of Directors is responsible on behalf of the company for assessing the company's ability to continue as a going concern. The Board of Directors is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Board of Directors intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

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

## **Responsibilities of the auditor for the audit of the financial statements and the performance information**

Our objectives are to obtain reasonable assurance about whether the financial statements and the performance information, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of these financial statements and the performance information.

For the performance targets reported in the performance information, our procedures were limited to checking that the information agreed to the company's statement of intent.

We did not evaluate the security and controls over the electronic publication of the financial statements and the performance information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements and the performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit 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.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- We evaluate the appropriateness of the reported performance information within the company's framework for reporting its performance.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the performance information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

## **Other Information**

The Board of Directors is responsible for the other information. The other information comprises the information included on page 1 but does not include the financial statements and the performance information, and our auditor's report thereon.

Our opinion on the financial statements and the performance information does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements and the performance information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the performance information or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Independence**

We are independent of the company in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners*, issued by the New Zealand Auditing and Assurance Standards Board.

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



Chantelle Gernetzky  
Audit New Zealand  
On behalf of the Auditor-General  
Christchurch, New Zealand  
2 October 2023

# Te Kaha Project Delivery Limited

(Formerly CMUA Project Delivery Limited)

Financial Statements - 2022

Registered Office	53 Hereford Street Christchurch
Directors	Richard Peebles Stephen Reindler Barry Bragg Wynton Cox Jane Huria Susan McCormack (Ex- Directors) Murray Strong (Ex- Directors)
Chief Executive	David Kennedy
Bankers	Bank of New Zealand
Auditors	Audit New Zealand on behalf of the Auditor General Christchurch

**Te Kaha Project Delivery Limited**  
Statement of Comprehensive Revenue and Expenses  
For the period ended 30 June 2022

		<b>Actual</b>	<b>Actual</b>
		<b>2022</b>	<b>2021</b>
	Notes		
<b>Revenue</b>			
Grants - Governance & Early Works		487,095	327,462
<b>Total revenue</b>		<b>487,095</b>	<b>327,462</b>
<b>Expenses</b>			
Consultants Fees		21,194	64,191
Management services		-	4,000
Audit fee		-	8,844
Insurance		10,000	6,356
Recruitment Fees		-	48,349
Legal Fees		14,501	26,733
Staff Travel		4,911	5,736
Service Contracts (Director Fees)	5(b)	195,660	163,034
Sundry expenses		27	221
Service Contracts (Chief Executive)	5(b)	240,800	
<b>Total expenses</b>		<b>487,093</b>	<b>327,464</b>
Surplus / (deficit) before tax		<b>2</b>	<b>(2)</b>
Tax expenses		-	-
Surplus / (deficit) after tax		<b>2</b>	<b>(2)</b>
<b>Total comprehensive revenue and expense</b>		<b>2</b>	<b>(2)</b>

The accompanying notes form part of and are to read in conjunction with these financial statements.

# Te Kaha Project Delivery Limited

## Statement of Movement in Equity

For the period ended 30 June 2022

	Notes	Actual 2022	Actual 2021
Opening equity (1 July 2021)		(2)	-
Accumulated Profit/ (Losses)		2	(2)
Closing equity (30 June 2022)		<u>(0)</u>	<u>(2)</u>

The accompanying notes form part of and are to read in conjunction with these financial statements.



# Te Kaha Project Delivery Limited

## Statement of Financial Position

As at 30 June 2022

	Notes	Actual 2022	Actual 2021
<b><u>Current assets</u></b>			
Bank		-	-
Receivables		324,238	78,244
Total current assets		<u>324,238</u>	<u>78,244</u>
<b>Total assets</b>		<b><u>324,238</u></b>	<b><u>78,244</u></b>
<b><u>Current Liabilities</u></b>			
Bank overdraft		-	2
Payables		324,238	78,244
Total current Liabilities		<u>324,238</u>	<u>78,246</u>
<b>Total liabilities</b>		<b><u>324,238</u></b>	<b><u>78,246</u></b>
<b>Net Assets</b>		<u>-</u>	<u>(2)</u>
<b><u>Equity</u></b>			
Accumulated losses		(0)	(2)
<b>Total equity</b>		<u>-</u>	<u>(2)</u>

Director

2 October 2023

Director

2 October 2023

The accompanying notes form part of and are to read in conjunction with these financial statements.

