



# Annual Report 2020

**Brackenridge**  
Supporting People to Create Great Lives



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## Our Vision

People **being** equal citizens, **belonging** to their communities, and **becoming** more able to live the life they choose.

## Our Values

**Person Centred** We provide individualised services and support that recognise the uniqueness of every person.

**Partnership** We work successfully together with others, in particular families while valuing each other's contribution.

**Pride in What We Do** We strive for a culture of continuous improvement. We are proud to be a part of the Brackenridge Team.

**Passion & Commitment** We create a high performance culture, where people are passionate about what they do.

## Our Approach

We work with people and their family / whanau to understand their aspirations and goals, help them to create their “My Life My Way” plan that identifies the outcomes they are seeking and ways to make their goals a reality.

## Our Mission

Provide quality, person centred, flexible and sustainable services that uphold people’s rights and create opportunities, empowering people to be, belong and become.

## Our Commitment

We honour the commitments to the original founding people of Brackenridge while using our experience to support younger people, those with complex needs and people who need help managing their behaviours.



## Chair Message

'I am able' is the catch cry for Brackenridge services and underscores how clients are supported to live and realise their dreams. This 'I am able' journey continues each day for all clients, be they a child, young person or older adult. We are privileged to have a dedicated Board and Staff who are passionate about "People being equal citizens, belonging to their communities and becoming more able to live the life they choose, their way".

The median age of Brackenridge's clients is 32 years and has led to a deliberate focus on developing services for young people working with the local Enabling Good Lives programme and under individualised funding. Like all Brackenridge services clients' outcomes are aligned to Brackenridge's Being, Belonging, Becoming Outcomes Framework.

Brackenridge's financial performance continues to improve, however advocating for sustainable funding associated with the national transformation of disability service is critical. Adequate funding which enables investment in staff training and education and systems will improve the quality of services for clients, families and funders.

We were pleased to post a surplus result of \$361,000 on turnover of \$24,783,000. This surplus was better than budgeted and was on top of material investments in new Service Management roles that will allow us to provide enhanced outcomes to both our support staff and to our clients.

We are grateful for the contribution towards client programmes from philanthropic organisations. Thank you to those with whom Brackenridge has developed a relationship with. Extra monies support client activities at a personal and group level, helping people to optimise the outcomes they are seeking.

No Annual Report for 2020 would be complete without a mention and shout out to everyone for sterling efforts managing services and supporting clients during the COVID Lockdown with care and professionalism. Alas, COVID will be with us for some time and require us all to be vigilant with hygiene practices and flexible in service delivery.

Thank you to Pip Stewart, CEO and all staff, for their commitment to person centred supports. Our appreciation to the Family Advisory Group for their input into service development and the submissions objecting to a new Quarry in Templeton.

Thank you to Canterbury DHB Chief Executive Officer David Meates and his senior team for their advice over the past year.

Jane Cartwright



**THANK YOU TO ALL THE  
CARERS AT BRACKENRIDGE  
WHO ARE DOING SUCH A  
GREAT JOB SUPPORTING  
OUR FAMILY MEMBERS.  
YOU ARE THE UNSUNG  
HEROES.**

Nicky T.

**ALL RIGHT?**



## CEO Message

Brackenridge serves to support people with intellectual and learning disabilities to optimise the outcomes people seek in their lives. Underpinning this is our vision – “People being equal citizens, belonging to their communities and becoming more able to live the life they choose, their way”. Optimising outcomes underpins all that we do.

The 2019/2020 year has been a tale of two intertwined halves: responding to COVID – 19; and focusing on improving the quality, effectiveness and sustainability of services, in the context of a financially challenged disability support sector undergoing significant transformational change.

Throughout the year we have continued our improvement journey to optimise the effectiveness, quality, safety and efficiency of the services we provide to our customers being the people we serve, their families, and our funding partners. We are very thankful to Cheyenne, Joe and Lena for sharing their experiences in our annual report, and for the learning that this enables for us and our communities.

This year we completed the write up of the philosophical base to our Brackenridge Being Belonging Becoming outcomes framework and are working to align our support practices and learning and development programmes to this. The Enabling Good Lives vision and principles continue to underpin our journey of change, as does (for younger people) the changes being led by our Care Partner Oranga Tamarii. We were pleased to be awarded three years certification against the Health and Disability sector standards and for continuing to retain our Social Services accreditation status.

COVID-19 presented significant challenges. Through the work of staff, families and the people we support, we established and maintained home “bubbles” ensuring protection and safety for all. We also connected as best we could with our respite clients and their families. And we worked hard to maintain our business continuity.

It was a very difficult time and my thanks go to everyone for all that was done.

Whilst the year-end financial result was pleasing, the path to get there was challenging. The funding assurance provided by the Ministry of Health in response to COVID-19 was incredibly helpful, and we were also fortunate to have been able to access some philanthropic based support.

People’s aspirations and goals are enabled and empowered through the actions and supports of many, many people and organisations. Families, friends, neighbours, churches, other health and disability support services, schools, tertiary education providers, businesses, funders and communities have all worked to help the people we create and live great lives of their choosing. We value and appreciate greatly your role as partners. Thank you so much. As we reflect back on our first 21 years we are proud of our beginnings and optimistic and excited about the future. Thank you to everyone who has contributed to our journey and continues to help us every day. To the people we support and your families, thank you for the privilege of being part of your life journey and for your ongoing support and encouragement. Thank you to our support staff, business and administration staff, leaders and managers for their fantastic work, dedication, passion and commitment to improving the lives of others. And thank you to everyone we partner and connect with, your support is most appreciated and highly valued.

Finally thank you to our shareholders (CDHB - our Canterbury Community) , to our Board Chair Jane and our Directors Kath, Paula, Steve, Erin and Kate for your excellent governance and your continued encouragement to us all to dream big, helping people to be, become and belong.

Pip Stewart





## Supporting people to create great lives

We support children, young people and adults through a variety of services that empower people to reach their goals and aspirations.

### Community Living

Brackenridge supports people with disabilities to live in a range of homes in suburbs across Christchurch and to grow and explore opportunities in their chosen community. We assist in pursuing options that enable and empower individual's aspirations to be achieved.

### Young People Service

We assist young people to achieve their goals and dream boldly. When a young person leaves school there is a breadth of options and pathways to take. Our Practice Leadership Team supports the transition and helps connect people to further education, experiences or employment.



