

# Brackenridge

Supporting People to Create Great Lives



Annual Report 2022

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## **Brackenridge Services**

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New Zealand

*We're here to support people and their whānau  
navigate life with mana and manaakitanga.*

## OUR VALUES ARE

### Partnership

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

### Pride in what we do

We strive for a culture of continuous improvement. We are proud to be a part of the Brackenridge Team.

### Person centred

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

### Passionate

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



# Board Chair's Report

## Jane Cartwright

Kia Ora, Talofa Lava, Kia Orana, Malo e lelei, Ni Sa Bula Vinaka, Fakalofa Lahi Atua, Talofa Ni

The Brackenridge Board is optimistic about the future as the reforms to the disability sector get underway with the formation of Whaikaha - the Ministry of Disabled People. We expect the findings from the 'Abuse in Care Royal Commission of Inquiry' to further influence the way people are supported to live the life they aspire to.

Membership of the local Enabling Good Lives Group enables Brackenridge to work with clients so they can 'Be, Become and Belong'. We all marvel at what people can achieve with the right support and attitude. The same can be said for the growing number of clients we support referred from Oranga Tamariki.

We are investing in a true partnership between our disability community, Māori and the Government. Hats off to the Maori Staff group who have led the way with Waiata, Karakia and other initiatives to embed cultural safety amongst services. ngā mihi nui to you all.

A key goal is to continuously improve and do this equitably across populations. Strong Partnership and leadership is essential to do this. This is particularly so as we are serious about our commitment to being a better **Te Tiriti Waitangi** partner.

Covid remains something we need to cope with. An enormous thank you goes to staff and families who put in place systems to keep everyone safe. We will need to be vigilant with hygiene practices, vaccinations and flexible in-service delivery to cope with sickness now and in the future.

Brackenridge's financial performance continues to improve, reflecting tireless advocacy for the sustainable funding for each person. The Brackenridge Board has been in discussion with the Te Whatu Ora, its shareholder, on future governance options and resources to improve its equity, which would enable more investment in appropriate accommodation options for people, and IT tools that respond to the needs of staff and clients.

We were pleased to post a surplus result of \$1,105,519 on a turnover of \$32,161,000. This surplus was better than budgeted and will be used for future investment in both improved services and investments in accommodation, assets and systems.

On a daily basis Brackenridge's teams are supporting people with complex needs and provide more than residential support. Clients want assistance to meet their aspirations for a vocation, living arrangements, contact with family and daily tasks. A heartfelt thanks to Pip Stewart, CEO and all staff, for their dedication and commitment. Thank you, too, to the organisations and individuals whose grants and donations provided additional activities and experiences for people we support who are growing their choices and preferences.

I am grateful to my fellow Board members and members of the Family Advisory Group for their persistence and leadership. Sir John Hansen joined the Board in early 2022 bringing his extensive experience to future planning and strategy.

Jane Cartwright  
Chair



# Chief Executive's Report

## Pip Stewart

Brackenridge serves to support disabled people to optimise the outcomes people seek in their lives. Our mission is Empowering People: Supporting Great Lives. Underpinning this is our unwavering belief in all people's abilities, their rights to exercise choice and control and exercise citizenship.

COVID again continued to be at the forefront of our minds throughout 2021/22. With a strong infection prevention and control approach, people were supported to access their vaccinations and receive services delivered in ways that safeguarded wellbeing. We complied with Government's Health Orders and responded to the array of alert level changes and the Omicron surge.

### Health Sector Reform – Te Whatu Ora & Whaikaha

In 2021 Government announced significant transformational changes impacting the Health and Disability support sectors. Substantial transitional work was undertaken prior to the 1 July 2022 launch of the new Ministry of Disabled People Whaikaha, and the Pae Ora legislation which reorientated the Ministry of Health, established Te Whatu Ora Health NZ and Te Aka Whai Ora - Māori Health Authority and disestablished the District Health Boards. With this Brackenridge saw its key funder relationship move to Whaikaha with no disruption to services for the people we serve. We also saw ownership change of Brackenridge as a limited liability subsidiary company to Te Whatu Ora, having thanked the Canterbury District Health Board for their support over their years.

Whaikaha has responsibility for planning the roll out of the Enabling Good Lives approach across New Zealand. Aligned to this, we have continued to evolve our thinking, support practices, and business systems in line with the transformation of the disability support sector — embracing the vision and principles of Enabling Good Lives and also giving effect to the changes in care standards being led by our care partner Oranga Tamariki. We continued to build on our Being Belonging Becoming outcomes framework, strengthening our Practice Models and associated workforce competency, all with the aim of improving the quality, effectiveness, and sustainability of our services for our customers and their families.

Whilst the year-end financial result was pleasing, the path to get there was again challenging. We advocated strongly for revenue that covers the costs of service provision. The year-end result reflects this work and allows for reinvestment to improve the quality and effectiveness of the services we provide.

### Māori & Cultural responsiveness – Continuing our learning journey

Improving responsiveness to Māori and improving cultural competence continued to be priority. We are very grateful for the help and leadership of our Māori staff and whānau. Together we feel our Te Ao Māori confidence and effectiveness is growing and this will contribute to improving equity of outcomes.

