

Annual Report 2017

Brackenridge
Supporting People to Create Great Lives



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Vision & Values

At Brackenridge, people are our priority. We support people with learning disabilities and autism to create and lead their lives, their way. Fantastic normal everyday lives where people are included as valued members in our community and live happy and fulfilling lives.

Our Vision

My Life My Way

People included in their communities, living the life they choose.

Our Mission

Supporting people to create great lives:

- To provide person-centred supports that help people create the life they choose.
- To build our reputation for delivering high quality person-centred services.

Our Values

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

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

Partnership - Working successfully together with others, in particular families while valuing each other's contribution

Pride in What we Do - A culture of continuous improvement is in place – proud to be part of the Brackenridge Team



Chairperson's report



The impact of Enabling Good Lives demonstrations, Disability Sector transformation, the changing needs of the people supported by Brackenridge and pay equity implementation are front of mind for the Board and senior management team. Government has signalled significant changes to funding models and allocation systems in the years ahead

Each client is unique and involved in a system under different funding models and allocation systems so sector changes require us to work with clients and their whanau on providing support today and tomorrow. The Enabling Good Lives (EGL) principles lead our thinking. We recognize that sector change requires investment in people and their families along with provider, workforce, needs assessment and service coordination so the system is more responsive. It also requires us to connect with other government agencies on ways to enable people to live their life their way.

In the past year the move to the Hub in Wrights Rd has been a success and brings together management, senior leadership and business administrative support staff in one place in a location and building fit for purpose. The implementation of a new finance system is almost complete and already we are seeing the benefits of better activity reporting and handling of client funds. In the next year further investment will be made in systems to enable and empower staff to support clients given that staff are working in up to 40 separate locations at any one time.

Brackenridge's financial position is improving after a few challenging years where the lack of systems impaired the ability to clearly understand the daily operations and their impact on the financial health of the organisation. Staff have worked hard to rectify this situation and reduce the projected deficit. In addition the focus on Health and Safety for staff and clients is leading to better wellbeing.

We were delighted to receive support from the Rata Foundation which will be used in the coming year to support the ongoing development of our Enabling Good Lives programme.

During the year the Board and I have been pleased to meet families, the Family Advisory Group, staff and the people we support. This makes our roles on the Board have meaning. My thanks to the fellow Board Members for their advice, wisdom and energy. We said goodbye to Board Member Graeme McNally in July 2017. Graeme joined the Board in October 2009 and has contributed his expert financial experience to the Board and organisation. Coming from a family where there is lived experience of disability Graeme had a real insight into the support needed by families. A new Director will be appointed in late 2017.

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

Jane Cartwright - Board Chair



Chief Executive Officer's report

At Brackenridge, people are our priority, supporting people with learning disabilities and autism to create and lead their lives, their way. Fantastic normal everyday lives where people are included as valued members in our community and live happy and fulfilling lives.

In reflecting back over the 2016 / 2017 year I am pleased to report continued progress against our 2014 – 2016 strategic plan which aimed to consolidate and revitalize Brackenridge, whilst preparing for and embracing the future.

Highlights over the year include the huge number of successes the people we support have had in their pursuance of goals and aspirations.

Additional highlights include; the delivery of flexible disability supports for young people part of the Canterbury Enabling Good Lives demonstration and ongoing programme, undertaking the Enabling Good Lives Organisational Self-Assessment; achieving tertiary accreditation status with the ACC Workplace Safety Management Practices framework, implementing our revised workplace health and safety framework, receiving positive feedback regarding our progress as assessed through our midterm Health and Disability sector standard certification surveillance review and social sector accreditation standards assessment; implementing the pay equity settlement, along with making improvements to our rostering practices, financial reporting systems and processes, and financial performance.

Throughout the year we examined our strategic purpose in the context of a rapidly changing disability support sector environment. As part of this we were very fortunate to have Michael Kendrick, internationally renowned disability consultant and leader, spend time with staff and families. Through this, we refined our vision to become “My Life, My Way – people included in their communities living the life they choose” and our 2017 – 2020 strategic plan seeks to optimize supports aligned to the transformation of the disability support sector.