# Te Kaha Project Delivery Limited

## Statement of Cash flows

For the period ended 30 June 2022

	Actual 2022	Actual 2021
Notes		
<b><u>Cash flows from operating</u></b>		
Receipts from grants	241,101	258,982
Payments to employees		
Payments to suppliers	(241,101)	(258,984)
Total cash flows from operating	<u>-</u>	<u>(2)</u>
Net cash flows	<u>-</u>	<u>(2)</u>
Opening bank	-	-
Closing bank	<u>-</u>	<u>(2)</u>

The accompanying notes form part of and are to read in conjunction with these financial statements.

# Te Kaha Project Delivery Limited

## Statement of Service Performance

For the period ended 30 June 2022

### Performance Measures/Targets

Objective and Strategy	Performance Measure 2021/22	Performance 2021/22
Reporting to Shareholder	Meet all Local Government Act (LGA) and Council reporting deadlines.	- Not achieved. - Te Kaha Project Delivery Limited was required under section 67(5) of the Local Government Act 2002 to complete its audited financial statements and service performance information by 30 November 2022. This timeframe was not met due to delay in audit.
Value-add opportunities identified, assessed, and harnessed	Establish register of interests to coordinate solicited and unsolicited opportunities of interest.	- Achieved. - The register of interests has been established to effectively manage both solicited and unsolicited opportunities of interest between relevant project partners including Venues Ōtautahi (VŌ), BESIX Watpac (the Design & Construct Contractor), Christchurch City Council (CCC), and the Project Team are actively engaged. Venues Ōtautahi (VŌ) takes the lead in investigating these opportunities of interest and coordinating with the involved parties.

Objective and Strategy	Performance Measure 2021/22	Performance 2021/22
Close engagement of CMUA Project Delivery Board in design	Future proof the venue within the project cost envelope, to ensure it is fit for purpose for a changing event landscape.	<p>- Achieved.</p> <p>- The Design &amp; Construct (D&amp;C) Contractor has been engaged to deliver a facility that aligns with the intended purpose, considering and making provisions for a diverse range of future events, including eSports, while staying within the project cost envelope. Venues Ōtautahi (VŌ) and Christchurch City Council (CCC) have actively participated throughout the design approval stages, contributing to the decision-making process. The project's initiation included ground improvement efforts by the end of 2022. Detailed design work was concluded in 31 March 2023, with a comprehensive design review mechanism in place.</p>
Project Management Plan (PMP) developed, and alignment maintained	PMP from project inception to completion developed.	<p>- Not achieved</p> <p>- Project Management Plan (PMP) is now changed to Project Execution Plan (PEP), which will continue to be drafted and developed during the D&amp;C contract phase and is expected to be finalised and approved by the Board in the 2023.</p>
Procurement and Contract Management	100% compliance with relevant legislation, the Council procurement policies, and codes of practice.	<p>- Achieved.</p> <p>- All procurement was compliant with relevant legislation, the Council procurement policies, and codes of practice. All procurements were managed or approved by CCC Procurement.</p>
Management of Project Programme	PCSA - report against programme and 50% probability and 85% probability position.	<p>- Achieved.</p> <p>- Regular updates on the program's D&amp;C Contractor and the consultant team. The program's performance was reviewed during all monthly Te Kaha Project Delivery Limited Board meetings, aligning with the parameters of the Pre-Contract Services Agreement (PCSA).</p>

Objective and Strategy	Performance Measure 2021/22	Performance 2021/22
<p>Provision of information to support the Council's Formal Assurance (CFA) points</p>	<p>Aligned with CFA points.</p>	<p>- Achieved            - To fulfill the Council's Formal Assurance (CFA) criteria, the objective was met successfully. This involved securing Council approval for all significant project decisions, which encompassed aspects like project scope, budget, and the endorsement of the PCSA, Preliminary, and Developed Designs. Regular updates about the Te Kaha project were consistently shared with the Council's Finance &amp; Performance Committee. Notably, reporting on the D&amp;C Contract and any additional budget requirements was carried out before the Council on July 14, 2022. During Board meetings, advisors from CCC were also present. It's important to emphasize that obtaining Council's Formal Assurance remains a prerequisite before proceeding with the acceptance of the Design &amp; Construct Contract.</p>
<p>Stage Gate reviews completed</p>	<p>Stage Gate reviews completed and recommendations addressed.</p>	<p>- Achieved.            - Peter Neven was appointed as Independent Assurance Expert to help achieving this objective. In alignment with the Funding Agreement with the Crown, obtaining Treasury's approval for Assurance Point 2 (Final Procurement Assurance) and Assurance Point 3 (Developed Design Project Plans Assurance) was a prerequisite Stage Gate prior to entering into the Design &amp; Construct Contract. Both of these Assurance Points were successfully achieved. The subsequent Stage Gate review will focus on Readiness for Service, which is conducted before the opening of the venue.</p>