*Continued over the page ....*

*“To the people we support and your families, thank you for the privilege of being part of your journey and for your ongoing support and encouragement”.*



# Chief Executive's Report

## Continued

Our work in support of people and families is delivered by our people, our staff. Over the year, we have maintained our focus on continuous learning and development, improving our competencies and practice. Warmest congratulations to the many staff who have also achieved new qualifications over the year.

We are grateful for the support we have received from our key funding agencies (Ministries of Health & Social Development, ACC, and Oranga Tamariki), along with the support we have received from philanthropic and charitable donors.

People's aspirations and goals are enabled and empowered through the actions and support of 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 support create and live great lives of their choosing. We value and appreciate greatly your role as partners. Thank you so much.

### Thank you for your continued support

As we reflect on the year, I wish to extend my thanks to everyone who has contributed to our journey and continue 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 people - support staff, business and administration staff, leaders and managers for your 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.

Thank you to our Family Advisory Group for your continued advice and support. We were delighted that this year the fabulous work of our Chair, Brian Reddington was recognised through the Volunteer Canterbury awards. Congratulations Brian.

Finally, thank you to our shareholders (Canterbury District Health Board and Te Whatu Ora HealthNZ) and our Canterbury Community, to our Board Chair, Jane Cartwright, and our Directors - Steve, Gail, Kate, Julie, and Sir John, and former Director the late Kath Fox, for your excellent governance and your continued encouragement to us all.

Pip Stewart










# Brackenridge Advisory Group

## Brian Reddington - Chairperson

The Brackenridge Advisory Group was originally formed in July 2014 with the purpose of providing advice to the CEO and Board on how to meet present and future needs of clients of Brackenridge. The advice included how trends in the disability sector impact on service development. With the establishment of Whaikaha-Ministry for Disabled People, scheduled for July 2022 and a nationwide expansion of the Enabling Good Lives approach to disability support, in June 2022, our Group commenced a review of our Terms of Reference and our name.

The Advisory Group has discussed many topics at our bi-monthly meetings. As in the previous year, we maintained our focus on the safety and health risks for clients, their families and advocates and their support teams which have been caused by variants of Covid. Vaccination certificates were obtained to enable Community engagements to be attended, especially over the Christmas holiday break. Many thanks are extended to the team who arranged for Booster and Flu vaccines for service users during autumn.

Quality delivery of services was discussed with management at several of our meetings. Our concerns and recommendations have been acknowledged by management and will be given a continuing focus and dialogue.

At our June meeting, the CEO, Pip Stewart and Board member, Julie Hands, along with senior management, acknowledged our members as volunteers with an afternoon tea and presentation of certificates. This gesture was greatly appreciated by our members.

During the year, a member of our Group was part of the interviewing team to appoint a Board member, who has lived experience of a person with disabilities, and the General Manager of People and Culture. We appreciate the opportunity to represent the views of clients and their families/advocates at these interviews.

I feel proud of the accomplishments of our Group and extend my sincere thanks to all my fellow Advisory Group members, the Board, and all employees of Brackenridge for their excellent contribution to the wellbeing of all who they support, during another unique and challenging twelve months.

Brian Reddington  
Chair



# Community Support

Thank you for your continued generosity and support over the last year. It takes a whole community approach to make a positive impact in people's lives. We are proud to serve our local Canterbury community, and over the years, our services have also extended to support people who don't normally call Canterbury home. We offer support to many families and individuals that come from different parts of the country—so it's important for us to offer different options for people to keep connected and stay in touch.

It's not just about offering quality services and providing safe and warm living environments, we offer co-designed community programmes that help promote friendships, healthy living, and well-being initiatives. A lot of our mahi centers around exploring creative solutions to help people achieve what is important to them and their families. Our Community Choices programme has received funding to further develop people's experience of growing veggies and nutritional cooking skills!

Our fundraising initiatives have enabled people to experience more in life and build connections with their different communities. Grant funding from the E L & J B Sanderson Trust has enabled us to develop our Virtual Reality project further, with a new projector and additional technology to support people's communication goals. Immersive learning games and interactive technology has benefited people we support and their families in different ways during the COVID lockdowns. People we support were able to see and hear their families and friends through this technology without the additional safety threats.

Our Family service supports families with short term care for their child or young person. We've been able to offer additional activities for young people during the holidays and after school with

donations received and community grants. The funding received helped provide children and young people with more play equipment and resources like a boxing bag, soccer sets, and board games.

Thank you to the following supporters and Trusts for assisting us on this journey. We couldn't have done this without your help!

- Mackenzie Foundation
- E B Milton Charitable Trust
- Sybil Ada Hensley - Trustees Executors
- Maurice Carter Charitable Trust
- The Blogg Trust
- Christchurch City Council
- MSD Training Fund
- E L & J B Sanderson Trust

**Thank you for  
supporting  
people to create  
great lives!**



# Community partnerships for greater impact!

Orana Park is a well loved Canterbury icon and we were delighted to work with Richard the Park's programme manager to assist people develop skills related to caring for animals. Some of the young people we assist have been attending one on one sessions aimed at learning the various aspects that are involved in maintaining the busy park.

'It's been refreshing to work with young people that Brackenridge supports. We've had some real fun along the way! We've faced the challenges head on and learnt more about how we can help people grow their life vision' Richard Merchant mentioned, Orana Park Programme Manager.