### Family Respite

Individualised, safe and consistent support is offered to families and whanau. Our Respite service encourages nurturing activities, playful learning and socialisation. We support children in three speciality homes and every effort is made to match the compatibility of the children and young people accessing the service.





## Supported Living

We believe every person has the right to live their life their way. Brackenridge currently supports two individuals who are developing their independence with support where they need. Supported Living is a service that helps people to live independently as much as they wish.

## Flexible Disability Supports

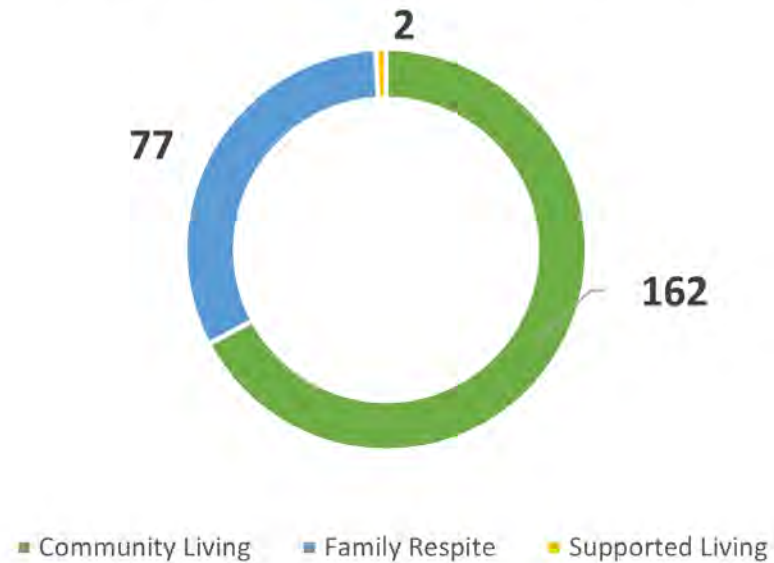
Our dedicated staff can assist in the development of goal plans and support access to services that help achieve the outcomes people want to pursue. There is a range of individualised support options that can be offered to young people transitioning to their next phase in life.



## Vocational Service

Our vocational programme Community Choices encourages community connections, work experience, volunteering opportunities and individual activities that are aligned to the goals of the person supported. From social enterprise opportunities to building physical health and social wellbeing, the Community Choices team connects people with their chosen communities and activities of interest and meaning.

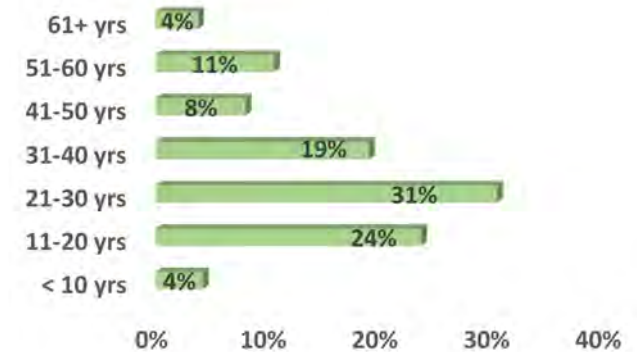
## Who we serve and support



Brackenridge assisted 232 people to create great lives across 43 homes in Canterbury. Brackenridge supports people of all ages, with the youngest person being 6 years old, and the oldest being 70 years. We support 122 people under the age of 30 years to grow their interests and goals in the areas they choose.



### Age Breakdown by %



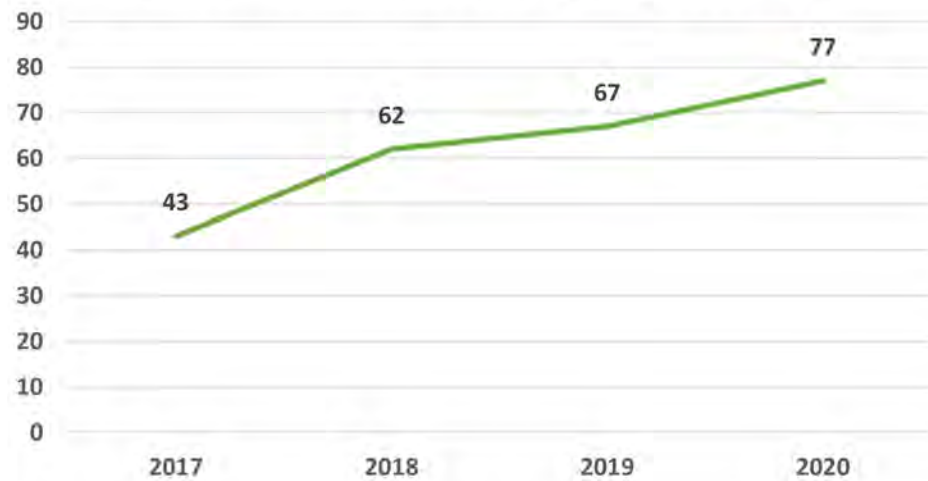


## Families accessing respite services

Our Family Respite service offers families opportunities to assist in nourishing their emotional resilience, wellbeing and to build community connections. We recognise that what we do is driven by the aspirations and support needs of individuals who choose to have us as part of their life.



Number of Families accessing Respite Services



## I am Cheyenne!

Never give up was a phrase that was bounced around a lot when I was growing up. I am 23 now and that phrase continues to echo throughout my life. With a passionate heart and a strong creative streak, I have a heap of ideas on what I want my future to look like.

I currently flat with four others, along with a budgie! We all get along really well and take turns with cooking meals. I have a pretty good grip on what is going on in the flat and feel our weekly meeting helps keeps us all connected. I think growing up on a farm in Geraldine helped me to be organised and know when to muck in to get the job done. I was home schooled till year 11, then finished my schooling at Geraldine High School where I developed my interest in art design.

I achieved my high school studies, passing Level 1, 2, and 3 in Art studies along with high marks in English and Textiles. One thing I am super proud about is beating my personal best record in shotput and discus. I have a few medals which are hung on my wall in my bedroom. I reckon throwing and stacking firewood would have helped grow my strength and skills in sport, especially for the discus!