Objective and Strategy	Performance Measure 2021/22	Performance 2021/22
The TKP is delivered on or below budget	PCSA contract within approved budget.	- Not Achieved. - The PCSA phase remained in progress and was only concluded and approved on 11 August 2022, coinciding with the execution of the D&C Contract. It is important to emphasised that additional budget was required, which was consequently approved.
Capital expenditure decisions optimise capital budget and long-term whole-of-life costs (ie being the measure of resilience). Operational costs and other matters duly considered	Capital and whole of life costs optimised. Operational implications considered.	-No Achieved -VŌ have completed whole-of-life cost assessment which will be presented to Council in July 2022 as part of the D&C contract recommendation.
Support any efforts by Council or Venues Ōtautahi opportunities for third party contributions, including other funding partners and sponsors	Third party funding opportunities supported.	- Achieved - TKP actively provided support to Council or VO in efforts to obtained third party contributions, including other funding partners and sponsors, by.....(provide example of support given)
Clear sustainability standards developed for the project during the PCSA and D&C phases	Develop and implement a sustainability strategy.	- Not Achieved. - Sustainability strategy is still currently being developed with the D&C Contractor and is expected to be finalised in .....(insert estimated date).... It will be designed with KPIs and reporting formats which will be reported monthly to the Board meetings.
Framework for health, safety, and wellness is implemented to ensure all involved directly or indirectly with the project are kept safe and well	Health, safety, and wellness framework established and implemented.	- Achieved. - The Health, safety, and wellness framework was established and implemented during the Early Works Phase. The Health, safety, and wellness framework for D&C phase is actively under development following contractor's appointment in July 2022.

Objective and Strategy	Performance Measure 2021/22	Performance 2021/22
Critical hazards are managed effectively.	A programme of critical risk inspections is designed to ensure critical controls are in place and are effective.	<ul style="list-style-type: none"> <li>- Achieved.</li> <li>- Site Specific Safety Plan (SSSP) received and approved by Board.</li> <li>- Project Team to agree Critical Risk activities and monitor and report to Board monthly. Critical Risk activities will commence after the project Design &amp; Construct Contract is executed and the project commences.</li> </ul>
Baseline lag indicators are monitored to ensure safety for all	Baseline serious harm indicators developed.	<ul style="list-style-type: none"> <li>- Not Achieved.</li> <li>- Indicators is still currently being developed as part of the D&amp;C Contractor's Health and Safety Plan and is expected to be finalised by 30 September 2022.</li> </ul>
	Baseline Total Recordable Injury Frequency Rate indicators developed	Indicators being developed as part of the D&C Contractor's Health and Safety Plan.
Shareholder informed of major issues as soon as practical. The major issues being project status against major milestones, high value opportunities, and high consequence risks.	100% compliance with reporting requirements outlined in SOI and major issues are raised on a no surprises basis	<ul style="list-style-type: none"> <li>- Achieved.</li> <li>- In compliance with all of the CCC's reporting requirements as outlined in the SOI.</li> <li>- Regular monthly Board and Board Committee meetings as required with reporting and minutes. Shareholder included in reporting and Board meetings.</li> <li>- Reporting is undertaken to shareholder on major consequential risks on a "no surprises" basis if likelihood or consequence escalates.</li> </ul>
Council, Venues Ōtautahi and Key User	Factual updates provided, within agreed timeframes, to all significant stakeholders in the project.	<ul style="list-style-type: none"> <li>-Achieved.</li> <li>-Factual updates regularly provided to monthly Board and Board Committee meetings as required, including VŌ and CCC. VŌ responsible for leading liaison with significant key user stakeholders and keeping them informed as required. Te Kaha Project Delivery leading neighbour consultation, mana whenua consultation and general community updates as required.</li> </ul>