As I reflect back on my first three years with Brackenridge I feel there is much for us to be collectively proud of. Great gains have been made and given our strong commitment to the enabling good lives principles along with our focus on continuous quality improvement and ongoing learning, there is much to feel very optimistic about as we look to the future.

My heartfelt thanks go to: the people we support and their families and whanau for selecting Brackenridge as your service organisation and for your ongoing support encouragement; to our Brackenridge staff for your fantastic work and commitment to seeking new ways to help people achieve their goals, dreams and aspirations; to Jane Cartwright our Board Chair and our Brackenridge Board for your strategic leadership, guidance, encouragement and support, to our colleague service organisation's and leaders for working in partnership with us and for sharing your ideas on how to improve; and to our communities for embracing the principles of Enabling Good Lives. I look to the coming year and beyond with much hope and optimism; together we can help create a better world through the creation of enabling environments that enable equal citizenship for all.

Pip Stewart - CEO

Information about our Services

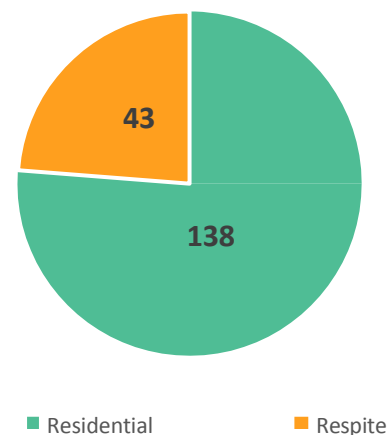
Our services include 24-hour support for people living in residential homes throughout the Christchurch region, Respite care for children, young persons and adults, vocational and community participation services, and flexible disability supports.

Residential Services

We provide services for people in 35 homes across Christchurch.

Brackenridge supports 189 clients. 24% of these people are accessing our respite service.

Type of service



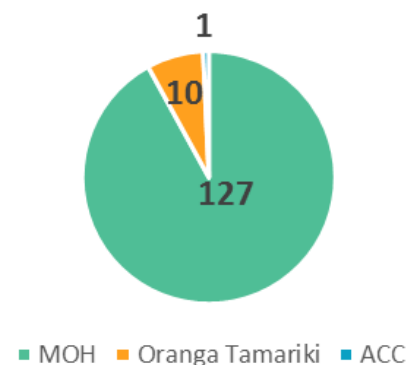
Adult Residential Services

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

Children and Young Persons Services

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

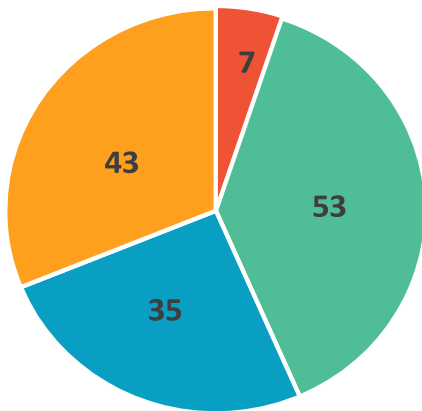
Funders of residential services



92% of people living at Brackenridge full time are funded by the Ministry of Health.

The remaining eight percent are funded by Oranga Tamariki (7%) or ACC (1%).

Age of residential clients



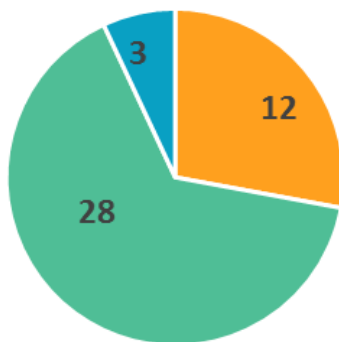
■ 15 years and younger
 ■ 16 to 30 years
■ 31 to 45 years
 ■ 50 years and above

43% of people living at Brackenridge are aged 30 years or younger. One third of people are over 50. Clients range in Age from 7 to 67 years.