After completing barista training through the Shirley Community Centre, I am now looking to complete my full barista certification through the Crafted Coffee Company. Once certified, I plan to get some work experience in a café where I can work in a team and also on my own.

I also have an interest in growing my experience in art administration since I have got an eye for design and really enjoy trying different mediums to be creative with.

This year, I turn 24 and one of my goals to be more independent in life. This means having my own flat, paying my own bills and being organised and in

control of my choices. I am looking at purchasing a decent bike and helmet to get around the place and will keep on building my skills in independence.

One of my dreams is to travel to Singapore and try all the different food that they have there. I've heard it's an amazing place and would love to visit there and explore the sites.



## I am Joe!



Anyone that knows me, knows I have a thing for cars and rugby! I am a true Canterbarian that loves the speedway, a fierce game of minigolf and a good pub meal.

I recently celebrated my 56th birthday by taking a drive in a MK1 Zephyr 1955. I sat behind the wheel with much delight and marvelled at the original interior and features. I hold a passion for vintage and classic motor vehicles and frequently point them out on drives and take every opportunity to have a close look at them at car yards or shows.

Yasa Panagoda, Regional Director for Crest Clean, came out to my place with his 1970 Ford Mustang Boss 302 and took me riding shotgun. We headed out to West Melton for a coffee and morning tea, then took the long way back home. I am usually not too fond of much noise but an engine purr is a different story! I was in my element and relished the V8 roar! Sharing stories and riding in cool cars is exactly what I was looking for in a friendship, and I couldn't have imagined a better experience!

My brother Tony and I enjoy getting together to watch the rugby. The last Crusaders game was heaps of fun and I couldn't help but cheer the guys on every time they scored. Over the next year, I am aiming to ride the double decker bus through Christchurch and maybe even ride in a limousine!





## I am Lena!

I am proud to be where I am today. I've found a sense of independence and confidence, but it's taken me a whole lot of courage to do it!

I live with Margaret, my friend, and Gordy the cat. It's sunny and we've got a veggie garden and fruit trees in the backyard, which goes around most of the house.

We've been able to enjoy 33 years of friendship and laughs together, along with sharing the stories of our past and what we want to do in the future. We started with a trial to see if we could live together as well as be friends and after two months of living together, we decided it worked well for both of us. After several house moves, it's just good to be somewhere nice. I go out when I want and cook at home most nights, which will always have a few veggies involved. I have a support worker to assist me with attending appointments when I need them to. They check-in and see how I am going, usually once or twice a week, we catch up over a coffee and chat about things happening.

Happy and free are values of mine and I'm reminded of that when I see anything to do with dolphins or unicorns. They are magical, strong, unique, and have a special history. A bit like me, I guess! I was happy to go out on the boat a few years ago and see some dolphins in the flesh. I've been lucky to do some travelling in my life. I've been to Brisbane and to the gondola there, even though I am afraid of heights I thought I would give it a go. I did freak out but then wanted to do it again! I have also travelled to Singapore in my twenties for a week and found it very different from my hometown of Christchurch.

Bead art has been my recent creative project and I've now made a collection of pieces for sale. Although, they will be hard to part with. In the past, I've been involved in a weaving workshop at Hand Made Studios and loved it.







I do like to be able to use my hands and that's probably why I like gardening too. We have silverbeet and potatoes growing at the moment and my favourite is rhubarb. I am thinking of doing a photo display for my 50th this year coming up. I plan to have my friends join me at a Chinese restaurant for a buffet meal. It is important for me to share my day with the people I love being around. Those people have stuck around over years and know me well.

I like to go out and be social and dress up for the events. The Community Choices Balls have always been a yearly highlight, but with the lockdown this year, we can't do it. In the past, I've made table features and decorations for the event which is good fun. Last year's theme was 'The 70's' - my kind of music and lots of loud colours!

One of my major challenges in life has been my health. I've had many appointments with doctors and have had two strokes which meant I needed physiotherapy. I once was able to rollerblade over the Columbo St. over-bridge when I was younger and had a job pushing trolleys! That was many years ago now, but when I was doing physio, I said to myself - use it or lose it! And that helped make me stronger.

I keep up my exercise by walking. These days, I use a walking frame to help (a different type of rollerblade!) and enjoy heading down to the supermarket to get a few bits and pieces and sometimes I stop for an iced chocolate. I also like swimming and I have medals from swimming competitions I've entered.

Learning how to accept the things I can't change has been such a big part of my life, it's certainly made me stronger, that's for sure!



## Our workforce

At Brackenridge, we require a diverse and flexible team of people to support children, young people and adults to reach their goals.

We have a strong commitment to creating a professional workforce to provide quality support services to the people we serve, their family/whanau and friends. We offer opportunities for staff to advance their professional development and participate in learning programmes along with other qualifications. This year, 83 staff members have engaged in the NZ Certificate in Health & Wellbeing, including 18 staff involved in the Level 4 Apprenticeship Programme.

We believe everyone has the ability to make a difference to the lives of others and support their community in a way that values their skills. As we continue building a nimble service that offers people meaningful supports, we will be looking for like-minded, dedicated people to join us in the journey.

Over the last 12 months, our focus has been around strengthening our workplace culture. We are lucky to have a diverse group of employees from 25 different countries including Pacific Islands, Philippines, Africa, Asia and India.



**40%**  
of our workforce  
is under the age  
of 40 years

Team  
Brackenridge  
consists of  
**64%**  
Females  
**36%**  
Males

## Thank you to our community of supporters

We'd like to acknowledge our community partners who have contributed to supporting people of Canterbury to create great lives. Together, we have made a stronger impact to the lives of people and their families.

Your support has enabled us to continue empowering and enabling people to recognize their skills, talents and abilities and design their lives and goals their way.

We are on a transformational journey and are delighted to have our different community partners support us in creating a more inclusive Canterbury for all people.

Thank you to the following community investors:

- Canterbury Mustang Club
- Christchurch City Council Community Resilience Partnership
- Computer Emergency Response Team (CERT NZ)
- E L & J B Sanderson Cerebral Palsy (Perpetual Guardian)
- Foodstuffs Community SI Trust
- Inclusive NZ
- Maurice Carter Charitable Trust
- NZ Charitable Foundation
- Te Pou Disability Workforce
- Vodafone Foundation



## Reporting Entity

Brackenridge Services Limited (Brackenridge) is a registered company in New Zealand. Brackenridge is a Crown entity subsidiary in terms of section 7 of the Crown Entities Act 2004. Brackenridge is a registered charity and has met the reporting requirements of the Charities Act 2005.