Josh has been engaged with the Park's programme for a year and has built his knowledge up on the different animals and enclosures. He's shown interest in the park shuttle bus tours and is keen to develop his public speaking skills by guiding the shuttle tours through the park's different areas. Josh's confidence and connections have grown over this time and the park employees have been thoroughly impressed with his presence around the park, along with his dedication to the animals.

When we see people with intellectual disabilities as ordinary citizens, doing ordinary activities in ordinary places, we begin to truly value the diversity among us and how rich that makes our different communities



*It's been refreshing to work with young people that Brackenridge supports. We've had some real fun along the way!  
We've faced the challenges head on and learnt more about how we can help people grow their life vision —  
Richard Merchant, Orana Park Programme Manager*

# Our Year - at a glance!



**221**

People received  
Brackenridge support



**13%**

of the people we  
support use wheelchairs



**48%**

of people we support are  
non-verbal communicators



**4,645** nights

of short term support were  
accessed by Families and  
Whānau



**48** places  
people call home



**23** years

of providing support  
services in Canterbury



**40%**

of our staff have been  
with us for 5 years plus



**67** staff were engaged  
in the NZ Certificate  
in Health & Wellbeing



## Employee Breakdown

**426**

**Brackenridge Employees**

**284 Full time**

**66 Part time**

**76 Casual**

**339**

**Community Support Workers**

**43**

**Team Leaders**

**8**

**Registered Nurses**

**6**

**Service Managers**

**36**

**Business Support Staff**



# Our Workforce

**General Manager—Mark O'Dwyer**

Our workforce is a dedicated, skilled, and diverse group of talented individuals and teams who strive to enable the people we support to thrive and lead the lives they wish to lead. The range of services we provide is large, and the organisation is well led through service delivery, business, and people support professionals who coordinate, advise, and manage the workforce on a daily basis.

Team Brackenridge are a committed bunch with 40% of Community Support Workers employed for five years or more. Congratulations to our long serving staff members who have completed 20 or more years of service – 17 in total! Thank you for your incredible commitment to our community.

Our workforce is a dynamic group of people with different qualifications and experiences, all contributing to the quality of our services and to the lives of people we support. To strengthen our response

to the disability systems transformation, we continue to build a strong values-based culture and work to embed the Enabling Good Lives principles in all areas of our work.

Sixty-seven staff members were engaged in the NZ Certificate in Health and Wellbeing through Careerforce. The programmes ranged from the Level 2 Foundation programme to the Level 4 Apprenticeship programme.

Twenty-two Community Support Workers undertook the Level 4 Apprenticeship programme, and 38 staff members are working towards Level 3 qualifications.

As well this year our internal Assessors engaged in additional study to further their assessment knowledge enabling them to better support our learners.

**'Congratulations to our long serving staff members who have completed**

**20 or more years of service – 17 in total!**

**Thank you for your incredible commitment to our community”.**

# Statement of Accounting Policies

For the year ending 30 June 2022

## 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 was wholly owned by Canterbury District Health Board up till June 2022, which in turn is owned on behalf of the Crown by two shareholding Ministers, the Minister of Health, and the Minister of Finance. Note that as part of the 2022 Health Sector Reforms detailed below, the Canterbury DHB became Te Whatu Ora – Health New Zealand Waitaha Canterbury from 1 July 2022. Brackenridge is therefore wholly owned by Te Whatu Ora - Health New Zealand Waitaha Canterbury. 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 2022 and were authorised for issue by the Board on 24 May 2023.

## Principal Activity

Brackenridge provides residential services and active support for persons with intellectual disabilities and learning impairments.

## 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 in the year ended 30 June 2021.

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.

## 2022 Health Sector Reforms

On 21 April 2021 the Minister of Health announced the health sector reforms in response to the Health and Disability System Review. The reforms have replaced all 20 District Health Boards (DHBs), including the company's shareholder Canterbury DHB, with a new Crown entity, Health New Zealand, that will be responsible for running hospitals and commissioning primary and community health services. It will have four regional divisions. As a result of the reforms, responsibility for public health issues will rest with a new Public Health Authority.

A new Māori Health Authority will monitor the state of Māori health and commission services directly. Legislation to establish the new entities and disestablish DHBs came into effect on 1 July 2022.

Additionally, as part of the health sector reforms, a new Ministry for Disabled People was established on 1 July 2022. All funding contracts currently held by Brackenridge with the Ministry of Health will be transferred to this new Ministry for Disabled People. The new Ministry will become the Brackenridge monitoring agency, in place of the Ministry of Health. There will be no changes to the contract provisions as a result of this transfer of contracts to the Ministry for Disabled People.

Despite these provisions, the financial statements have been prepared on a going concern basis, because no decisions regarding the future operations or structure of the Company have been made. Consequently, there have been no changes to the recognition and measurement, or presentation of information in these financial statements.

## 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 2022.

## 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. Short term lease agreements through to December 2023 have been agreed while a new long term lease agreement is being developed. The draft 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. Other homes in the community are leased from private landlords with renewal rights between one and three years, as well as periodic renewal. Brackenridge also leases offices on an eight-year lease.

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 Kāinga Ora 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, subject to fair wear and tear. 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. Note that as part of the 2022 Health Sector Reforms detailed above, the Canterbury DHB became Te Whatu Ora – Health New Zealand Waitaha Canterbury with effect from 1<sup>st</sup> July 2022.

