

Annual Report 2014 -2015

Supporting
People to
Create
Great
Lives



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VISION AND VALUES

‘Supporting People to Create Great Lives’

Values

Person Centred

Responsive to the person; individualised services and support that recognise the uniqueness of every person

Passion and Commitment

Creating and maintaining a high performance culture, where people are passionate about what they do

Partnership

Working successfully together with others, in particular families while valuing each other’s contribution

Pride in What we Do

A culture of continuous improvement is in place – proud to be part of the Brackenridge Team

CHAIRPERSON'S REPORT



What a difference a year makes in the journey to support people to have great lives at Brackenridge.

The past twelve months have seen the organisation move towards being sustainable, purposeful and more in touch with stakeholders. It has been heartening to see an Advisory Group of family members get together to work with the Board and Chief Executive Officer of Brackenridge on service development. Now a challenge is to get a group of clients together to do the same. This is because we recognise clients have individual needs and their future will be about offering them a range of support packages to meet their goals.

The Board and I have been pleased to attend BEL events, barbeques, sausage sizzles and family meetings among other activities over the year.

The Ministry of Health Issues Based Audit re-visit in April was successful and we received very positive feedback about services, system improvements and the way we support clients. Overall the auditors found that accountability had improved, systems and processes were more robust, and engagement with all

stakeholders was more active. In May 2015 Brackenridge received notification from the Ministry of Health that Brackenridge would return to a normal monitoring regime (confirmed in writing on 7 July 2015).

Sincere thanks go to Pip Stewart (Chief Executive Officer) and her staff, for their commitment to ensure Brackenridge is a key provider in the disability sector. A huge thanks also to the Canterbury DHB CEO David Meates and Management Team for their advice over the past 12 months.

My thanks to fellow Board Members for their wisdom and energy. In particular, I note that Mike Bourke stood down in December 2014 after 12 years on the Board. As a father of a client, he provided a real insight into providing opportunities for people at Brackenridge. We were pleased to be joined by Kath Fox in 2015 and value her input.

Looking forward the journey is about clients, staff and families and growing our capacity and capability to provide support to clients of any age and need through a range of services.

Jane Cartwright
Board Chair

CHIEF EXECUTIVE OFFICER'S REPORT



Brackenridge is committed to “Supporting People to Create Great Lives” and the Disability sector’s strategic direction to place Disabled People and self-determination at the forefront of our direction.

As the new Chief Executive Officer, I joined the organisation in August 2014 and we have worked hard to continue the journey of improvement through our transformational change programme. This builds upon the recommendations from the 2013 Issues Based Audit, developments in the Disability Sector together with the need for organisational consolidation, revitalisation and sustainability.

Core to this is placing the People we serve and their Families at the top of our organisational importance pyramid. In keeping with this we have established a Family Advisory Committee to provide additional advice and support, this group is in its formation stage and will play an important part as we consider future service developments. We continue to learn from the Enabling Good Lives demonstration pilot and are beginning to incorporate these learnings into our practice and service development activities.

Strategically we have prioritised consolidation and revitalisation focussing improvements across three interconnected domains of People, Service and Sustainability. Through this we seek to become a flourishing well respected

organisation with a stronger and more inclusive platform to better support the People we serve today and into the future.

Communication, relationships, organisational culture and a high quality and consistent workforce are all critical to our success. Over the year, our front line, service and senior leaders and managers have participated in learning and development programmes designed to equip them with enhanced communication and interpersonal skills. Our staff engagement survey was conducted at the end of 2014 and teams have worked to develop and implement improvement activities focussed on communication, reward and recognition and career growth.

Mindful of the saying “Culture trumps strategy, and quality trumps them all” we have embraced continuous quality improvement principles incorporating these into our service development activities. Additionally optimising a healthy and safe working environment is paramount in all that we do.

Strengthening finance and business support services has been a priority. Whilst remaining a subsidiary of the Canterbury District Health Board, we are increasingly becoming more autonomous whilst being most grateful for the excellent support provided by the DHB team. Within Brackenridge recent key appointments have brought accounting expertise in house enabling improved understanding of resource utilisation and leadership of systems change. This is also helping to

make progress with improving our financial sustainability, particularly important in the context of difficult times had over the last two years and in the rapidly changing external and contracting environments.