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 2020 and were authorised for issue by the Board on 11 December 2020.

## Principal Activity

Our Mission Statement is to provide quality, person centred, flexible and sustainable services that uphold people's rights and create opportunities, empowering people to be, belong & become, living the life they choose. 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 2 PBE Standards Reduced Disclosure Regime which comply with the New Zealand generally accepted accounting practices (NZ GAAP). The criteria under which Brackenridge is eligible to report in accordance with Tier 2 PBE Standards are:

- Brackenridge Services Limited has no public accountability;
- Brackenridge Services Limited has total annual expenses of less than \$30 million.

The financial statements are prepared on a going concern basis, and the accounting policies have been applied consistently throughout the year. These financial statements comply with PBE accounting standards.

## Changes in Accounting Policies

No significant changes in accounting policies.

## Measurement Basis

The financial statements are prepared under the historical cost convention.

## Functional and Presentation Currency

The financial statements are presented in New Zealand dollars (NZD), rounded to the nearest thousand dollars. The functional currency of Brackenridge is NZD.

## Critical Accounting Estimates and Assumptions

The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, revenue 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 judgments about carrying values of assets and liabilities that are not readily apparent from other sources. These estimates and assumptions may differ from the actual results. The estimates and underlying assumptions are reviewed on an ongoing basis.

Management has exercised the following critical judgments in applying Brackenridge's accounting policies for the year ended 30 June 2020.

## Lease Classification

A long term lease is held with Kāinga Ora (previously named Housing New Zealand) for 14 homes and an administration building at the Maddisons Road site. This has been leased on a 20 year term that expired in December 2019, with a further extension granted to December 2020. Renewal of the lease is underway. The lease has the right to two further term extensions of 10 years each.

A number of other homes in the Christchurch community and the surrounds are also leased from Kāinga Ora on individual leases.

Brackenridge have leases of houses and office space, with renewal rights between one and three years, as well as periodic renewal.

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

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 leased 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 a finance lease means the asset is recognised in the statement of financial position as property, plant and equipment, whereas for an operating lease no such asset is recognised.

Brackenridge has exercised its judgement on the appropriate classification of its leases and, has determined all lease arrangements are operating leases.

## 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. Refer to the provisions policy for more information on how the provision is calculated.



### Property, Plant and Equipment useful lives and residual values

At each 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, 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 depreciation expenses recognised in the surplus or deficit, 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
- Review of second hand market prices for similar assets
- Analysis of prior asset sales.

### Long Service Leave and Sick Leave

The present value of the long service leave and provision for sick leave obligations is dependent on a number of factors that are determined on an actuarial basis using a number of assumptions. Two key assumptions used in calculating these liabilities included the discount rate and salary inflation factor. Any change in these assumptions will impact on the carrying amount of the liabilities and sick leave.

### Parent Company Policies

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:

#### Classification of Financial Instruments

In January 2017, the XRB issues PBE IFRS 9 Financial Instruments PBE IFRS 9 replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement. PBE IFRS 9 is effective for annual periods beginning on or after 1 January 2021, with early application permitted. The main changes under PBE IFRS 9 are:

- New financial asset classification requirements for determining whether an asset is measured at fair value or amortised cost.
- A new impairment model for financial assets based on expected losses, which may result in the earlier recognition of impairment losses.

The Treasury has decided that the Financial Statements of the Government and Canterbury DHB will early adopt PE IFRS 9 for the 30 June 2019 financial year. Brackenridge has also adopted PBE IFRS 9 for the 30 June 2020 financial year to be consistent with the Crown's accounting policy for financial instruments.

On the date of initial application of PBE IFRS 9, being 1 July 2018, the classification of financial instruments under IPSAS 29 and PBE IFRS 9 changed as follows:

	Original PBE IPSAS 29 category	New PBE IFRS 9 category
Cash and cash equivalents	Loan and receivables	Amortised Cost
Trade and other receivables	Loan and receivables	Amortised Cost
Term Deposits	Loan and receivables	Amortised Cost

The measurement categories and carrying amounts for financial liabilities have not changed between the closing 30 June 2018 and the opening 01 July 2018 dates as a result of the transition to PBE IFRS 9. All financial assets are measured at amortised cost.

### Property, Plant and Equipment

#### Depreciation

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
Plant and Equipment	3–20 years	5-33%
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

Where an item of plant and equipment is disposed of, the gain or loss is recognised in the surplus or deficit. It is calculated as the difference between the sale price and the carrying amount of the asset.

#### Subsequent Costs

Subsequent costs are added to the carrying amount of an item of property, plant and equipment when that cost is incurred if it is probable that the service potential or future economic benefits embodied within the new item will flow to Brackenridge. 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 is obtained.

### Impairment of Property, Plant and Equipment

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 or deficit.

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 to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

### Intangible Assets

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 Brackenridge 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.

### 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:

Type of asset	Estimated Life	Amortisation Rate
Software	2-5 years	20%-50%

### Bank Term Deposits

Investments in bank term deposits are measured at the amount invested.

### Cash and Cash Equivalents

Cash and cash equivalents comprises cash balances, call deposits and deposits with a maturity of no more than three months from the date of acquisition.

### Trade and Other Receivables

Trade and other receivables are recorded at the amount due, less an allowance for credit losses. Brackenridge applies the simplified expected credit loss model of recognising lifetime expected credit losses for receivables. In measuring expected credit losses, trade and other receivables that are individually significant have been reviewed on an individual basis, the rest are reviewed on a collective basis as they possess shared credit risk characteristics.

Trade and other receivables are written off when there is no reasonable expectation of recovery.

### 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

#### Presentation of employee entitlements

Non vested long service leave is classified as a non-current liability; all other employee entitlements are classified as current liabilities.

#### Annual Leave

Annual leave are short-term obligations and are measured at undiscounted nominal values based on accrued entitlements at current rates for pay.

#### Sick Leave

The sick leave amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date to the extent 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 including a salary inflation 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. The salary inflation factor has been determined after considering historical salary inflation patterns and future movements.

## 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 expenditures 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.