#### 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

The classification of financial instruments under PBE IFRS 9 are as follows:

	PBE IFRS 9 category
Cash and cash equivalents	Amortised Cost
Trade and other receivables	Amortised Cost
Short term investments	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 comprise 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.

### Accrued Income

Accrued income is comprised of amounts owing to Brackenridge by funders for services already delivered but not yet invoiced. This includes amounts owing for Pay Equity subsidies.

### 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 using current rates for pay, and average earning rates when higher than ordinary rates.

#### 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 in accordance with CDHB policy.

#### Long Service Leave

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

### Trade and Other Payables

Trade and other payables are non-interest bearing and are normally settled within 30 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 in which 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.

In the current financial year, non-exchange revenue contracts included Ministry of Health COVID Support funding and a bequest.

### 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 ending 30 June 2022

	Notes	2022 \$'000	2021 \$'000
<b>Revenue from exchange transactions</b>			
Ministry of Health Revenue	1	25,257	22,246
Resident Related Revenue	2	1,743	1,557
Other Revenue	3	4,607	3,442
Interest Revenue		19	36
<b>Revenue from non-exchange transactions</b>			
Ministry of Health Revenue	1	328	-
Other Revenue	3	207	2
<b>Total revenue</b>		<b>32,161</b>	<b>27,281</b>
<b>Expenditure</b>			
Employee Benefits Expense	4	25,696	21,890
Treatment Related Cost		184	96
Food Consumables		857	795
Repairs and Maintenance		361	386
Rental/Leases		1,482	1,242
Depreciation and Amortisation	11, 12	270	222
Other Expenses		2,206	1,918
<b>Total expenses</b>		<b>31,056</b>	<b>26,549</b>
<b>Surplus/(Deficit)</b>		<b>1,105</b>	<b>732</b>
<b>Other comprehensive revenue and expense</b>		<b>0</b>	<b>0</b>
<b>Total comprehensive surplus/(loss)</b>		<b>1,105</b>	<b>732</b>

## Statement of Changes in Equity

For the year ending 30 June 2022

	Notes	Actual 2022 \$'000	Actual 2021 \$'000
<b>Total equity at beginning of the year</b>		668	(64)
Total comprehensive surplus/(loss)		1,105	732
<b>Total equity at year end</b>	6	<b>1,773</b>	<b>668</b>



## Statement of Financial Position

As at 30 June 2022

	Notes	2022	2021
		\$'000	\$'000
<b>Equity</b>			
Share capital	6	0	0
Retained earnings	6, 21	1773	668
<b>Total equity</b>		<b>1773</b>	<b>668</b>
<b>Current assets</b>			
Cash and cash equivalents	7	1,755	2,664
Short term investments	8	2,750	750
Trade and other receivables	9	2,352	1,822
<b>Total current assets</b>		<b>6,857</b>	<b>5,236</b>
<b>Current liabilities</b>			
Trade and other payables	10	1,291	1,310
Employee benefits	4, 21	3,171	2,574
<b>Total current liabilities</b>		<b>4,462</b>	<b>3,884</b>
<b>Net working capital</b>		<b>2,395</b>	<b>1,352</b>
<b>Non-current assets</b>			
Property, plant and equipment	11	882	828
Intangible assets	12	26	12
<b>Total non-current assets</b>		<b>908</b>	<b>840</b>
<b>Non-current liabilities</b>			
Employee benefits	4	1,410	1,387
Provisions	13	120	137
<b>Total non-current liabilities</b>		<b>1,530</b>	<b>1,524</b>
<b>Net assets</b>		<b>1,773</b>	<b>668</b>

## Statement of Cash Flows

For the year ended 30 June 2022

	Notes	2022	2021
		\$'000	\$'000
<b>Cash flow from Operating Activities</b>			
Cash was provided from:			
Revenue		31,212	26,231
Interest received		19	36
Cash was applied to:			
Payments to employees		(25,076)	(22,102)
Payments to suppliers (see non-cash adjustment below)		(4,677)	(3,890)
<b>Net cash inflow/(Outflow) from Operating Activities</b>	14	<b>1,478</b>	<b>275</b>
<b>Cash flow from Investing Activities</b>			
Cash was provided from:			
Receipts from investments		750	750
Cash was applied to:			
Purchase of plant and equipment		(388)	(319)
Purchase of investments		(2,750)	(750)
<b>Net cash inflow/(outflow) from Investing Activities</b>		<b>(2,388)</b>	<b>(319)</b>
<b>Net cash inflow/(outflow) from Financing Activities</b>			
		<b>0</b>	<b>0</b>
Overall Increase/(Decrease) in Cash Held		(910)	(44)
Opening Cash and Cash Equivalent		2,664	2,706
<b>Closing Cash and Cash Equivalents</b>		<b>1,754</b>	<b>2,662</b>
<b>Balance of cash &amp; cash equivalents per Balance Sheet</b>		<b>1,755</b>	<b>2,664</b>

## Notes to and forming part of the Financial Statements

For the year ending 30 June 2022

### 1. Ministry of Health Revenue

	Notes	2022 \$'000	2021 \$'000
Revenue from exchange transactions		25,257	22,246
Revenue from non-exchange transactions		328	-
<b>Total MoH Revenue</b>		<b>25,585</b>	<b>22,246</b>

### 2. Resident Related Revenue

	Notes	2022 \$'000	2021 \$'000
WINZ Revenue		1,743	1,557
<b>Total Resident Related Revenue</b>		<b>1,743</b>	<b>1,557</b>