Objective and Strategy	Performance Measure 2021/22	Performance 2021/22
Engaging with the community taking into account its diversity and the need for inclusion of a wide variety of people with various needs.	Develop integrated communications and community engagement strategy.	- Not Achieved. - Community engagement plan is still currently being developed and is expected to be finalised when works commence under the Design & Construct Contract.
Cultural connection	Work with Ngāi Tūāhuriri to appropriately recognize Te Kaharoa	- Achieved. - Ngāi Tūāhuriri providing cultural advice and cultural narrative to project. They have appointed an artist to work with the Project Team to provide all cultural advice. Monthly updates reported to Project Team and Board. - Narrative is still being developed and includes feature artwork, façade and seating treatment, as well as signage and other cultural opportunities in the Te Kaharoa external realm. - Ngāi Tūāhuriri have gifted the names Te Kaha and Te Kaharoa to the project, which have been adopted by the Council.
Project managed to budget, time and quality	Council approval of PCSA. Project managed to budget, time and quality.	Not Achieved. Project being managed to budget, time and quality. Council approved PCSA. D&C Contract/additional budget required to Council on 14 July 2022.
Venues Ōtautahi signs off on the design as being fit for operator's purpose	Venues Ōtautahi signs off design.	- Not Achieved - The target of Venues Ōtautahi signing off on the design was not achieved within FY2021/22. However, Venues Ōtautahi was involved in all stages of design approval, and they formally signed off on the design on 31 March 2023. The project team worked closely with Venues Ōtautahi throughout the design process to ensure that their needs were met. Venues Ōtautahi provided valuable feedback on the design, which helped to improve the overall quality of the project.



Objective and Strategy	Performance Measure 2021/22	Performance 2021/22
TKP reflects the cultural narrative of our city	Engage with Matapopore to ensure cultural narrative incorporated into design.	- Achieved. - Ngāi Tūāhuriri took over the responsibilities previously allocated to Matapopore. - The cultural advice and cultural narrative will continue to be incorporated into the Detailed Design Phase.
Project risk register is up to date and risks are actively managed (including financial, delivery and reputational risks)	Establish and implement risk framework. Risks are actively managed.	- Achieved - Risk framework have been established and implemented. Risks are being actively managed through monthly risk workshops and updates to the risk register and project QRA.
Where commercially viable local procurement of services and products	PCSA phase services and products procured locally.	- Achieved. - D&C Contractor procured local consultants where commercially viable for the PCSA phase and used local subcontractors and products for the Early Works. Targets for local procurement and Māori/Pasifika employment are being agreed with D&C Contractor for the D&C phase.

## Financial Information

SOI	Actual	Budget	Difference
FY2021/22 Operating Cost	246,293	290,439	44,146
FY2021/22 Contractor Labour Cost	135,914	135,914	-
FY2021/22 Project Director cost	104,886	104,886	-

Actual operating costs are lower than plan due to vacant period on a number of directors' position. The contract labour cost of the Te Kaha Project Delivery Limited were within the budget.

# Te Kaha Project Delivery Limited

## Notes to the financial statements

### 1 Accounting policies

#### Reporting Entity

These are the financial statements of Te Kaha Project Delivery Limited (the "Company").

The Company is registered under the Companies Act 1993 and is domiciled in New Zealand. The Company is a Council Controlled Organisation as defined by section 6 of the Local Government Act 2002.

The Company was established to deliver the development of the Te Kaha Multi Use Arena for the Council and is fully funded by Council.

Accordingly, the Company has designated itself as a public benefit entity for the purposes of New Zealand Financial Reporting Standards (NZ PBE). The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand (NZ GAAP). They comply with NZ PBE and other applicable financial reporting standards as appropriate for Tier 2 public benefit entities.

As the Company has elected to report under Tier 2 PBE standards, it has applied disclosure concessions, where available. The criteria under which the Company is eligible to report under Tier 2 PBE Standards are as follows:

- (a) the Company is not publicly accountable; and
- (b) the Company's total expenses for the period being reported are below the \$30 million threshold for Tier 1 reporting.

Where disclosure concessions have been applied by the Company, these are discussed in the accounting policies affected.

The financial statements of the Company have been prepared in accordance with the Companies Act 1993 and the Local Government Act 2002.

The financial statements of the Company are for the period ended 30 June 2022. The financial statements were authorised for issue by the Board of Directors on 2 October 2023.

#### Basis of financial statement preparation

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

The functional and presentation currency is New Zealand dollars.