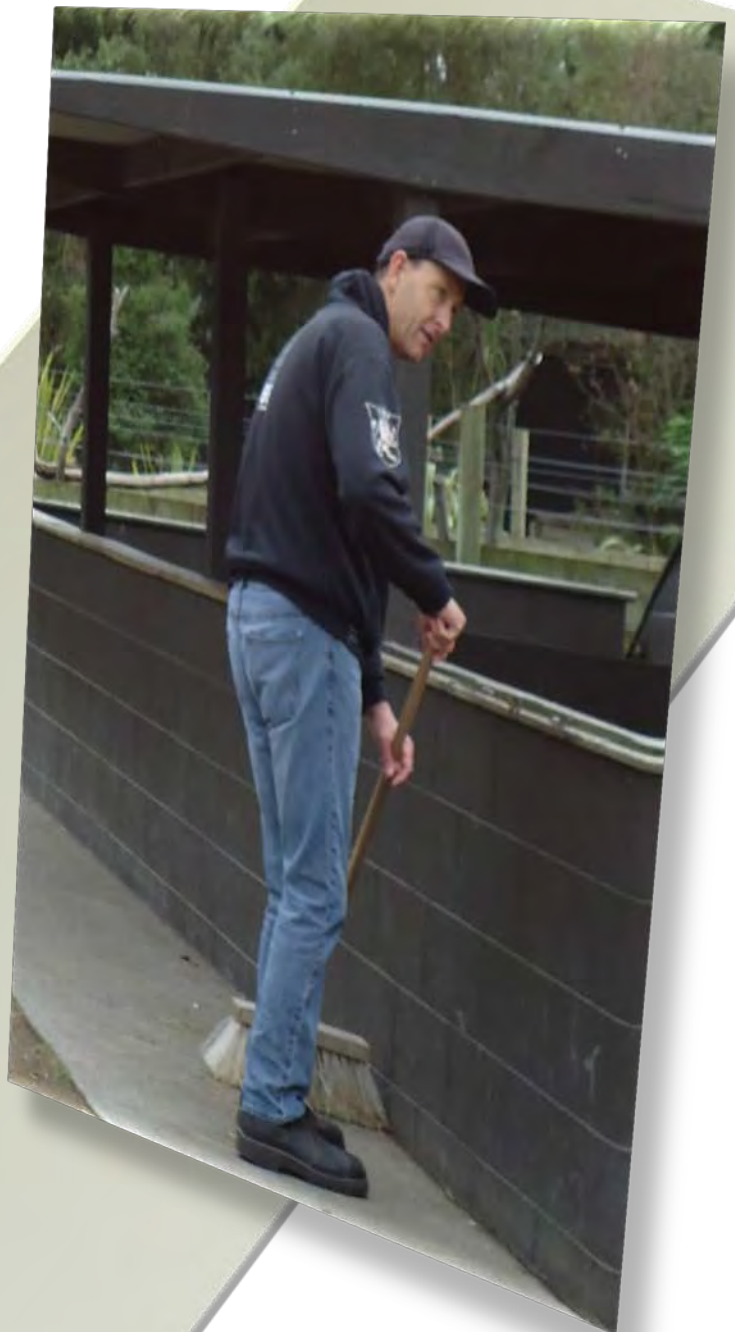
Most importantly, it is fantastic to see the People that we serve achieve the goals they have set for themselves over the last year. The many and varied activities and communities People are involved in is great testament to the great lives People are creating and living.

Overall, 2014/2015 has been a very busy year, characterised by People creating great lives, supported by an organisation undergoing much change with a collective commitment to continuous improvement. It has been very heartening to receive encouraging feedback about our progress from the People we serve and their families, our funders, our colleagues from across the disability, health and education sector and from each other.

We look forward to 2015/2016 with hope and optimism. Much is changing around us. Continuing our improvement journey, consolidating our gains, building and maintaining positive and collaborative relationships and networks, and being adaptive and nimble are all key to our future success.

We are committed to “Supporting People to Create Great Lives” and wish to thank you for your ongoing support, help and encouragement.

Pip Stewart
Chief Executive Officer



BOARD MEMBERS

The names and details of Brackenridge's Board Members in office during the financial year as follows.



Jane Cartwright (Chair) MBA, CMIInstD, NZRD, PGDipSci (Human Nutrition), BSc

Jane joined Brackenridge in February 2012.

Currently Jane is in a leadership role in local Government. She has held executive and senior roles in the health system and local government leading developments in community, mental and public health. She has substantial governance and operational experience.



Graeme McNally MCom (Hons), NZIM (Fellow)

Graeme joined Brackenridge in October 2009

Graeme has previously held positions as Dean of the Faculty of Commerce – University of Canterbury and a partner (management consulting) in Deloitte, an international accounting and financial services organisation.



Toni Gutschlag BSW(Hons)

Toni joined the Brackenridge Board in February 2013 as the Canterbury DHB appointee.

Currently Toni is the General Manager, Mental Health at Canterbury DHB.



Kath Fox MBA (Hons), MA (Hons), DipHealthAdmin

Kath joined Brackenridge in November 2014.

Kath brings to Brackenridge wide ranging governance, strategic and executive leadership experience, and a long commitment to working with organisations that promote strengths based practice and that support people to reach their potential.

Currently Kath is the Chief Executive Officer of Nazareth Care (Australasia).



Peter Ballanytne BCom CA

Peter joined Brackenridge in March 2014.

Formerly a partner in Deloitte he now acts in a consultancy role. He has experience in the aged care sector and has financial accounting and auditing experience. Peter is also Chair of the West Coast District Health Board and is a member of the University of Canterbury Council.

BRACKENRIDGE SERVICES

Brackenridge, a subsidiary company of the Canterbury District Health Board provides services to a wide range of People with learning disabilities aged from seven to sixty-five. Our services include 24-hour support for people living in residential homes throughout the Christchurch region, Respite care for children, young persons and adults, and vocational services.