Respite Service

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

Age of respite clients



■ 15 years and younger
 ■ 16 to 30 years
 ■ 31 to 45 years

More than a quarter of people accessing respite services at Brackenridge are aged 15 years or younger. Respite clients range in age from 6 to 33 years.

Vocational and Community

Participation Service

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

Flexible Disability Supports

Brackenridge is committed to the principles of enabling good lives. 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.

Statement of Accounting Policies

For the year ended 30 June 2017

Reporting entity

Brackenridge Estate Limited (Brackenridge) is a registered company in New Zealand. Brackenridge is a crown entity in terms 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 2017 and were authorised for issue by the Board on 11 December 2017.

Principal Activity

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

Basis of Preparation

The financial statements have been prepared in accordance with Tier 1 PBE accounting standards. The financial standards comply with generally accepted accounting practices (GAAP).

Changes in Accounting Policies

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

Measurement Basis

The financial statements are prepared under the historical cost convention.

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 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. Actual results may differ from these estimates. 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 period ended 30 June 2017.

Lease Classification

Brackenridge has recognised all of its lease arrangements as operating leases. Determining whether a lease agreement is finance or an operating lease requires judgment as to whether the agreement transfers substantially all the risks and rewards of ownership to Brackenridge Estate Limited.

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

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

Refurbishment Provision

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

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

The present value of the long service 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 this liability included the discount rate and salary inflation factor. Any change in these assumptions will impact on the carrying amount of the liability.

Budget Figures

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

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:

Property, Plant and Equipment

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

Class of Asset	Estimated Life	Depreciation Rate
Plant and Equipment	3 – 12 years	8.3-33%
Motor Vehicles	5 years	20%

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

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

Additions

The cost of an item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits or service potential associated with the item will flow to Brackenridge and the cost of the item can be measured reliably.

Disposals

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. Donated assets are depreciated over their expected lives in accordance with rates established for other fixed assets.

Impairment

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

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

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

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

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

Intangible Assets

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

Amortisation

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

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

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 non-interest bearing and receipt is normally within 30-day terms. Therefore, the carrying value of receivables approximates their fair value. Trade and other receivables are subsequently stated at amortised cost less any provision for impairment. Bad debts are written off during the period in which they are identified. A receivable is considered impaired when there is evidence that Brackenridge will not be able to collect the amount due. The amount of the impairment is the difference between the carrying amount of the receivable and the present value of the amounts expected to be collected.

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

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.

Sick Leave

Sick leave is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent that Brackenridge anticipates it will be used by staff to cover those future absences. The valuation recognised in the Financial Statements is the discounted net present value calculated using assumptions for employee retention and sick leave utilisation rates. The discount rate is the market yield on relevant New Zealand government bonds at the year-end date.

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.

Some provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market rates and, where appropriate, the risks specific to the liability.

Trade and other payables

Trade and other payables are measured at 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 Vulnerable 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.

Taxation

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

Operating Lease Payments

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

Canterbury DHB Advance

Brackenridge's payroll, invoices, and other transactions were processed by Canterbury DHB unit February 2015. Until June 2017, Canterbury DHB continued to pay GST on behalf of Brackenridge. These transactions were recognised in the Canterbury DHB Advance account. No interest has been charged by the Canterbury DHB on this account during the financial year.