### 3. Other Revenue

	Notes	2022 \$'000	2021 \$'000
Other Revenue from exchange transactions			
Gain on Sale of Fixed Asset		3	16
Other Revenue		4	71
Revenue from Other Crown Entities		4,600	3,291
<b>Total Other Revenue from exchange transactions</b>		<b>4,607</b>	<b>3,378</b>

Other Revenue from non-exchange transactions			
Donation and Grants		207	64
<b>Total Other Revenue from non-exchange transactions</b>		<b>207</b>	<b>64</b>
<b>Total Other Revenue</b>		<b>4,814</b>	<b>3,442</b>

### 4. Employee Benefits

	Notes	2022 \$'000	2021 \$'000
Wages and Salaries Paid		25,020	22,036
Increase/(Decrease) in Employee Provisions		620	(212)
Directors Fees		56	66
<b>Total</b>		<b>25,696</b>	<b>21,890</b>

### Current Portion of Employee Benefits

Annual Leave		1,793	1,535
ACC		165	119
Sick Leave		513	353
Accrued Wages, PAYE, Long Service Leave, Lieu Days		700	567
<b>Total Current Portion of Employee Benefits</b>		<b>3,171</b>	<b>2,574</b>

### Non-Current Portion of Employee Benefits

Holidays Act Compliance Provision	21	1,347	1,347
Long Service Leave		63	40
<b>Total Non-Current Portion of Employee Benefits</b>		<b>1,410</b>	<b>1,387</b>

### 5. Expenses

	Notes	2022 \$'000	2021 \$'000
Audit Fee		40	30

### 6. Equity

		2022 \$'000	2021 \$'000
<b>a) Share capital</b>			
1 Ordinary share @\$1 - issued and paid up		-	-
<b>b) Retained earnings</b>			
Opening Balance	22	668	(64)
Net Surplus/(Deficit) for the Year		1,105	732
Closing Balance		1,773	668
<b>Total Equity</b>	22	<b>1,773</b>	<b>668</b>

### 7. Cash and Cash Equivalents

	Notes	2022 \$'000	2021 \$'000
Cash and Bank		1,755	2,664
<b>Total Cash and Cash Equivalents</b>		<b>1,755</b>	<b>2,664</b>

### 8. Short Term Investment

	Notes	2022 \$'000	2021 \$'000
Term Deposits		2,750	750
<b>Total Short Term Deposits</b>		<b>2,750</b>	<b>750</b>

## 9. Trade and Other Receivables

	2022 \$'000	2021 \$'000
Trade Debtors	920	1,522
Accrued Income	1,388	239
Prepayments	30	28
Other Debtors	14	33
<b>Total Trade and Other Receivables</b>	<b>2,352</b>	<b>1,822</b>

### Movements in the provision for impairment of receivables

	2022 \$'000	2021 \$'000
Balance 1 July	5	5
Additional provisions made during the year	23	0
Receivables written-off during period	3	-
<b>Balance 30 June</b>	<b>25</b>	<b>5</b>

### Trade Debtors Aging

	2022 \$'000		
	Gross	Impairment	Net
Current	911	16	895
1-30 days	5	5	0
31-60 days	4	4	0
61-90 days	0		0
>91 days	0		0
<b>Total</b>	<b>920</b>	<b>25</b>	<b>895</b>

## 10. Trade and Other Payables

	2022 \$'000	2021 \$'000
Trade Payables	876	712
Revenue in Advance	415	598
<b>Total Trade and Other Payables</b>	<b>1,291</b>	<b>1,310</b>

## 11. Property Plant and Equipment

2022 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 2021	285	1,351	1,139	0	2,775
Additions	0	135	232	4	371
Disposals/Transfers	(285)	(687)	(165)	0	(852)
<b>Total Cost June 2022</b>	<b>0</b>	<b>799</b>	<b>1,206</b>	<b>4</b>	<b>2,294</b>

### Depreciation & Impairment

Balance at 1 July 2021	285	933	734	0	1,952
Depreciation Charge for Year	0	102	156	0	258
Disposals/Transfers	(285)	(635)	(163)	0	(798)
<b>Depreciation Balance June 2022</b>	<b>0</b>	<b>400</b>	<b>727</b>	<b>0</b>	<b>1,412</b>
<b>Carrying Amount 30 June 2022</b>	<b>0</b>	<b>399</b>	<b>479</b>	<b>4</b>	<b>882</b>

2021 Class of Asset	Forest Park \$'000	Plant & Equipment \$'000	Motor Vehicles \$'000	Work in Progress \$'000	Total Assets \$'000
Balance at 1 July 2020	285	1,467	964	0	2,717
Additions	0	82	235	0	317
Disposals/Transfers	0	(198)	(60)	0	(258)
<b>Total Cost June 2021</b>	<b>285</b>	<b>1,351</b>	<b>1,139</b>	<b>0</b>	<b>2,775</b>

### Depreciation & Impairment

Balance at 1 July 2021	285	1,037	677	0	1,999
Depreciation Charge for Year	0	94	117	0	211
Disposals/Transfers	0	(198)	(60)	0	(258)
<b>Depreciation balance June 2021</b>	<b>285</b>	<b>933</b>	<b>734</b>	<b>0</b>	<b>1,952</b>
<b>Carrying amount 30 June 2021</b>	<b>0</b>	<b>418</b>	<b>405</b>	<b>0</b>	<b>823</b>