Our services include:

Residential Services

Support services for People in 35 homes across Christchurch.

Adult Residential Services

Support services for adults living in accommodation services including the provision of specialist services supporting People with challenging behaviours, physical disabilities and / or high health needs.

Children and Young Persons Services

Support and specialist services for young people living in accommodation services offering a range of living options, and including the opportunity to participate in school holiday programme options

Respite Service

Residential support in two homes for young people, adults and their family who require specialist respite support services.

Vocational Service

Support for People to access Day and Vocational activities through individualised programmes that are community orientated and including microenterprises



FINANCIAL STATEMENTS

Disclosures and Statements

Board Members

Jane Cartwright - Chair

Peter Ballantyne – Acting chair until 31 August 2014

Toni Gutschlag

Graeme McNally

Kath Fox

Chief Executive

Jane Cartwright – Acting CEO from 1 March 2014 to 16 August 2014

Pip Stewart- CEO from 17 August 2014

Registered Office

The Princess Margaret Hospital

Level 2

93 Cashmere Road

Private Box 1600

Christchurch 8140

Auditor

Audit New Zealand on behalf of the Auditor-General

Banker

Westpac

Statutory Disclosures

Directors' Interests

The Directors have declared the following interests:

- Jane Cartwright Nurse Maude Association - Board member
Institute of Community Health Care - Board Manager
Christchurch Polytechnic Institute of Technology - Council member
Christchurch Polytechnic Institute of Technology - Foundation Trustee
NZ Health Practitioners Disciplinary Tribunal - Member
- Toni Gutschlag Employee of Canterbury DHB (General Manager of Mental Health).
- Peter Ballantyne West Coast District Health Board – Appointed member, Chair
Canterbury District Health Board – Member of Quality Finance Audit and Risk committee
University of Canterbury – Council member
Bishop Julius Hall of Residence – Trust Board member
Deloitte – Retired Partner.
- Graeme McNally Tai Poutini Polytechnic – Council Chair
Aoraki Polytechnic – Council member
Deloitte – Retired Partner.
- Kath Fox Nazareth Care (Australasia) – Chief Executive.

Directors' Loans

There were no loans made by the company to Directors during the year.

Shareholdings by Directors

No director holds any shares in the company.

Directors' Insurance

Canterbury DHB has arranged policies of Directors' Liability Insurance, which ensure that Directors will incur no monetary loss as a result of actions undertaken by them as Directors, provided they operate within the law.

Remuneration and Other Benefits to Directors

No director of the company has received or become entitled to receive any benefit other than the benefits included in the total emoluments and remuneration, as shown below.

Jane Cartwright	\$17,696
Peter Ballantyne	\$13,107
Kath Fox	\$7,621
Graeme McNally	\$10,750

Toni Gutschlag did not receive directors' fees as she is a CDHB Board employee.

Employee Remuneration

Remuneration and other benefits for the year totalling more than \$100,000 were as follows:

	2015	2014
	\$'000	\$'000
\$150,000 to \$159,999	1	-
\$250,000 to \$259,999	-	1

Payments in Respect of Termination of Employment

During the year the company paid \$57,647 to 3 former employees in respect of termination of employment with Brackenridge (2014: \$98,636 to 1 former employee).

Use of Company Information by Directors

There were no notices from directors requesting to use company information received in their capacity as directors, which would not otherwise be available to them.

Donations

Donations were made during the year of \$6,600 (2014 \$379).

Dividends

The Directors recommend that no dividend be paid (2014 nil).

Statement of Accounting Policies

For the year ended 30 June 2015

REPORTING ENTITY

Brackenridge Estate Limited (Brackenridge) is registered in New Zealand. Brackenridge is a Crown Entity in terms of the Crown Entities Act 2004.

Brackenridge is wholly owned by Canterbury DHB, which in turn is owned on behalf of the Crown, by two shareholding Ministers, the Minister of Health and the Minister of Finance. Brackenridge has designated itself as a public benefit entity (PBE) for financial reporting purposes.

The financial statements of Brackenridge are for the year ended 30 June 2015 and were authorised for issue by the Board on 23 October 2015.

Principal Activity

Our Mission Statement is to provide a quality service, which maximises the potential, and enhances the quality of life for each resident. The principal activity of Brackenridge is the operation of residential accommodation for Intellectually Disabled Persons in order to provide on-going care to these persons. Brackenridge does not operate to make a financial return.

BASIS OF PREPARATION

The financial statements have been prepared in accordance with Tier 1 PBE accounting standards.

The financial standards comply with generally accepted accounting practices (GAAP).

These financial statements are the first financial statements presented in accordance with the new PBE accounting standards. No material adjustments arising on transition to the new PBE accounting standards.

Changes in Accounting Policies

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

Measurement Basis

The financial statements are prepared under the historical cost convention.

Going Concern

Brackenridge is wholly owned by the Canterbury DHB and reliance is placed on the fact that Canterbury DHB as shareholder will continue to support Brackenridge Estate Limited.