## Trade and other payables

Trade and other payables are non-interest bearing and are normally settled within 50 days, therefore the carrying value of trade and other payables approximates their fair value.

## 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, Ministry of Social Development (Work and Income and Ministry for Children Oranga Tamariki) and Accident Compensation Corporation for the provision of residential services which are funded on a per day basis as well as other funding received from the Ministry of Health for the provision of day programmes, respite care and sleepover allowances.

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. Judgment is often required in determining the timing of revenue recognition for contracts that span a balance date and multi-year funding arrangements.

There are no significant non-exchange contracts in the current financial year and in the previous financial year.

## 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.

## 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.

## Income Tax

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.

## Equity

Equity is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components:

- Share capital; and
- Retained earnings.

## Statement of Comprehensive Revenue and Expense

for the year ended 30 June 2020

	Note	2020 \$'000	2019 \$'000
<b>Revenue</b>			
Ministry of Health revenue		20,434	18,815
Resident related revenue	1	1,378	1,241
Other revenue	2	2,895	2,810
Interest revenue		76	29
<b>Total revenue</b>		<b>24,783</b>	<b>22,895</b>
<b>Expenditure</b>			
Employee benefits expense	3	20,352	18,458
Treatment related cost		60	59
Food consumables		749	711
Repairs and maintenance		333	470
Rental/leases		1,205	1,236
Depreciation and amortisation	11	214	189
Other Expenses		1,509	1,644
<b>Total expenses</b>		<b>24,422</b>	<b>22,767</b>
<b>Surplus</b>		<b>361</b>	<b>128</b>
<b>Other comprehensive revenue and expense</b>		<b>0</b>	<b>0</b>
<b>Total comprehensive surplus</b>		<b>361</b>	<b>128</b>

Note: The accompanying accounting policies and notes form part of these financial statements

## Statement of Changes in Equity

for the year ended 30 June 2020

	Note	2020 \$'000	2019 \$'000
<b>Total equity at beginning of the year</b>		922	794
Total comprehensive surplus		361	128
<b>Total equity at 30 June</b>	5	<b>1,283</b>	<b>922</b>

Note: The accompanying accounting policies and notes form part of these financial statements

## Statement of Financial Position

as at 30 June 2020

	Note	2020 \$'000	2019 \$'000
<b>Equity</b>			
Share capital		0	0
Retained earnings	5	1,283	922
<b>Total equity</b>		<b>1,283</b>	<b>922</b>
<b>Current assets</b>			
Cash and cash equivalents		2,706	1,224
Short term investments		750	750
Trade and other receivables	6	808	1,301
<b>Total current assets</b>		<b>4,264</b>	<b>3,275</b>
<b>Current liabilities</b>			
Trade and other payables	7	783	584
Employee benefits	3	2,819	2,331
<b>Total current liabilities</b>		<b>3,602</b>	<b>2,915</b>
<b>Net working capital</b>		<b>662</b>	<b>360</b>
<b>Non-current assets</b>			
Property, plant and equipment	8	722	782
Intangible assets	9	22	25
<b>Total non-current assets</b>		<b>744</b>	<b>807</b>
<b>Non-current liabilities</b>			
Employee benefits	3	7	8
Provisions	10	117	245
<b>Total non-current liabilities</b>		<b>124</b>	<b>253</b>
<b>Net assets</b>		<b>1,283</b>	<b>922</b>

Note: The accompanying accounting policies and notes form part of these financial statements



## Statement of Cash Flows

for the year ended 30 June 2020

	Notes	2020 \$'000	2019 \$'000
<b>Cash flow from Operating Activities</b>			
Cash was provided from:			
Revenue		25,200	22,737
Interest Received		76	29
Cash was applied to:			
Payments to employees		(19,857)	(18,187)
Payments to suppliers		(3,787)	(4,112)
Interest Paid		0	0
<b>Net Cash Inflow/(Outflow) from Operating Activities</b>	11	<b>1,632</b>	<b>467</b>
<b>Cash flow from Investing Activities</b>			
Cash was provided from:			
Disposal of fixed assets		2	9
Receipts from investments		750	750
Cash was applied to:			
Purchase of plant and equipment		(151)	(387)
Purchase of investments		(750)	(750)
<b>Net Cash Inflow/(Outflow) from Investing Activities</b>		<b>(149)</b>	<b>(378)</b>
<b>Cash flow from Financing Activities</b>			
Cash was provided to:			
Current account with Canterbury DHB		0	0
<b>Net Cash Inflow/(Outflow) from Financing Activities</b>		<b>0</b>	<b>0</b>
Overall increase/(decrease) in cash held		1,483	89
Opening cash and cash equivalent		1,224	1,134
<b>Closing Cash and Cash Equivalent</b>		<b>2,707</b>	<b>1,224</b>

Note: The accompanying accounting policies and notes form part of these financial statements.

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2020

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### 1 Resident Related Revenue

	2020 \$'000	2019 \$'000
WINZ revenue	1,378	1,241
<b>Total Resident Related Revenue</b>	<b>1,378</b>	<b>1,241</b>

### 2 Other Revenue

	2020 \$'000	2019 \$'000
Profit on sale of fixed asset	2	9
Donations and grants	25	56
Other Revenue	36	11
Revenue from other crown entities	2,832	2,742
<b>Total Other revenue</b>	<b>2,895</b>	<b>2,818</b>

### 3 Employee Benefits

	2020 \$'000	2019 \$'000
Wages and salaries	19,782	18,126
Increase in provision	502	271
Directors fees	68	61
<b>Total</b>	<b>20,352</b>	<b>18,458</b>

#### Current portion of Employee Benefits

Annual leave	1,295	967
ACC	71	61
Sick leave	290	186
Accrued wages, PAYE, long service leave, lieu days	1,163	1,109
<b>Total current portion of employee benefits</b>	<b>2,819</b>	<b>2,323</b>

#### Non-current portion of Employee Benefits

Long service leave	7	8
<b>Total Non-current portion of Employee Benefits</b>	<b>7</b>	<b>8</b>

## 4 Expenses

	2020 \$'000	2019 \$'000
Audit fee	26	24

## 5 Retained Earnings

	2020 \$'000	2019 \$'000
<b>Retained earnings</b>		
Opening Balance	922	794
Net Surplus for the year	361	128
Closing Balance	1,283	922
<b>Total equity</b>	<b>1,283</b>	<b>922</b>

## 6 Trade and Other Receivables

	2020 \$'000	2019 \$'000
Trade Debtors	770	1,268
Prepayments	1	2
Other Debtors	37	31
<b>Total trade and other receivables</b>	<b>808</b>	<b>1,301</b>

<b>Movements in the provision for impairment of receivables</b>	2020 \$'000	2019 \$'000
Balance at 1 July	3	5
Additional provisions made during the year	2	2
Receivables written-off during period	0	(4)
<b>Balance at 30 June</b>	<b>5</b>	<b>3</b>

\* Note: All amounts represent exchange transactions.