Statement of Comprehensive Revenue and Expense

for the year ended 30 June 2017

	Note	Actual 2017 \$'000	Budget 2017 \$'000	Actual 2016 \$'000
Revenue				
Ministry of Health revenue		15,245	15,841	15,393
Patient related revenue		1,124	1,127	1,084
Other revenue	1	1,616	1,428	954
Interest revenue		17	30	27
Total Revenue		18,002	18,426	17,458
Expenditure				
Employee benefits expense	3	14,288	14,528	14,137
Treatment related cost		130	110	132
Food consumables		688	673	665
Other Expenses	2	1,302	1,023	1,261
Repairs and Maintenance		540	336	471
Rental/leases		1,003	992	972
Depreciation and Amortisation	10, 11	160	215	201
Total expenses		18,111	17,877	17,839
Surplus/(Deficit)		(109)	549	(381)
Other comprehensive revenue and expense		0	0	0
Total comprehensive surplus/ (loss)		(109)	549	(381)

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

Statement of Changes in Equity

for the year ended 30 June 2017

	Note	Actual 2017 \$'000	Budget 2017 \$'000	Actual 2016 \$'000
Total equity at beginning of the year		786	785	1,166
Total comprehensive surplus/(loss)		(109)	549	(381)
Total equity at 30 June 2017	4	677	1,334	785

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

Statement of Financial Position

As at 30 June 2017

	Note	Actual 2017 \$'000	Budget 2017 \$'000	Actual 2016 \$'000
Equity				
Share capital	4	-	-	-
Retained earnings	4	676	-	786
Total equity		676	-	786
Current assets				
Cash and cash equivalents	5	960	-	1,309
Short term investments	6	750	-	500
Trade and other receivables	7	995	-	1,086
Total current assets		2,705	-	2,895
Current liabilities				
Trade and other payables	9	521	-	203
Employee benefits	3	1,675	-	1,629
Current account with CDHB	8	125	-	598
Total current liabilities		2,321	-	2,430
Net working capital		384	-	465
Non-current assets				
Property, plant and equipment	10	480	-	451
Intangible assets	11	34	-	97
Total non-current assets		514	-	548
Non-current liabilities				
Provisions	12	222	-	227
Total non-current liabilities		222	-	227
Net assets		676	-	786

Note: No Balance Sheet budget was prepared for the 2016/17 financial year
The accompanying accounting policies and notes form part of these financial statements.

Statement of Cash Flows

For the year ended 30 June 2017

	Note	Actual 2017 \$'000	Budget 2017 \$'000	Actual 2016 \$'000
Cash flow from operating activities				
Cash was provided from:				
Revenue		18,262	-	17,194
Interest received		17	-	27
Cash was applied to:				
Payments to employees		(14,242)	-	(14,038)
Payments to suppliers		(3,501)	-	(3,714)
Interest Paid		-	-	-
Net cash inflow /outflow from operating activities	13	536	-	(531)
Cash flows from investing activities				
Cash was provided from:				
Disposal of fixed assets		-	-	-
Receipts from investments		1,250	-	1,800
Cash was applied to:				
Purchase of plant and equipment		(162)	-	(162)
Purchase of investments		(1,500)	-	(1,300)
Net cash inflow/ (outflow) from investing activities		(412)	-	338
Cash flows from financing activities				
Cash was provided from:				
Current account with Canterbury DHB		-	-	379
Cash was provided to:				
Current account with Canterbury DHB		(473)	-	-
Net cash inflow / (outflow) from Financing activities		(473)	-	379
Overall increase (decrease) in cash held		(349)	-	186
Opening cash and cash equivalent		1,309	-	1,123
Closing cash and cash equivalents		960	-	1,309

Note: No Statement of Cash Flows budget was prepared for the 2016/17 financial year.

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 2017

1. Other Revenue

	2017 \$'000	2016 \$'000
Profit/(loss) on sale of fixed asset	10	(1)
Donations	-	1
Other Revenue	27	67
Revenue from other Crown entities	1,579	887
Total Other revenue	1,616	954

2. Other Expenses

	2017 \$'000	2016 \$'000
After charging:		
Audit fees for financial statements audit	23	23
Directors' fees	-	54

Director fees included in Employee Benefits Expense in 2017

3. Employee Benefits

	2017 \$'000	2016 \$'000
Wages and salaries	14,187	14,038
Increase/ (decrease) in provision	46	99
Directors Fees	55	-
	14,288	14,137