Critical Accounting Estimates and Assumptions

The preparation of financial statements requires management 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 various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Management has exercised the following critical judgements in applying Brackenridge's accounting policies for the period ended 30 June 2015.

- Lease Classification

Determining whether a lease agreement is finance or an operating lease requires judgement as to whether the agreement transfers substantially all the risks and rewards of ownership to Brackenridge Estate Limited.

Judgement is required on various aspects that include, but are not limited to, the fair value of the leased asset, the economic life of the asset, whether or not to include renewal options in the lease term and determining an appropriate discount rate to calculate the present value of the minimum lease payments.

Classification as an operating lease means the expense is recognised in the statement of comprehensive revenue and expenses and there is no recognition as an asset.

- Refurbishment Provision

Brackenridge has a Refurbishment Provision in regard to its legal obligation to Housing New Zealand Corporation to keep the premises at 150 Maddisons Road in the same condition that they were in at the start of their lease in December 1999.

The estimates and associated assumptions for the Refurbishment Provision are based on historical experience and various other factors that are believed to be reasonable under the circumstances.

- Property, Plant and Equipment useful lives and residual values

At balance date, Brackenridge reviews the useful life and residual values of its property, plant and equipment. Assessing the appropriateness of useful life and residual value estimates of property, plant and equipment requires Brackenridge to consider a number of factors such as the physical condition of the asset, expected period of use of the asset

by Brackenridge Estate Limited, and expected disposal proceeds from the future sale of the assets.

An incorrect estimate of the useful life or residual value will impact on the depreciable amount of an asset, therefore impacting on the depreciation expenses recognised in the statement of financial performance, and carrying amount of the asset in the statement of financial position. Brackenridge minimises the risk of this estimation uncertainty by:

- Physical inspection of assets
- Asset replacement programmes
- Analysis of prior asset sales

The estimates and underlying assumption are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future period.

Budget Figures

The budgets for Brackenridge are those approved by the Board of Brackenridge and are included in the Business Plan. The budget figures have been prepared in accordance with PBE IPSAS and are consistent with those adopted by Brackenridge for the preparation of these financial statements.

These policies are also consistent with the accounting policies adopted by the Parent, the Canterbury DHB for the preparation of its financial statements.

SIGNIFICANT ACCOUNTING POLICIES

The following particular accounting policies, which materially affect the measurement of results and financial position, have been applied:

Property, Plant and Equipment

The major classes of property, plant and equipment are depreciated on a straight-line basis at the following rates:

Class of Asset	Estimated Life	Depreciation Rate
Forest Park	11 – 20 years	5-9.1%
Plant & Equipment	3 – 12 years	8.3-33%
Motor Vehicles	5 years	20%

Work in progress is recognised at cost less impairment and is not depreciated. The total cost of a project is transferred to the appropriate class of asset on its completion and then depreciated.

All fixed assets are recorded at the cost at which they were purchased. Cost includes all appropriate costs of acquisition and installation including materials, labour, direct overheads and transport costs. Fixed assets are stated at cost, determined as stated above, less disposals, impairment losses and depreciation.

Additions

The cost of an item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits or service potential associated with the item will flow to Brackenridge 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 assets, these gains or losses are included in the surplus/ (deficit).

Subsequent Costs

Costs incurred subsequent to the initial acquisition are capitalised only when it is probable that future economic benefits or service potential with the new item will flow to Brackenridge and the cost of the item can be measured reliably. All other costs are recognised in the surplus or deficit when incurred.

Donated Assets

Where a physical asset is gifted to or acquired by Brackenridge for nil consideration or at a subsidised cost, the asset is recognised at fair value and the difference between the consideration provided and fair value of the asset is recognised as revenue. Such assets are recognised as income when control over the assets are obtained. Donated assets are depreciated over their expected lives in accordance with rates established for other fixed assets.

Impairment

The carrying amounts of Brackenridge's assets are reviewed at each balance date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

If the estimated recoverable amount of an asset is less than its carrying amount, the asset is written down to its estimated recoverable amount and an impairment loss is recognised in the surplus/ (deficit).

The estimated recoverable amount of receivables carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at their original effective interest rate. Receivables with a short duration are not discounted.

Estimated recoverable amount of other assets is the greater of their fair value less costs to sell and value in use. The value in use is the depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where Brackenridge

would, if deprived of the asset, replace its remaining future economic benefits or service potential.

Impairment losses are reversed when there is a change in the estimates used to determine the recoverable amount. Balance of previous impairment losses is recognised in the surplus/(deficit).

Intangible Assets

Software development and acquisition

Expenditure on software development activities, resulting in new or substantially improved software and processes, is capitalised if the product or process is technically and operationally feasible and Canterbury DHB has sufficient resources to complete development. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads. Staff training and other costs associated with maintaining computer software are recognised as an expense when incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and impairment losses.

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Amortisation

Amortisation is charged to the surplus or deficit on a straight-line basis over the estimated useful lives of intangible assets with finite lives. Such intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

<i>Type of asset</i>	<i>Estimated life</i>	<i>Amortisation rate</i>
Software	2 years	50%

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of Brackenridge Estate's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flow and the statement of financial position.