## 7 Trade and Other Payables

	2020 \$'000	2019 \$'000
Trade Payables*	512	504
Revenue in advance	271	80
	<b>783</b>	<b>584</b>

\* Note: All amounts represent exchange transactions

## 8 Property Plant and Equipment

2020 Class of Asset	Forest Park \$'000	Plant & Equipment \$'000	Motor Vehicles \$'000	Work in Progress \$'000	Total Assets \$'000
<b>Cost</b>					
Balance at 1 July 2019	285	1,465	899	0	2,649
Additions	0	44	96	0	140
Disposals/Transfers	0	(42)	(31)	0	(73)
<b>Total Cost June 2020</b>	<b>285</b>	<b>1,467</b>	<b>964</b>	<b>0</b>	<b>2,716</b>
Balance at 1 July 2019	285	978	603	0	1,866
Depreciation Charge for Year	0	96	105	0	201
Disposals/Transfers	0	(42)	(31)	0	(73)
<b>Depreciation Balance June 2020</b>	<b>285</b>	<b>1,032</b>	<b>677</b>	<b>0</b>	<b>1,994</b>
<b>Carrying Amount 30 June 2020</b>	<b>0</b>	<b>435</b>	<b>287</b>	<b>0</b>	<b>722</b>

2019 Class of Asset	Forest Park \$'000	Plant & Equipment \$'000	Motor Vehicles \$'000	Work in Progress \$'000	Total Assets \$'000
<b>Cost</b>					
Balance at 1 July 2018	285	1,351	837	22	2,495
Additions	0	206	173	0	767
Disposals/Transfers	0	(92)	(111)	(22)	(613)
<b>Total Cost June 2019</b>	<b>285</b>	<b>1,465</b>	<b>899</b>	<b>0</b>	<b>2,649</b>
Balance at 1 July 2018	285	978	632	0	1,895
Depreciation Charge for Year	0	84	82	0	166
Disposals/Transfers	0	(84)	(111)	0	(195)
<b>Depreciation Balance June 2019</b>	<b>285</b>	<b>978</b>	<b>603</b>	<b>0</b>	<b>1,866</b>
<b>Carrying Amount 30 June 2019</b>	<b>0</b>	<b>487</b>	<b>296</b>	<b>0</b>	<b>783</b>

## 9 Intangible Assets

	2020 \$'000	2019 \$'000
<b>Software Cost</b>		
Opening Balance	152	123
Additions	11	29
Disposals/ Transfers	0	0
Closing Balance	<b>163</b>	<b>152</b>
Opening balance	(127)	(104)
Amortisation charge for the year	(14)	(23)
Disposal /Transfers	0	\$0
Closing Balance	<b>(141)</b>	<b>(127)</b>
<b>Carrying amounts</b>	<b>22</b>	<b>25</b>

## 10 Refurbishment Provision

	2020 \$'000	2019 \$'000
Opening Balance	245	256
Additional provision made during the year	72	121
Amount of provision used during the year	(200)	(132)
<b>Closing balance</b>	<b>117</b>	<b>245</b>

## 11 Reconciliation of Net Surplus/(Deficit) for the Year with Net Cash Flows from Operating Activities

	2020 \$'000	2019 \$'000
Reported Net (Deficit)/Surplus	361	128
<b>Add back non-cash items:</b>		
Depreciation and amortisation	214	189
Loss of sale of assets	(2)	(1)
Capital WIP Opening Balance write-offs	0	0
	<b>573</b>	<b>316</b>
<b>Movements in working capital:</b>		
(Increase)/Decrease in receivables and prepayments	493	(137)
(Increase)/Decrease in Capital WIP Balance	0	0
(Increase)/Decrease in payables and accruals	8	129
(Increase)/Decrease in Revenue in advance	191	(74)
(Increase)/Decrease in staff entitlements	495	243
(Increase)/Decrease in provisions	(128)	(11)
<b>Net cash (outflow)/inflow from operating activities</b>	<b>1,632</b>	<b>466</b>

## 12 Residents' Trust Account

Residents' Trust Account comprises bank balances totalling \$933,375 as at 30 June 2020 (30 June 2019, \$796,404). The Canterbury DHB holds these funds on behalf of the residents to provide security and professional management. These funds are not included in the statement of financial position and are held in a separate bank account administered by the Canterbury DHB and not combined with Brackenridge funds.

## 13 Commitments

	2020 \$'000	2019 \$'000
Operating lease commitments	1,107	998
<b>Total commitments</b>	<b>1,107</b>	<b>998</b>
Term classification of commitments		
Less than one year	550	474
One to two years	191	156
Two to five years	366	331
Over five years	0	37
<b>Total Commitments</b>	<b>1,107</b>	<b>998</b>

## 14 Contingencies

### Contingent assets

As part of the Care and Support Workers (Pay Equity) Settlement Act 2017, Brackenridge Services Limited receives revenue from its funders to cover the increase in employee benefit expense.

Part of the process for recovering these extra costs requires an in arrears “wash-up” calculation. This was completed for the year ending 30 June 2020 and submitted to the Ministry of Health for consideration. Due to the Ministry of Health needing time to review workings and calculate the “wash-up” sums, this information was not available for inclusion in the financial results to June 2020. It is likely Brackenridge will receive a significant arrears Pay Equity payment from the Ministry later in the 2020 calendar year (2019: Nil)

Following the New Zealand Government declaring a Level 1 COVID 19 alert level, the Ministry of Health implemented surety payments based on pre-COVID revenue levels, rather than requiring actual invoicing. This resulted in some understatement of revenue relating to new clients supported in the period following level 1 being declared. A claim for that revenue has been lodged with the Ministry and if successful, will be recognised in the 20/21 financial year.