#### Judgements, estimates and assumptions

In preparing these financial statements the Company has been required to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances. These estimates and assumptions form the basis for making judgements about

the carrying values of assets and liabilities, where these are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are regularly reviewed. Any change to estimates is recognised in the year if the change affects only that year, or into future years if it also affects future years. In the process of applying the Company's accounting policies, management has made the following judgements estimates and assumptions that have had the most significant impact on the amounts recognised in these financial statements.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

### Goods and Services Tax

The financial statements are prepared exclusive of GST with the exception of receivables and payables that are shown inclusive of GST. Where GST is not recoverable as an input tax it is recognised as part of the related asset or expense. The net amount of GST recoverable from, payable to, the Inland Revenue Department is included as part of receivables or payable in the statement of financial position.

### Use of Company Information

During the year, the Board received no notices from members or directors of Company requesting to use Company information received in their capacity as Members or Directors which would not otherwise have been available to them.

### Donations

There were no donations made by the Company during the year.

### Dividends

There have been no dividends declared for the year.

### Auditors

The Auditor-General is the auditor under Section 15 of the Public Audit Act 2001 and Section 70 of the Local Government Act 2002. Audit New Zealand has been appointed to provide these services on behalf of the Auditor-General.

### Going Concern

The financial statements are prepared on the basis of a going concern. The company is set up to deliver the development of Te Kaha Multi Use Arena. It is expected to end in 2026 after the planned opening of the Arena. The company is 100% funded by Christchurch City Council.

## 2 Specific Accounting Policies

### Grant revenue

Grants received from the Council are the primary source of funding to the Company and are restricted for the purpose of the Company meeting its governance objectives in line with the funding agreement with the Crown for the construction of the new Canterbury multi-use arena "Te Kaha". Council, Government and non-government grants are recognised as revenue when they become receivable unless there is an obligation to return the funds if conditions of the grant are

not met. If there is such an obligation, the grants are initially recorded as grant received in advance, and recognised as revenue when conditions of the grant are satisfied.

#### Remuneration of auditors

Audit New Zealand provided audit services and no other services.

#### Income taxes

The company is a member of the Christchurch City Council Tax Group.

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. The Company expects to recover its operating costs over the life of the project from the Christchurch City Council result in a breakeven position and no income tax to pay.

#### Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits, and other short-term highly liquid investments with maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows, and in current liabilities on the statement of financial position.

#### Trade and other receivables

Trade and other receivables are initially measured at fair value less any recognition of any expected credit loss over the life of the assets less any provision for impairment.

#### Trade and Other Payables

Trade and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method. They represent liabilities for goods and services received by the Company during and up to the end of the financial year and which remain unpaid as at balance date. The amounts are exclusive of GST.

#### Provisions

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

#### Share capital

Ordinary shares are classified as equity. The Company has no issued capital.

### 3 Commitments for expenditure

There were no commitments for expenditure that were not otherwise accrued at 30 June 2022. (2021: Nil).

## 4 Contingent liabilities and contingent assets

There were no contingent assets or contingent liabilities as at 30 June 2022. (2021: Nil)

## 5 Related-party transactions

### (a) Christchurch City Council

Council is the ultimate controlling party of the Company. The following transactions were carried out with related parties during the year:

The Company entered into a management services agreement with the Council to undertake accounting, payroll and other associated functions. The Company in 2021 reimbursed Council for the gross cost of the associated expenditure.

Pursuant to the management services, the position of Project Director, was seconded to the Christchurch City Council for part of the year. The Christchurch City Council makes payments to the employee directly and accounts for employee taxes and other obligations including superannuation, ACC and annual and sick leave provisions.

All transactions occurred on normal trading terms and conditions.

### (b) Key Management Personnel

All transactions occurred on normal trading terms and conditions.

Key management personnel includes the Directors, Project Director, and the Chief Executive Officer.

The Company paid Seven Directors fees of \$195,660 in the 2022 financial year (2021:\$163,034), Project Director Fees of \$104,886 in the 2022 financial year (2021:\$nil) and a Chief Executive Officer Fees of \$135,914 in the 2022 financial year (2021:\$nil).

	<b>Actual 2022</b>	<b>Actual 2021</b>
Key management personnel		
Strong, Murray Mr	3,226	75,000
McCormack, Susan	1,613	9,111
Bragg, Barry Mr	67,500	12,257
Peebles, Richard Mr	40,000	33,333
Reindler, Steven Mr	40,000	33,333
Cox, Wynton Gill	32,444	-
Huria, Jane Christine	10,877	-
Kristopher Thomas(Project Director)	104,886	-
David Kennedy (Chief Executive Officer)	135,914	-
<b>Total fees paid to key management personnel</b>	<b><u>436,460</u></b>	<b><u>163,034</u></b>

The Company paid advisory fees of \$4,222 Wynton Gill Cox in the 2022 financial year (2021: \$nil.).