## 12. Intangible Assets

	2022 \$'000	2021 \$'000
<b>Software cost</b>		
Opening balance	164	163
Additions	21	1
Disposals/transfers	3	0
<b>Closing Balance</b>	<b>182</b>	<b>164</b>
<b>Amortisation</b>		
Opening balance	(152)	(141)
Amortisation charge for the year	(7)	(11)
Disposal/Transfers	3	0
<b>Closing balance</b>	<b>(156)</b>	<b>(152)</b>
<b>Carrying amounts</b>	<b>26</b>	<b>12</b>

## 13. Refurbishment Provision

	2022 \$'000	2021 \$'000
Opening Balance	137	117
Additional provision made during the year	72	72
Amount of provision used during the year	(89)	(52)
<b>Closing balance</b>	<b>120</b>	<b>137</b>

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

	2022 \$'000	2021 \$'000
Reported Net (Deficit)/Surplus	1,105	732
<b>Add back non-cash items</b>		
Depreciation and Amortisation	270	222
(Profit)/Loss of sale of assets	53	0
	1,428	954
<b>Movements in working capital:</b>		
(Increase)/Decrease in Receivables and Prepayments	(930)	(1,013)
(Increase)/Decrease in Capital WIP Balance	(4)	0
Increase/(Decrease) in Payables and Accruals	164	199
Increase/(Decrease) in Revenue in Advance	217	327
Increase/(Decrease) in Staff Entitlements	620	(212)
Increase/(Decrease) in Provisions	(17)	20
<b>Net Cash (Outflow)/Inflow from Operating Activities</b>	<b>1,478</b>	<b>275</b>

## 15. Residents' Trust Account

Residents' Trust Account comprises bank balances totalling \$1,041,258 as at 30 June 2022 (30 June 2021, \$1,029,420). These funds are held on behalf of the residents by Brackenridge. These funds are not included in the statement of financial position and are held in a separate bank account and not combined with any company funds.

## 16. Commitments

	2022 \$'000	2021 \$'000
Operating Lease Commitments	1,372	1,525
<b>Total commitments</b>	<b>1,372</b>	<b>1,525</b>
Term classification of commitments		
Less than one year	938	808
One to two years	369	522
Two to five years	65	195
Over five years	0	0
<b>Total commitments</b>	<b>1,372</b>	<b>1,525</b>

## 17. 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 has been completed for the year ending 30 June 2022 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. An amount of \$411,000 has been recognised as revenue. Any amount received over this is a contingent asset.

### Contingent liabilities

In conjunction with our parent organisation, the Canterbury District Health Board, we have commissioned a review of prior year payrolls to determine whether leave payments have been calculated in accordance with the relevant Holidays Act legislation. This work is not expected to be completed until 2023. While management believe the company has correctly complied with all legislation requirements, it is possible that a contingent liability to current and former employees might be established. The company has been advised by the DHB remediation programme that the liability has been estimated at \$1,347,000. Refer also to Note 21.



## 18. Transactions with Related Parties

	2022 \$'000	2021 \$'000
Internal Audit, Insurance, and other operating costs paid	573	574
CDHB hospital support staff revenue received	29	36

There have been no outstanding related party amounts written off for the 2022 financial year (2021: nil). Brackenridge is mainly funded by the Ministry of Health (from 1 July 2022, this funding transferred to The Ministry for Disabled People). 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 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

## 19. Key Management Personnel Compensation

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

	2022 \$'000	2021 \$'000
Salaries and other short-term benefits	792	670
Termination payments	0	0
<b>Total key management personnel compensation</b>	<b>792</b>	<b>670</b>

## 20. Financial Instruments

### Financial Assets

#### Loans and Receivables

	2022 \$'000	2021 \$'000
Cash and cash equivalents	1,755	2,664
Trade and other receivables	964	1,555
Investments	2,750	750
<b>Total due less than one year</b>	<b>5,469</b>	<b>4,969</b>
<b>Total loans and receivables</b>	<b>5,469</b>	<b>4,969</b>

#### Financial Liabilities

Trade and other payables	1,042	931
Current account with CDHB	-	-
<b>Total due less than one year</b>	<b>1,042</b>	<b>931</b>
<b>Total financial liabilities at amortised cost</b>	<b>1,042</b>	<b>931</b>

## Liquidity Risk

Liquidity risk is the risk that Brackenridge will encounter difficulty raising liquid funds to meet commitments as the fall due.

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

All term deposits are currently on terms between 30 and 182 days.

## 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 Oranga Tamariki. This accounts for 97% (2021: 88%) of year end trade 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 carrying amount of each financial asset.

## Interest Rate Risk

Cash and cash equivalents and short-term deposits totalling \$4,505,000 (2021 \$3,414,000) are subject to interest rate risk. Term deposits are at fixed interest rates, cash at bank of \$734,000 (2021 \$1,634,000) 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.