Director fees included in Other Expenses in 2016

Current portion of employee benefits		
Annual leave	705	718
ACC	37	40
Sick leave	120	120
Accrued Wages, PAYE, Long Service Leave, Lieu Days	813	751
Total current portion of employee benefits	1,675	1,629

4. Retained Earnings

	2017 \$'000	2016 \$'000
A) Share capital		
1 Ordinary share @\$1 – issued and paid up	-	-
B) Retained earnings		
Opening Balance	785	1,166
Net Surplus/(Deficit) for the year	(109)	(381)
Closing Balance	676	785
Total equity	676	785

5. Cash and Cash Equivalents

	2017 \$'000	2016 \$'000
Cash and Bank	960	1,309
Total cash and cash equivalents	960	1,309

6. Short Term Investments

	2017 \$'000	2016 \$'000
Term deposits	750	500
Total short term deposits	750	500

7. Trade and Other Receivables

	2017 \$'000	2016 \$'000
Trade Debtors	933	1,034
Prepayments	36	27
Other Debtors	26	25
Total trade and other receivables	995	1,086

Movements in the provision for impairment of receivables	2017 \$'000
Balance at 1 July	143
Additional provisions made during the year	-
Receivables written-off during period	(139)
Balance at 30 June	4

* Note: All amounts represent exchange transactions.

	2017			2016		
	\$000			\$000		
	Gross	Impairment	Net	Gross	Impairment	Net
Current	873	-	873	663	36	627
1-30 days	25	-	25	149	29	120
31-60 days	2	-	2	175	7	168
61-90 days	6	3	3	97	-	97
>91 days	30	1	30	93	71	22
Total	936	4	933	1,177	143	1,034

8. Shareholder's Current Account

	2017	2016
	\$'000	\$'000
Shareholder's current account debtor/(creditor)	(125)	(598)

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

9. Trade and Other Payables

	2017	2016
	\$'000	\$'000
Trade Payables*	325	192
Revenue in advance	196	11
	521	203

* Note: All amounts represent exchange transactions

10. Property Plant and Equipment

There has been a reclassification of the 2016 balances of \$82,000 from Plant Equipment to Software. This reclassification has been adjusted in the prior year comparatives, therefore the 2016 balances do not agree to the signed 2015/16 Annual Report. Overall, the total combined net cost of the 2016 Fixed Assets and Intangible Assets remains unchanged.

2016	Forest Park	Plant & Equipment	Motor Vehicles	Work in Progress	Total Assets
Class of Asset	\$'000	\$'000	\$'000	\$'000	\$'000
Cost					
Balance at 1 July 2015	285	1,421	893	17	2,616
Additions	-	73	22	-	95
Disposals/Transfers	-	-	(13)	(17)	(30)
Total Cost 30 June 2016	285	1,494	902	-	2,681
Depreciation & Impairment					
Balance at 1 July 2015	282	1,062	711	-	2,055
Depreciation Charge for Year	3	113	73	-	189
Disposals/Transfers	-	-	(14)	-	(14)
Depreciation Balance June 2016	285	1,175	770	-	2,230
Carrying Amount 30 June 2016	-	319	132	-	451

2017	Forest Park	Plant & Equipment	Motor Vehicles	Work in Progress	Total Assets
Class of Asset	\$'000	\$'000	\$'000	\$'000	\$'000
Cost					
Balance at 1 July 2016	285	1,494	902	-	2,681
Additions	-	82	58	13	153
Disposals/Transfers	-	(320)	(92)	-	(412)
Total Cost June 2017	285	1,256	868	13	2,422
Depreciation & Impairment					
Balance at 1 July 2016	285	1,175	773	-	2,232
Depreciation Charge for Year	-	61	60	-	121
Disposals/Transfers	-	(317)	(93)	-	(410)
Depreciation Balance June 2017	285	919	738	-	1,942
Carrying Amount 30 June 2017	-	337	130	13	480

11. Intangible Assets

There has been a reclassification of the 2016 balances of \$82,000 from Plant Equipment to Software. This reclassification has been adjusted in the prior year comparatives, therefore the 2016 balances do not agree to the signed 2015/16 Annual Report. Overall, the total combined net cost of the 2016 Fixed Assets and Intangible Assets remains unchanged.