The Ministry of Health also requested that providers submit claims for increased costs of working during the COVID-19 lock-down period. The claim submitted by Brackenridge was not going to be assessed later in the 2020 calendar year, and due to uncertainty as to whether the claim would be successful, this has not been recognised in the June 2020 result. If successful, any proceeds received will be recognised in the 20/21 financial year.

### Contingent liabilities

Brackenridge has initiated a review of the employer levy rate being applied to liable payroll costs by the Accident Compensation Corporation, to ensure consistency with other disability support providers. Because this may result in a higher levy being deemed appropriate by the Accident Compensation Corporation, a provision has been made in the June 2020 result for the increased ACC expense that could apply from 1 April 2020. Based on verbal advice received from ACC and a legal opinion, management understand that any increased levy would only apply from 1 April 2020 and would therefore be fully covered by existing expense provisions. If ACC determine otherwise and that an increased rate would apply from an earlier date, Brackenridge could incur an expense for which no provision has been made. Because of the advice received, no estimation of such a retrospective cost has been assessed (2019: Nil).’

## 15 Transactions with Related Parties

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

	2020	2019
	\$'000	\$'000
Internal Audit, Insurance and other Corporate Services paid	60	60
Canterbury DHB Hospital Support Staff	14	10

There have been no outstanding related party amounts written off for the 2020 financial Year (2019: 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 is 100% owned by Canterbury DHB.

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

## 16 Key Management Personnel Compensation

Key Management personnel include the Chief Executive Officer, other Senior Management and Directors. Compensation paid or credited to all senior personnel in management roles during the year is as follows:

	2020	2019
	\$'000	\$'000
Salaries and other short term benefits	646	621
Termination payments	0	0
<b>Total key management personnel compensation</b>	<b>646</b>	<b>621</b>

## 17 Financial Instruments

Categories of financial assets and liabilities.

	2020	2019
	\$'000	\$'000
<b>Financial Assets</b>		
Cash and cash equivalents	2,706	1,224
Trade and other receivables	808	1,299
Investments	750	750
<b>Total due less than one year</b>	<b>4,264</b>	<b>3,273</b>
<b>Total loans and receivables</b>	<b>4,264</b>	<b>3,273</b>
<b>Financial Liabilities</b>		
Trade and other payables	783	504
<b>Total due less than one year</b>	<b>783</b>	<b>504</b>
<b>Total financial liabilities at amortised cost</b>	<b>783</b>	<b>504</b>



### 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 The Effects of COVID-19 on Brackenridge Services

On 11 March 2020, the World Health Organisation declared the outbreak of the COVID-19 pandemic. Two weeks later the New Zealand Government declared a State of National Emergency. The country was in lockdown at Alert Level 4 from 26 March to 27 April, and then remained in lockdown at Alert Level 3 until 13 May.

The effect of COVID-19 on our 2019/20 operations is reflected in these financial statements, based on the information available as at 30 June 2020. The forecasted impact of COVID-19 on Brackenridge's outyears performance is dependent on several uncertain parameters and the long-term impact will take some time to determine; and will include factors impacting our variable revenue streams such as for our reinstatement of respite services.

The main impacts on the 2019/20 financial statements due to COVID-19 are explained below.

### Government funding

The Ministry of Health provided surety funding to Brackenridge in the period from 26 March to 30 June 2020. This was calculated using an average of pre-Covid-19 Ministry of Health contract revenue levels and replaced on-going volume based service invoices. This arrangement continued on to September 2020 for Ministry of Health contracts. During this period, all services normally delivered by Brackenridge continued to be fully provided other than most of our respite service. The Ministry of Health instructed all New Zealand respite services to be closed for the duration of the lockdown period. The surety funding received in this period needed to be used to help cover the costs of Brackenridge staff placed on Covid-19 related leave. These additional costs were a key component in the calculation of the net 'extraordinary' costs incurred by Brackenridge from Covid-19 and referred to further within this note.

### Other Support

During the pandemic, we received Personal Protective Equipment (PPE) supplies from the Ministry of Health to be used for any Covid-19 preventative use within our homes. These supplies were at no cost and consisted primarily of protective gowns, gloves, and masks.

### Operating expenses

As a result of COVID-19, Brackenridge has incurred additional expenditure as follows:

- Payroll - The pandemic presented unique challenges for staffing and roster modelling to ensure both staff and client safety, which has led to higher payroll costs. A total of 51 staff were placed on some form of Covid-19 special leave during the lockdown period. All continued to receive their full contracted remuneration other than when the leave did not comply with Government guidelines. Additional standby staff were required to

back-fill any potential staffing absence from infection risk at short notice.

- Substantially lower levels of leave were taken during the pandemic declaration.
- Non-MoH PPE costs – Additional PPE supplies including sanitizers for all homes and face masks to ensure that all Brackenridge staff and clients had appropriate access to PPE.
- Additional office space and working at home expenses plus communication costs to keep the community, staff and clients informed.

These additional operating costs are partially offset by the Ministry of Health surety funding as outlined above. The net financial impact of the additional expenses formed the basis of a claim invoiced to the Ministry of Health in June 2020 as part of their commitment to supporting disability service providers over this period. This has not been recognised in these financial statements. This follows advice received by the disability support sector from the Ministry that payment of any or part of this Extraordinary Covid-19 cost claim could not be guaranteed. Any full or partial recovery will be recognised in the financial statements for the financial year to June 2021.

### Balance sheet impacts

At our 30 June 2020 Balance Date, due to our primary funders making contract payments in advance during the surety payment period, the level of funds held (Cash and cash equivalents and Short term investments) were significantly higher than in the previous year.

Employee benefit balances at 30 June 2020 are higher than at the previous year-end due to a significant lessening in the use of all forms of employee leave entitlements during the Covid-19 lockdown period.

An annual impairment assessment has been completed for tangible and intangible assets. No impairments have been recognised as a result of the assessments due to COVID-19.

## 19 Subsequent Events

There were no events after 30 June 2020 which could have a material impact on the information in Brackenridge's financial statements.

# Statement of Responsibility and Independent Auditor's Report

For the year ended 30 June 2020

AUDIT NEW ZEALAND  
Mana Arotake Aotearoa

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

The Board and management of Brackenridge Services Limited 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 Services Limited, the annual financial statements for the year ended 30 June 2020 fairly reflect the financial position and operations of Brackenridge Services Limited.