Trade and Other Receivables

Trade and other receivables are initially recognised at fair value and subsequently stated at amortised cost less any provision for impairment. Bad debts are written off during the period in which they are identified.

Investments

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investment at initial recognition and re-evaluates this designation at every reporting date.

Brackenridge classifies its investments (term deposits) as loans and receivables and they are measured at amortised cost using the effective interest method, less any provision for impairment.

Employee Entitlements

Employee benefits that Brackenridge expects to be settled within 12 months of balance date are measured at nominal value based on accrued entitlements at current rates of pay. These include salaries/wages accrued to balance date, annual leave earned to, but not taken at balance date, and sick leave.

Brackenridge accrues the obligation for paid absences when the obligations both relate to employees' past services and they are accumulative.

Sick Leave

Sick leave is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent that Brackenridge anticipates it will be used by staff to cover those future absences.

Long Service Leave

Long service leave is an obligation by Brackenridge to give employees an extra week of leave after 10 years of service.

Brackenridge's net long service leave is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using the projected unit credit method and is discounted to its present value. The discount rate is the market yield on relevant New Zealand government bonds at the year-end date.

Provisions

A provision is recognised when Brackenridge has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation.

Brackenridge has a Refurbishment Provision in regard to its legal obligation to Housing New Zealand Corporation to keep the premises at 150 Maddisons Road in the same condition that they were in at the start of their lease in December 1999.

The amount of the Refurbishment Provision is recognised to be the best estimate of the expenditure required to settle the present obligation at the balance sheet date.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market rates and, where appropriate, the risks specific to the liability. A provision is recognised when Brackenridge has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation.

Trade and other payables

Trade and other payables are initially measured at fair value and subsequently stated at amortised cost using the effective interest rate.

Revenue from Contracts for Services

The revenue recognition approach from contracts for services depends on the contract terms. Those contracts where the amount of the revenue is substantively linked to the provision of the quantifiable units of the service are treated as exchange contracts and revenue is recognised as Brackenridge provides the services. For example, revenue received from the Ministry of Health for the provision of residential services which are funded on a per day basis.

Other contracts are treated as non-exchange and the total funding receivable under the contract is recognised as revenue immediately, unless there are substantive conditions, revenue is recognised when the conditions are satisfied. A condition could include the requirement to provide services to the satisfaction of the funder to receive or retain funding. Revenue for future periods is not recognised when the contract contains substantive termination provisions for failure to comply with the service requirements of the contract. Conditions and termination provisions need to be substantive, which is assessed by considering factors such as the past practice of the funder. Judgement is often required in determining the timing of revenue recognition for contracts that span a balance date and multi-year funding arrangements.

Interest

Interest income is recognised using the effective interest method. Interest income on an impaired financial asset is recognised using the original interest rate.

One-off Contributions

Significant one off contributions may be received from time to time. Such contributions are clearly identifiable in the financial statements, to differentiate them from normal ongoing operating income.

The revenue recognition approach for one-off contributions depends on the contract terms. Those contracts where the amount of the revenue is substantively linked to the provision of the quantifiable units of the service are treated as exchange contracts and revenue is recognised as Brackenridge provides the services.

Other contracts are treated as non-exchange and the total funding receivable under the contract is recognised as revenue immediately, unless there are substantive conditions, revenue is recognised when the conditions are satisfied. A condition could include the requirement to provide services to the satisfaction of the funder to receive or retain funding. Revenue for future periods is not recognised when the contract contains substantive termination provisions for failure to comply with the service requirements of the contract. Conditions and termination provisions need to be substantive, which is assessed by considering factors such as the past practice of the funder. Judgement is often required in determine the timing of revenue recognition for contracts that span a balance date and multi-year funding arrangements.

Goods and Services Tax

The financial statements have been prepared exclusive of goods and services tax (GST) with the exception of receivables and payables, which are stated with GST included. Where GST is irrecoverable as an input tax then it is recognised as part of the related asset or expense.

The net GST paid to, or received from Inland Revenue, including the GST relating to investing and financing activities, is classified as a net operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed as exclusive of GST.

Taxation

The IRD has acknowledged that the Constitution of Brackenridge establishes the company in such a way that it meets the requirements to be recognised as a charitable trust and is thus exempt from income tax.

Operating Lease Payments

Payments made under operating leases are recognised in the surplus/ (deficit) on a straight-line basis over the term of the lease. Lease incentives received are recognised in the surplus/ (deficit) over the lease term as an integral part of the total lease expense.

Canterbury DHB Advance

Brackenridge's payroll, invoices, and other transactions were processed by Canterbury DHB until February 2014. Since February 2014, Canterbury DHB continues to pay GST and

transact term deposits on behalf of Brackenridge. These transactions were recognised in the Canterbury DHB Advance account. Interest is calculated on the average monthly balance and the interest rate is based on the market rate.