(c) Audit Fee

From 2022 financial year onwards, Christchurch City Council pays Audit Fees on behalf of Te Kaha Project Delivery Limited. The audit fee for 2022 financial year is \$11,695.

## 6 Events after balance date

No Significant events after balance date

## 7. Director's Interests

The following Directors as at 30 June 2022 have made general disclosures of interest with respect to any transaction that may be entered into with certain organisations on the basis of their being a Director, Partner, Trustee or Officer of those organisations during the year:

Name	Role	Organisation	
STRONG, Murray Warren((Ex- Directors)	Director	The Open Polytechnic Of New Zealand Limited	Appointed 01 Apr 2020
	Director	Tai Poutini Polytechnic Limited	Appointed 01 Apr 2020
	Director	Te Pakenga Work Based Learning Limited	Appointed 20 Apr 2021
REINDLER, Stephen	Director	Z Energy 2015 Limited	Appointed 01 May 2017
	Director	Z Energy Limited	Appointed 01 May 2017
	Director	Ports Of Auckland Limited	Appointed 01 Nov 2021
	Director	Reindlerco Limited	Appointed 12 Nov 2008
	Director	D & H Steel Construction Limited	Appointed 13 Feb 2019
	Director	Clearwater Construction Limited	Appointed 13 Feb 2019
	Director	Te Kaha Project Delivery Limited	Appointed 25 Aug 2020
	Director	Steel & Tube Holdings Limited	Appointed 28 Aug 2017
	Shareholder	Reindlerco Limited	1% (Individually held)
Shareholder	RPL Accountants Limited	24% (Jointly held)	
Shareholder	Reindlerco Limited	98% (Jointly held)	
PEEBLES, Richard Scott	Director	181 High Limited	Appointed 02 Apr 2015
	Director	Montreal 248 Limited	Appointed 02 Aug 2013
	Director	Riverside Limited	Appointed 03 Apr 2017
	Director	Hawthorne 314 Limited	Appointed 03 Dec 2020
	Director	Clarence 90 Limited	Appointed 03 Jun 2021
	Director	Wilton Close 2021 Limited	Appointed 04 Jun 2021
	Director	VSK Investments Limited	Appointed 07 Mar 2012
	Director	7990 Limited	Appointed 11 Mar 2002
	Director	880 Main North Road Limited	Appointed 13 Apr 2012
	Director	Gasson Street Properties Limited	Appointed 15 Dec 2003
Director	Westbury Developments Limited	Appointed 16 Dec 2003	