## 21. Prior Period Correction Note: Holidays Act 2003 Compliance

A number of New Zealand's public and private organisations have identified issues with the calculation of leave entitlements under the Holidays Act 2003 ("the Act"). Work started in 2016 on behalf of 20 District Health Boards (DHBs) and the New Zealand Blood Service (NZBS), with the Council of Trade Unions (CTU), health sector unions, and Ministry of Business Innovation and Employment (MBIE) Labour Inspectorate, and in late 2019 a national approach was agreed to rectify and remediate any Holidays Act non-compliance by DHBs. DHBs also agreed to a Memorandum of Understanding (MOU), which contained a method for determination of individual employee earnings and for calculation of liability for any historical non-compliance. Brackenridge is a 100% subsidiary of the Canterbury DHB. Brackenridge payrolls were prepared by the Canterbury DHB between the years 2010 and 2014.

For employers such as DHBs that have workforces that include differential occupational groups with complex entitlements, non-standard hours, allowances and/or overtime, the process of assessing non-compliance with the Act and determining any additional payment is time consuming and complicated. The remediation programme associated with the MOU is a significant undertaking and work to assess, rectify, and remediate all areas of non-compliance will continue through the 2022/23 financial year. At Canterbury DHB, the formal Review Phase, as set out in the MOU, was completed in March 2020 with all non-compliance issues identified. Work continues on analysis, testing and remediating the results of retrospective areas of non-compliance for relevant individual employees. Brackenridge recognises it has an obligation to address any historical non-compliance under the MOU but must rely on the programme of remediation work being carried out by the Canterbury DHB to be completed before being able to fully assess the financial impact and resulting liabilities owing to current and former staff.

Based on detailed analysis undertaken in the formal Review Phase, calculations and assumptions have been determined and a liability for Brackenridge estimated. This was based on selecting a representative sample of current and former employees; analysing leave records against known breaches; making a number of assumptions; calculating an indicative liability for those current and former employees; and extrapolating the result. This indicative liability amount is the Canterbury DHB's best estimate at this stage of the outcome from this programme as it relates to Brackenridge's past and present employees for the period 2010 to 2014. However, until the programme has progressed further, there remain substantial uncertainties as to the actual amount Brackenridge will be required to pay to current and former employees. The estimates and assumptions may differ to the subsequent actual results as further work is completed and may result in further adjustment to the carrying amount of the provision within the next financial year or payments to employees that differ significantly from the estimation of liability. A provision for this liability of \$1,347,000 has been recognised as a non-current liability (2021: \$1,347,000).

## 22. 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 objectives and purpose whilst remaining a going concern.

## 23. Subsequent Events


There were no events after 30 June 2022 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 ending 30 June 2022

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 2022 fairly reflect the financial position and operations of Brackenridge Services Limited.

For and on behalf of the Board.



Jane Cartwright  
 Chairperson

24 May 2023



Steve Wakefield  
 Board Member

24 May 2023



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**INDEPENDENT AUDITOR’S REPORT**

**TO THE READERS OF BRACKENRIDGE SERVICES LIMITED’S FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION FOR THE YEAR ENDED 30 JUNE 2022**

The Auditor-General is the auditor of Brackenridge Services Limited (the Company). The Auditor-General has appointed me, Michael Stewart, using the staff and resources of Grant Thornton, 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 14 to 24, that comprise the statement of financial position as at 30 June 2022, the statement of comprehensive revenue and expenses, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements including a summary of significant accounting policies and other explanatory information.

**In our opinion:**

- the financial statements of the Company on pages 14 to 24:
  - present fairly, in all material respects:
    - its financial position as at 30 June 2022; and
    - its financial performance and cash flows for the year then ended; and
  - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity International Public Sector Accounting Standards Reduced Disclosure Regime issued by the New Zealand Accounting Standards Board.

Our audit was completed on 24<sup>th</sup> May 2023. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board and our responsibilities relating to the financial statements, we comment on other information, and we explain our independence.

**Basis for our opinion:**

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

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

Our firm is a member of the Grant Thornton network of member firms, each of which is a separate legal entity.



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

#### Other Matter

The financial report of Brackenridge Services Limited for the year ended 30<sup>th</sup> June 2021 was audited by another auditor who expressed an unmodified opinion on those statements on 22<sup>nd</sup> June 2022.

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

The Board are responsible on behalf of the Company for preparing financial statements that are fairly presented and comply with generally accepted accounting practice in New Zealand. The Board are 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 are responsible on behalf of the Company for assessing the Company's ability to continue as a going concern. The Board are 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 merge or to terminate the activities of the Board, 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 and the performance information

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 and the performance information.

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

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

- We identify and assess the risks of material misstatement of the financial statements and the performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.



- We evaluate the appropriateness of the reported performance information within the Company's framework for reporting its performance.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the performance information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board 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 are responsible for the other information. The other information comprises the information included on pages 3 to 13 and 27 to 28, 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.

#### Independence

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

Other than in our capacity as auditor, we have no relationship with, or interests, in the Company.