Statement of Comprehensive Revenue and Expense

for the year ended 30 June 2015

	Note	Actual 2015 \$'000	Budget 2015 \$'000	Actual 2014 \$'000
Revenue				
Ministry of Health revenue		14,206	13,718	13,260
Patient related revenue		1,023	1,008	962
Other revenue	1	755	562	544
Interest revenue		55	60	121
Total Revenue		16,039	15,348	14,887
Expenditure				
Employee benefits expense	3	13,069	12,409	12,316
Treatment related cost		78	111	79
Food consumables		613	574	561
Other Expenses	2	1,060	1,049	1,424
Repairs & Maintenance		355	308	384
Rental/leases		957	900	896
Depreciation & Amortisation	10, 11	219	214	214
Total expenses		16,351	15,565	15,874
Deficit		(312)	(217)	(987)
Other comprehensive revenue and expense				
Total comprehensive loss		(312)	(217)	(987)

Statement of Changes in Equity

for the year ended 30 June 2015

	Note	Actual 2015 \$'000	Budget 2015 \$'000	Actual 2014 \$'000
Total equity at beginning of the year		1,479	1,455	2,466
Total comprehensive loss		(312)	(217)	(987)
Total equity at 30 June	4	1,167	1,238	1,479

Statement of Financial Position

as at 30 June 2015

	Note	Actual 2015 \$'000	Budget 2015 \$'000	Actual 2014 \$'000
Equity				
Share capital	4	-	-	-
Retained earnings	4	1,167	1,238	1,479
Total equity		1,167	1,238	1,479
Current assets				
Cash & cash equivalents	5	1,123	1,480	678
Short-term investments	6	1,000	400	800
Trade & other receivables	7	848	1,189	1,435
Total current assets		2,971	3,069	2,913
Current liabilities				
Trade & other payables	9	389	356	368
Employee benefits	3	1,530	1,750	1,432
Current account with Canterbury DHB	8	219	125	131
Total current liabilities		2,138	2,231	1,931
Net working capital		833	838	982
Non current assets				
Property, plant & equipment	10	561	580	676
Intangible Assets	11	27	-	1
Total non current assets		588	580	677
Non current liabilities				
Provisions	11,12	254	180	180
Total non current liabilities		254	180	180
Net assets		1,167	1,238	1,479

Statement of Cash Flows

for the year ended 30 June 2015

	Note	Actual 2015 \$'000	Budget 2015 \$'000	Actual 2014 \$'000
Cash flow from operating activities				
Cash was provided from:				
Revenue		16,569	15,534	14,709
Interest received		55	60	121
Cash was applied to:				
Payments to employees		(12,970)	(12,091)	(12,901)
Payments to suppliers		(2,975)	(2,959)	(3,374)
Interest Paid		7	5	(12)
Net cash inflow / (outflow) from operating activities	13	686	549	(1,457)
Cash flows from investing activities				
Cash was provided from:				
Disposal of fixed assets		4	-	-
Receipts from investments		800	-	1,924
Cash was applied to:				
Purchase of investments		(1,000)	-	-
Purchase of plant & equipment		(133)	(141)	(155)
Net cash inflow / (outflow) from investing activities		(329)	(141)	1,769
Cash flows from financing activities				
Cash was provided from:				
Current account with Canterbury DHB		88	-	-
Cash was provided to:				
Current account with Canterbury DHB		-	(6)	(102)
Net cash inflow / (outflow) from Financing activities		88	(6)	(102)
Overall increase in cash held		445	402	210
Opening cash & cash equivalent		678	1,478	468
Closing cash & cash equivalents		1,123	1,880	678

Notes to and forming part of the Financial Statements

for the year ended 30 June 2015

1 Other Revenue

	2015 \$'000	2014 \$'000
Profit/(loss) on sale of fixed asset	4	-
Donations	7	-
Other Revenue from other Crown entities	744	544
Total Other revenue	755	544

2 Other Expenses

	2015 \$'000	2014 \$'000
After charging:		
Audit fees for financial statements audit	23	27
Directors' fees	49	37

3 Employee Benefits

	2015 \$'000	2014 \$'000
Wages and salaries	12,971	12,901
Increase/ (decrease) in provision	98	(585)
	13,069	12,316
Current portion of employee benefits		
Annual leave	615	592
ACC	88	78
Sick leave	106	106
Others	721	656
Total current portion of employee benefits	1,530	1,432

4 *Retained Earnings*

	2015 \$'000	2014 \$'000
A) Share capital		
1 Ordinary share @\$1 – issued and paid up	-	-
B) Retained earnings		
Opening Balance	1,479	2,466
Net Surplus/(Deficit) for the year	(312)	(987)
Closing Balance	1,167	1,479
Total equity	1,167	1,479

5 *Cash and Cash Equivalents*

	2015 \$'000	2014 \$'000
Cash and Bank	1,123	678
Total cash and cash equivalents	1,123	678

6 *Short Term Investments*

	2015 \$'000	2014 \$'000
Term deposits	1,000	800
Total short term deposits	1,000	800

7 *Trade and Other Receivables*

	2015 \$'000	2014 \$'000
Trade Debtors	809	1,294
Prepayments	-	1
Other debtors	39	140
Total trade and other receivables	848	1,435

* Note: All amounts represent exchange transactions.