Name	Role	Organisation	
	Director	Rolly Limited	Appointed 16 May 2012
	Director	Hereford 76 Limited	Appointed 16 Sep 2014
	Director	Nuttall Drive Limited	Appointed 17 Jul 2013
	Director	Peebles Group Limited	Appointed 17 Sep 1998
	Director	Grants Road Holdings Limited	Appointed 18 Dec 2009
	Director	Parkhouse Investments Limited	Appointed 20 Jan 2017
	Director	Duncans Lane Limited	Appointed 20 Jun 2016
	Director	Braeburn Property Limited	Appointed 22 Mar 2018
	Director	Te Kaha Project Delivery Limited	Appointed 25 Aug 2020
	Director	Riverside Collective Limited	Appointed 27 Sep 2019
	Director	Wainui Bay Limited	Appointed 31 Jan 2005
	Director	Cranford 484 Limited	Appointed 31 Jul 2009
	Shareholder	Parkhouse Investments Limited	50% (Jointly held)
	Shareholder	Cranford 484 Limited	65% (Jointly held)
	Shareholder	Grants Road Holdings Limited	51% (Individually held)
	Shareholder	Hawthorne 314 Limited	50% (Jointly held)
	Shareholder	Clarence 90 Limited	50% (Jointly held)
	Shareholder	Riverside Collective Limited	50% (Individually held)
	Shareholder	Westbury Developments Limited	33% (Individually held)
	Shareholder	Hereford 76 Limited	100% (Jointly held)
	Shareholder	Montreal 248 Limited	33% (Jointly held)
	Shareholder	South Island Commercial Limited	50% (Jointly held)
	Shareholder	R.P. Richardson Consultants Limited	18% (Jointly held)
	Shareholder	880 Main North Road Limited	66% (Jointly held)
	Shareholder	Rolly Limited	100% (Jointly held)
	Shareholder	7990 Limited	100% (Jointly held)
	Shareholder	Vsk Investments Limited	50% (Jointly held)
	Shareholder	Peebles Group Limited	100% (Jointly held)
	Shareholder		83% (Jointly held)
	Shareholder		25% (Individually held)
	Shareholder		17% (Individually held)
	Shareholder	Braeburn Property Limited	100% (Jointly held)
	Shareholder	Wilton Close 2021 Limited	100% (Jointly held)
	Shareholder	Gasson Street Properties Limited	50% (Jointly held)
	Shareholder		100% (Individually held)
BRAGG, Barry John	Director	Nuenz Limited	Appointed 01 Aug 2013
	Director	Stevenson Group Limited	Appointed 01 Feb 2014
	Director	Ngai Tahu Farming Limited	Appointed 01 Jul 2019
	Director	CRL Energy Company No 2 Limited	Appointed 04 Nov 2015
	Director	Ngai Tahu Forestry Limited	Appointed 06 Aug 2020
	Director	Ngai Tahu Wakatipu Holdings Limited	Appointed 06 Aug 2020
	Director	Proseed New Zealand Limited	Appointed 06 Aug 2020
	Director	Bragg Consulting Limited	Appointed 06 Dec 2012
	Director	Whata Tuatahi Gp Limited	Appointed 06 Jul 2021
	Director	Paenga Kupenga Limited	Appointed 09 Jun 2020
	Director	Te Kaha Project Delivery Limited	Appointed 11 Mar 2021
	Director	Quarry Capital Limited	Appointed 14 Dec 2018
	Director	Air Rescue Services Limited	Appointed 17 Dec 2002
	Director	Stevenson Holdings Limited	Appointed 17 Dec 2018
	Director	Verum Group Limited	Appointed 21 Jun 1996
	Director	Stevenson Mining Limited	Appointed 23 Feb 2018

Name	Role	Organisation	
	Director	Whitiora Centre Limited	Appointed 26 Jan 2022
	Director	Chicago Property Limited	Appointed 28 Nov 2017
	Shareholder	Bragg Consulting Limited	1% (Individually held) 98% (Jointly held)
	Shareholder	Chicago Property Limited	33% (Individually held)
	Shareholder	Mollett Lane Limited	8% (Jointly held)
	Shareholder	Farrell Commercial Construction Limited	8% (Individually held)
Cox, Wynton Gill	Director	BARLOW BROTHERS NZ LIMITED	Appointed 21 Nov 2005
	Director	ROBISON TRUSTEES COMPANY LIMITED	Appointed 13 Oct 2017
	Director	A.R. LOVETT TRUSTEES NO. 2 LIMITED	Appointed 16 May 2007
	Shareholder	A.R. LOVETT TRUSTEES NO. 2 LIMITED	100% (Individually held)
	Shareholder	SW HOLDINGS 2021 LIMITED	84% (Jointly held)
	Director	MT. CASS WALKWAY LIMITED	Appointed 11 May 2020
	Director	TIROMOANA STATION LIMITED	Appointed 11 May 2020
	Director	KATE VALLEY LIMITED	Appointed 11 May 2020
	Director	MT. CASS LIMITED	Appointed 25 May 2020
	Director	TIROMOANA BUSH WALKWAY LIMITED	Appointed 11 May 2020
	Director	TIROMOANA BUSH LIMITED	Appointed 11 May 2020
	Director	ELASTOMER PRODUCTS LIMITED	Appointed 16 Dec 1991
	Director	WAIMAKARIRI IRRIGATION LIMITED	Appointed 01 Jul 2020
	Director	VENUES OTAUTAHI LIMITED	Appointed 01 Sep 2021
	Director	MOTUS HEALTH LIMITED	Appointed 03 Feb 2015
	Shareholder	SOMERTON INVESTMENT HOLDINGS LIMITED	50% (Individually held)
	Director	INDEPENDENT FISHERIES LIMITED	Appointed 19 Dec 2006
	Director	FOODCO NEW ZEALAND LIMITED	Appointed 05 Jul 2022
	Director	J.A. LOVETT TRUSTEES NO. 2 LIMITED	Appointed 16 May 2007
	Shareholder	J.A. LOVETT TRUSTEES NO. 2 LIMITED	100% (Individually held)
	Director	TE KAHA PROJECT DELIVERY LIMITED	Appointed 09 Sep 2021
	Director	TRANSWASTE CANTERBURY LIMITED	Appointed 31 Mar 1999
	Director	NORTH CANTERBURY LAND HOLDINGS LIMITED	Appointed 06 Aug 2020
MCCORMAC K, Susan Mary Anna(Ex- Directors)	Shareholder	MML CONSULTING LIMITED	100% (Jointly held)
	Director	MML CONSULTING LIMITED (2165903)	Appointed 22 Sep 2008
	Director	KIWIRAIL HOLDINGS LIMITED	Appointed 22 May 2017
	Shareholder	SWIFTPOINT LIMITED	3% (Jointly held)
HURIA, Jane Christine	Director	NAYLOR LOVE ENTERPRISES LIMITED	Appointed 01 Nov 2013