**M D Stewart**

Grant Thornton New Zealand Audit Limited

On behalf of the Auditor-General

Christchurch, New Zealand

## Statement of Statutory Disclosures

For the year ending 30 June 2022

### 1. Directors' Interest

The Directors have declared the following interest:

#### Jane Cartwright (Chair)

- Ara Institute of Canterbury Limited - Council Member
- Nurse Maude Association - Deputy Chair
- M J Limited
- Jane C Limited

#### Kath Fox

- Canterbury Tissue Bank Board – Board Member
- Little Company of Mary Foundation - Trustee
- Health Research Council - Director
- Medical Council of New Zealand - Member
- Medical Council of New Zealand Health Committee - Member
- Mercy Hospital Dunedin Ltd – Director

#### Steve Wakefield

- 199 Johns Road Limited – Shareholder, Director
- Canterbury DHB – Committee Member, Quality Finance Audit and Risk Committee
- Carolina Homes Limited – Director, Shareholder
- Christchurch Cathedral Reinstatement Ltd - Director
- Church Property Trustees of the Anglican Diocese of Christchurch – Trustee
- Cookie Time Group - Director
- Cookie Time International Limited
- Deloitte Limited – Former Partner
- East Lake Trust – Trustee
- EVNEX Limited – Director, Shareholder
- Foodstuffs S.I Properties Ltd – Director
- Foodstuffs South Island Cooperative Limited – Independent Director
- Greater Christchurch Schools Network Trust – Chairman of Trustees
- Health One (2021) Limited Partnership – Director
- Innovative Software Limited – Director, Shareholder
- MastaPlex Limited, Syft Limited – Shareholder
- MedSalv Limited – Director
- Murdoch Manufacturing Ltd – Director
- 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

- Sapporo Holdings Limited
- St Barnabas Fendalton Parish – Vestry Member and Synod Representative
- St Barnabas Fendalton Trust – Trustee
- Steve Wakefield Services Limited – Director, Shareholder
- Swallowing Technologies Limited – Director
- The Court Theatre Trust – Trustee
- The Taurus Trust – Trustee
- Townsend Fields Limited – Director
- Wakefield Holdings Limited – Director
- Streamliners NZ Ltd - Director
- Syft Limited

#### Kate Lopez

- BLNK 2020 Ltd - Director
- Canterbury Clinical Network (CCN) Alliance Leadership Team - Member
- CCN Ashburton SLA – Member
- CCN Community Services Service Level Alliance - Chair
- CCN Health of Older People Workstream - Member
- Canterbury DHB - Director of Nursing, Older Persons Health and Rehabilitation
- Lopez Consulting Limited - Director
- Nurse Executives of NZ- Member

#### Erin Black

- Australia New Zealand Leadership Forum, Policy Working Group - Member
- Black Group 2021 Limited
- Canterbury Employers Chamber of Commerce - Director
- Enabling Good Lives, Christchurch Leadership Group – Member
- Enabling Good Lives, Whānau Ora Interface Governance Group - Member
- Parent to Parent – Director
- Tokona te Raki - Manager

#### Gail Gibson – Appointed October 2020

- Medical Council of NZ, Performance Assessment and Professional Conduct Committee – Member
- Ministry of Social Development Benefit Review Committee – Community Representative
- Police and Families Credit Union – Director
- Teaching Council of NZ, Complaints Assessment Committee – Community Representative.

#### Sir John Hansen – Appointed 1 April 2022

- Canterbury District Health Board - Chairman
- Bone Marrow Cancer Trust – Trustee
- Canterbury Cricket Trust - Member
- Christchurch Casino Charitable Trust - Trustee
- Court of Appeal, Solomon Islands, Samoa, and Vanuatu

## Statement of Statutory Disclosures

For the year ending 30 June 2022

- Dot Kiwi – Director and Shareholder
- Gas Industry Co Ltd - Rulings Panel
- Housing New Zealand Build Limited
- Housing New Zealand (Kainga Ora)
- Judicial Control Authority (JCA) for Racing – Appeals Tribunal Member
- Gas Industry Co Ltd - Rulings Panel

### Julie Hands – Appointed October 2021

- Ronald McDonald House South Island – Trustee
- Julie Hands Trust – Trustee and beneficiary
- St John NZ – Senior Legal Counsel
- Hawkesbury Trust – Family Member of Resident

### 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
Steve Wakefield	\$11,260
Gail Gibson	\$8,353
Julie Hands	\$8,012
Kath Fox	\$1,732 (finish date 22/8/21)
Erin Black	\$1,299 (finish date 31/7/21)
Kate Lopez	n/a
Sir John Hansen	n/a

### 5. Key Management Compensation

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

	2022	2021
\$110,000 to \$119,999	1	1
\$120,000 to \$129,999	1	0
\$140,000 to \$149,999	1	1
\$150,000 to \$159,000	1	1
\$190,000 to \$199,000	1	1

	2022	2021
Salaries and other short term employee benefits incl Kiwi Saver	735,570	603,924
Post-employment benefits	Nil	Nil
Other long-term benefits	Nil	Nil
<b>Total remuneration</b>	<b>735,570</b>	<b>603,924</b>
Number of persons recognised as key management personnel	6	5

### 6. Payments in Respect of Termination of Employment

During the year, the company paid \$10,000 in respect of termination of employment with Brackenridge (2021: nil).

During the year a provision of \$5,000 was made in respect of termination of employment with Brackenridge (2021: \$5,000).

### 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 \$1,000 (2021: \$800).

### 9. Disclosures and Statements

#### Board Members

Jane Cartwright – Chair  
 Kath Fox (finish date 22/8/21)  
 Steve Wakefield  
 Kate Lopez  
 Erin Black (finish date 31/7/21)  
 Gail Gibson  
 Julie Hands (appointed 11/10/21)  
 Sir John Hansen (appointed 1/4/22)

#### Chief Executive

Pip Stewart

### 10. Registered Office

32 Oxford Terrace, Christchurch 8011.

### 11. Address for Service

128 Wrights Road, Middleton, Christchurch 8024.