Trade Debtors Class of Asset	2015			2014		
	Gross	Impairment	Net	Gross	Impairment	Net
Current	399	-	399	1,096	-	1,096
1-30 days	96	-	96	60	-	60
31-60 days	48	-	48	94	-	94
61-90 days	78	-	78	32	-	32
>91 days	188	-	188	12	-	12
Total	809	-	809	1,294	-	1,294

8 Shareholder's Current Account

	2015 \$'000	2014 \$'000
Shareholder's current account debtor/(creditor)	(219)	(131)

There is no fixed repayment term. The Canterbury DHB advance is unsecured.

9 Trade and Other Payables

	2015 \$'000	2014 \$'000
Trade Payables*	377	359
Revenue in advance	12	9
	389	368

* Note: All amounts represent exchange transactions

10 Property, Plant & Equipment

Class of Asset	Forest Park	Plant and equipment	Motor vehicles	WIP	Total
2014	\$'000	\$'000	\$'000	\$'000	\$'000
Cost					
Balance at 1 July 2013	285	1,317	775	4	2,381
Additions	-	42	44	73	159
Disposals/transfers	-	-	-	(4)	(4)
Total	285	1,359	819	73	2,536
Depreciation and impairment losses					
Balance at 1 July 2013	222	846	577	-	1,645
Depreciation charge for year	28	111	75	-	214
Disposals/transfers	-	-	-	-	-
Balance at 30 June 2014	250	957	652	-	1,859

Class of Asset	Forest Park	Plant and equipment	Motor vehicles	WIP	Total
2015	\$'000	\$'000	\$'000	\$'000	\$'000
Cost					
Balance at 1 July 2014	285	1,359	819	73	2,536
Additions	-	62	84	-	147
Disposals/transfers	-	-	(10)	(56)	(10)
Total	285	1,421	893	17	2,673
Depreciation and impairment losses					
Balance at 1 July 2014	250	957	652	-	1,859
Depreciation charge for year	32	105	68	-	205
Disposals/transfers	-	-	(9)	-	(9)
Balance at 30 June 2015	282	1,062	711	-	2,055

Carrying amounts	Forest Park	Plant and equipment	Motor vehicles	WIP	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 July 2014	35	402	167	73	677
At 30 June 2015	3	359	182	17	561

11 Intangible Assets

	2015 \$'000	2014 \$'000
Software Cost		
Opening Balance	10	10
Additions	40	-
Disposals	-	-
Closing Balance	50	10
Amortisation		
Opening balance	(9)	(8)
Amortisation charge for the year	(14)	(1)
Disposal	-	-
Closing Balance	(23)	(9)
Carrying amounts	27	1

12 Provisions

	2015 \$'000	2014 \$'000
Opening balance	180	211
Additional provision made during the year	87	53
Amount of provision used during the year	(13)	(84)
Closing balance	254	180

A refurbishment provision of \$254k (2014 \$180k) has been created to reflect the estimated cost of refurbishment of residential houses leased from Community Housing Ltd (a subsidiary of Housing New Zealand Corporation), a requirement imposed on Brackenridge under the Deed of Lease. Brackenridge has implemented the 10-year maintenance and refurbishment plan recommended by Shipston Davies, which has been designed to meet the Lessor's requirements, and has extrapolated the plan to the end of the initial lease term in December 2019. The provision level reflects the estimated charges for actual work required under the plan.

13 Reconciliation of Net Surplus/(Deficit) for the Period with Net Cash Flows from Operating Activities

	2015	2014
	\$'000	\$'000
Reported Net (Deficit)/Surplus	(312)	(987)
Add back non-cash items:		
Depreciation & amortisation	218	214
(Profit)/Loss of sale of assets	-	-
	(94)	(773)
Movements in working capital:		
(Increase)/Decrease in receivables and prepayments	587	(57)
Increase/(Decrease) in payables and accruals	21	(11)
Increase/(Decrease) in staff entitlements	98	(585)
Increase/(Decrease) in provisions	74	(31)
Net cash (outflow)/inflow from operating activities	686	(1,457)

14 Residents' Trust Account

Residents' Trust Account comprises bank balances totalling \$618,441 as at 30 June 2015 (30 June 2014, \$634,460). These funds are held on behalf of the residents by Brackenridge. These funds are not included in the statement of financial position.

15 Commitments

	2015	2014
	\$'000	\$'000
Operating lease commitments	2,282	2,355
Total commitments	2,282	2,355
Term classification of commitments		
Less than one year	785	754
One to two years	482	379
Two to five years	1,015	1,066
Over five years	-	156
Total Commitments	2,282	2,355

Material operating lease commitments are as follows:

The company leases land and buildings from Community Housing Limited, a subsidiary of Housing New Zealand Corporation. The term of the lease is 20 years commencing from December 1999, with two rights of renewal of 10 years each. The annual rental is \$357,185 per annum plus GST and is fixed for the term of the lease (2014: \$355,256).