For and on behalf of the Board.

## Independent Auditor's Report

### To the readers of Brackenridge Services Limited's financial statements for the year ended 30 June 2020

The Auditor-General is the auditor of Brackenridge Services Limited (the company). The Auditor-General has appointed me, Chris Genet, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements of the company on his behalf.

#### Opinion

We have audited the financial statements of the company on pages 16 to 25, that comprise the statement of financial position as at 30 June 2020, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the company:

- present fairly, in all material respects:
  - its financial position as at 30 June 2020; 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 Public Benefit Entity Reporting Standards Reduced Disclosure Regime.

Our audit was completed on 11 December 2020. This is the date at which our opinion is expressed.

The basis for our opinion is explained below, and we draw attention to the impact of Covid-19 on the company. In addition, we outline the responsibilities of the Board of Directors and our responsibilities relating to the financial statements, we comment on other information, and we explain our independence.

#### Emphasis of matter – Impact of Covid-19


Without modifying our opinion, we draw attention to the disclosures about the impact of Covid-19 on the company as set out in note 18 to the financial statements.

#### 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



Jane Cartwright  
Chairperson  
11 December 2020



Steve Wakefield  
Board member  
11 December 2020

(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

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

In preparing the financial statements, 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 there is an intention to liquidate the company or there is no realistic alternative but to do so.

The Board's responsibilities arise from the Charities Act 2005.

### Responsibilities of the auditor for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements, 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.

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

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, 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 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 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, including the disclosures, and whether the financial statements 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 pages 2 to 15 and 26 to 29 but does not include the financial statements, and our auditor's report thereon.

Our opinion on the financial statements 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, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements 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.

## Statutory Disclosures

as at 30 June 2020

### 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: 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.



Chris Genet  
Audit New Zealand  
On behalf of the Auditor-General  
Christchurch, New Zealand

### 1 Directors' Interest

The Directors have declared the following interest:

#### Jane Cartwright

- Ara Institute of Canterbury Limited (formerly Christchurch Polytechnic Institute of Technology) - Council Member
- Nurse Maude Association – Deputy Chair
- NZ Health Practitioners Disciplinary Tribunal – Member

#### Kath Fox

- Medical Council of New Zealand – Member
- Medical Council of New Zealand Health Committee - Member
- Mercy Hospital Dunedin Ltd - Director

#### Paula Rose

- Broadcasting Standards Authority - Member
- New Zealand Parole Board - Member
- St John South Island Regional Trust Board - Board Member
- Social Workers Registration Board – Member
- Transport Accident Investigation Commission as of May 2017 – Commissioner
- WorkSafe New Zealand - Board member

#### Steve Wakefield

- 199 Johns Road Limited – Shareholder, Director
- Canterbury Angel Investors Association – Founding Member and Director
- Canterbury DHB – Committee Member, Quality Finance Audit and Risk Committee
- Carolina Homes Limited – Director, Shareholder
- EVNEX Limited – Director, Shareholder
- Foodstuffs S.I Properties Ltd – Director
- Foodstuffs South Island Cooperative Limited – Independent Director
- Innovative Software Limited - Director, Shareholder
- INOV8 Limited – Director
- MastaPlex Limited, Syft Limited - Shareholder
- MedSalv Limited - Director
- Menumaster Limited – Director and Shareholder
- Murdoch Manufacturing Ltd – Director
- Nutrient Rescue Limited – Director, Shareholder
- NZ Association of Credit Unions (T/A Co-op Money) - Director
- NZ Credit Union Baywide – Board Member
- NZ Health Innovation Hub Limited – Chairman of Directors
- Pegasus Health – Independent Chair, Health One Programme - Steering Committee
- Paenga Kupenga Limited - Director
- Ravenscar Trust – Chairman
- RHOAD Limited – Director



- Steve Wakefield Services Limited - Director, Shareholder
- Townsend Fields Limited – Director
- University of Canterbury – Council Member, Pro-Chancellor
- Wakefield Holdings Limited – Director

#### Kate Lopez

- Canterbury Clinical Network (CCN) Alliance Leadership Team - Member
- CCN Community Services Service Level Alliance - Chair
- Canterbury DHB - Director of Nursing, Older Persons Health and Rehabilitation
- Lopez Consulting Limited – Director
- Nurse Executives of New Zealand - Member

#### Erin Black

- Australia New Zealand Leadership Forum - Member
- Beca Ltd - Manager
- Canterbury Employers Chamber of Commerce - Director
- Enabling Good Lives, Christchurch Leadership Group - Member
- National Association of Women in Construction New Zealand – Member

## 2 Directors' Loans

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

## 3 Directors' Insurance

Canterbury DHB has arranged policies of Directors' Liability Insurance, which ensure that Directors will incur no monetary loss as a result.

## 4 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	\$22,521
Erin Black	\$11,260
Kath Fox	\$11,260
Paula Rose	\$11,260
Steve Wakefield	\$11,260
Kate Lopez	n/a

## 5 Employee Remuneration

The number of employees who received remuneration and other benefits for the year totalling more than \$100,000 were as follows:

	2020	2019
\$100,000 to \$110,000	1	0
\$120,000 to \$130,000	0	1
\$130,000 to \$140,000	1	0
\$140,000 to \$150,000	1	1
\$190,000 to \$200,000	1	1

## 6 Payments in Respect of Termination of Employment

During the year, the company made no payments in respect of termination of employment with Brackenridge (2019: \$13,820).

During the year a provision of \$3,000 was made in respect of termination of employment with Brackenridge (2019: \$15,000).

## 7 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.

## 8 Donations

Donations made during the year were \$800 (2019: \$690).

## 9 Disclosures and Statements

### Board Members

Jane Cartwright – Chair  
Kath Fox  
Paula Rose  
Steve Wakefield  
Kate Lopez  
Erin Black

Chief Executive  
Pip Stewart

## 10 Registered Office

32 Oxford Terrace, Christchurch 8011.

## 11 Address for Service

128 Wrights Road, Middleton, Christchurch 8024.





People **being** equal citizens, **belonging** to their communities, and **becoming** more able to live the life they choose.





**Brackenridge Services Limited**

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New Zealand