Name	Role	Organisation	
KENNEDY, David Ian	Shareholder	RAWA HOHEPA LIMITED	25% (Individually held)
	Director	RAWA HOHEPA LIMITED	Appointed 15 Feb 2016
	Director	NAYLOR LOVE LIMITED	Appointed 01 Nov 2014
	Director	NAYLOR LOVE PROPERTIES LIMITED	Appointed 01 Nov 2014
	Director	NAYLOR LOVE CONSTRUCTION LIMITED	Appointed 01 Nov 2014
	Director	PEGASUS HEALTH	Appointed 31 Oct 2012
	Director	PAENGA KUPENGA LIMITED	Appointed 09 Jun 2020
	Director	TE KAHA PROJECT DELIVERY LIMITED	Appointed 24 Mar 2022
	Director	NAYLOR LOVE ENTERPRISES LIMITED (150975)(Registered)	Appointed 01 May 2021
	Director	HOUSING FOUNDATION LIMITED (1423765)(Registered)	Appointed 22 Mar 2021
	Director	GRANTLEY HOLDINGS LIMITED (1983269)(Registered)	Appointed 11 Sep 2007
	Shareholder	GRANTLEY HOLDINGS LIMITED (1983269)(Registered)	98% (Jointly held)
	Director	GOOD GENERAL PRACTICE LIMITED (1003050)(Registered)	Appointed 02 Dec 1999
	Director	NAYLOR LOVE PROPERTIES LIMITED (363722)(Registered)	Appointed 30 Jun 2021
	Director	NAYLOR LOVE LIMITED (3031980)(Registered)	Appointed 30 Jun 2021
	Director	NAYLOR LOVE CONSTRUCTION LIMITED (143203)(Registered)	Appointed 30 Jun 2021
	Director	HOUSING FOUNDATION NO.1 LIMITED (7365936)(Registered)	Appointed 22 Mar 2021
	Director	CATHEDRAL PROPERTY LIMITED (6101912)(Registered)	Appointed 08 Sep 2016
	Shareholder	CATHEDRAL PROPERTY LIMITED (6101912)(Registered)	50% (Individually held)
	Director	KA FEILDING SUB GP LIMITED (8388127)(Registered)	Appointed 13 Jun 2022
	Director	KA WAIMANAWA SUB GP LIMITED (8244082)(Registered)	Appointed 06 Oct 2021
	Director	KA WOOLSHED SUB GP LIMITED (8351901)(Registered)	Appointed 28 Apr 2022
	Director	EKE PANUKU DEVELOPMENT AUCKLAND LIMITED (3089645)(Registered)	Appointed 01 Nov 2017
Director	WESTHAVEN MARINA LIMITED (466634)(Registered)	Appointed 01 Apr 2022	
Director	KAHA AKE HEAD GP LIMITED (8242938)(Registered)	Appointed 05 Oct 2021	
Director	KA MATAMATA SUB GP LIMITED (8472590)(Registered)	Appointed 03 Oct 2022	
Director	BEACHLANDS SOUTH GP LIMITED (7958398)(Registered)	Appointed 01 Sep 2021	
THOMAS, Kristopher Mark	Shareholder	THOMAS AND PEARSON LIMITED (8157152)(Registered)	50% (Individually held)
	Director	THOMAS AND PEARSON LIMITED (8157152)(Registered)	Appointed 09 Aug 2021

## 8 Legislative compliance

Te Kaha Project Delivery Limited was required under section 67(5) of the Local Government Act 2002 to complete its audited financial statements and service performance information by 30 November 2022. This timeframe was not met due to delay in audit.