16 Transactions with Related Parties

During the financial year the company had the following transactions with related parties:

	2015 \$'000	2014 \$'000
Administration services from Canterbury DHB	60	60
Interest received from/(paid to) Canterbury DHB	-	(12)
Canterbury DHB current account balance	(219)	(131)

There have been no amounts outstanding that have been written off for the 30 June 2015 financial year (2014 nil).

Brackenridge is mainly funded by the Ministry of Health. The Ministry of Health significantly influences the role of Brackenridge as its major source of revenue.

Brackenridge enters into transactions with government departments, state-owned enterprises and other Crown entities. Those transactions that occur within a normal supplier or client relationship on terms and conditions no more or less favourable than those which it is reasonable to expect Brackenridge Estate Limited would have adopted if dealing with that entity at arm's length in the same circumstances have not been disclosed as related party transactions.

Key Management Personnel Compensation

Key management personnel including the chief executive officer, other senior management and directors.

Compensation paid or credited to these individuals is as follows:

	2015 \$'000	2014 \$'000
Salaries and other short term benefits	448	444
Termination payments	-	99
Total key management personnel compensation	448	543

17 Financial Instruments

Categories of financial assets and liabilities

	2015 \$'000	2014 \$'000
Loans and receivables		
Cash and cash equivalents	1,723	678
Trade and other receivables	848	1,435
Investments	400	800
Total due less than one year	2,971	2,913
Total loans and receivables	2,971	2,913
Creditors and payables at amortised cost		
Trade & other payables	389	368
Current account with Canterbury DHB	219	131
Total due less than one year	608	499
Total financial liabilities at amortised cost	608	499

Liquidity Risk

In meeting its liquidity requirements, the company maintains a target level of term deposits that must mature within the next 12 months.

Credit Risk

Financial instruments, which potentially subject Brackenridge to credit risk, principally consist of bank balances, short term deposits and accounts receivable.

Concentrations of risk with respect to accounts receivable are high due to the reliance on the Ministry of Health and the Ministry of Social Development. This accounts for 52% (2014: 88%) of year end trade and other receivables. However they are both high credit quality entities being Government funded purchasers of health and disability support services.

Cash is held with finance institutions that have a Standard and Poors rating of 'AA-' or better.

The maximum exposure to credit risk at balance date is the fair value of the financial instrument as stated in the statement of financial position.

Interest Rate Risk

Cash and cash equivalents and short term deposits totalling \$2,123k (2014 \$1,478k) are subject to interest rate risk. Term deposits are at fixed interest rates, cash at bank of \$1,110k (2014 \$96k) is at floating rates.

Fair Values of Financial Instruments

Financial instruments recorded in the financial statements have been recorded at their fair value.

The fair value of financial instruments is equivalent to the carrying amount as stated in the statement of financial position.

18 Capital Management

Brackenridge's capital is its equity, which comprises share capital and accumulated funds. Equity is presented by net assets.

Brackenridge is subject to the financial management and accountability provisions of the Crown Entities Act 2004, which impose restrictions in relation to borrowings, acquisitions of securities, issuing guarantees and indemnities and the use of derivatives.

Brackenridge manages its equity as a by-product of prudently managing revenues, expenses, assets, liabilities, investments and general financial dealings to ensure that Brackenridge effectively achieves its objects and purpose whilst remaining a going concern.

19 Events after the Balance Date

There were no post balance date events.

Statement of Responsibility

for the year ended 30 June 2015

The Board and Management of Brackenridge accept responsibility for the preparation of the annual financial statements and the judgement used in the preparation; and

The Board and Management of Brackenridge accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting; and

In the opinion of the Board and Management of Brackenridge Estate Limited, the annual financial statements for the year ended 30 June 2015 fairly reflect the financial position and operations of Brackenridge Estate Limited.

For and on behalf of the Board

.....
Jane Cartwright
Chair
23 October 2015

.....
Graeme McNally
Graeme McNally
Director
23 October 2015

Independent Auditor's Report

Independent Auditor's Report

To the readers of Brackenridge Estate Limited's financial statements for the year ended 30 June 2015

The Auditor-General is the auditor of Brackenridge Estate 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 of the company on her behalf.

Opinion on the financial statements

We have audited the financial statements of the company on pages 13 to 33, that comprise the statement of financial position as at 30 June 2015, the statement of comprehensive revenue and expense, 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.

In our opinion:

- the financial statements of the company:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2015;
 - its financial performance and cash flows for the year then ended; and
 - have been prepared in accordance with the Tier 1 public benefit entity accounting standards.

Our audit was completed on 23 October 2015. 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 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 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. 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. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements, 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 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;
- the adequacy of the disclosures in the financial statements; and
- the overall presentation of the financial statements.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements.

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

Responsibilities of the Board

The Board of Directors is responsible for the preparation and fair presentation of financial statements for the company in accordance with the Tier 1 public benefit entity accounting standards.

The Board of Directors is responsible for such internal control as it determines is necessary to enable the preparation of financial statements 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, whether in printed or electronic form.

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the financial statements and reporting that opinion to you based on our audit. Our responsibility arises from section 17 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.



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

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