	2017 \$'000	2016 \$'000
Software Cost		
Opening Balance	132	50
Additions	18	82
Disposals/ Transfers	(43)	-
Closing Balance	107	132
Amortisation		
Opening balance	(35)	(23)
Amortisation charge for the year	(39)	(12)
Disposal /Transfers	1	-
Closing Balance	(73)	(35)
Carrying amounts	34	97

12. Refurbishment Provision

	2017 \$'000	2016 \$'000
Opening balance	227	254
Additional provision made during the year	72	29
Amount of provision used during the year	(77)	(56)
Closing balance	222	227

A refurbishment provision of \$222,000 (2016 \$227,000) has been created to reflect the estimated cost of refurbishment of residential houses leased from Community Housing Ltd (a subsidiary of Housing New Zealand Corporation), a requirement imposed on Brackenridge under the Deed of Lease. Brackenridge has implemented the 10-year maintenance and refurbishment plan recommended by Shipston Davies, which has been designed to meet the Lessor's requirements, and has extrapolated the plan to the end of the initial lease term in December 2019. The provision level reflects the estimated charges for actual work required under the plan and after taking into consideration the additional provisions that will be recognised in the remaining period through until the lease expiry. The adequacy of the additional provision made during the year is reconsidered annually and in the current year was increased to \$6,000 a month.

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

	2017 \$'000	2016 \$'000
Reported Net (Deficit)/Surplus	(109)	(381)
Add back non-cash items:		
Depreciation and amortisation	160	201
(Profit)/Loss of sale of assets	0	1
Capital WIP Opening Balance write-offs	34	0
	85	(179)
Movements in working capital:		
(Increase)/Decrease in receivables and prepayments	92	(238)
Increase/(Decrease) in payables and accruals	133	(185)
Increase/(Decrease) in Revenue in advance	185	(1)
Increase/(Decrease) in staff entitlements	46	99
Increase/(Decrease) in provisions	(5)	(27)
Net cash (outflow)/inflow from operating activities	536	(531)

14. Residents' Trust Account

Residents' Trust Account comprises bank balances totalling \$595,349 as at 30 June 2017 (30 June 2016, \$652, 229). 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 company funds.

15. Commitments

	2017 \$'000	2016 \$'000
Operating lease commitments	2,206	1,655
Total commitments	2,206	1,655
Term classification of commitments		
Less than one year	821	719
One to two years	539	460
Two to five years	487	476
Over five years	359	-
Total Commitments	2,206	1,655

Material operating lease commitments are as follows:

The company leases land and buildings from Community Housing Limited, a subsidiary of Housing New Zealand Corporation. The term of the lease is 20 years commencing from December 1999, with two rights of renewal of 10 years each. The other principal lease relates to the Wrights Road office, leased from New Zealand Metropolitan Properties Limited. The term of the lease is 8 years commencing 1 October 2016 with two rights of renewal of 6 years each.

16. Contingencies

Contingent assets

Brackenridge has no contingent assets as at 30 June 2017 (2016: nil).

Contingent liabilities

Brackenridge has no contingent liabilities as at 30 June 2017 (2016: nil).

17. Transactions with Related Parties

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

	2017 \$'000	2016 \$'000
Administration services from Canterbury DHB	60	60
Interest received from/(paid to) Canterbury DHB	-	-
Canterbury DHB current account balance	(125)	(598)

There have been no outstanding related party amounts written off for the 30 June 2017 financial year (2016 nil). Brackenridge is mainly funded by the Ministry of Health. The Ministry of Health significantly influences the role of Brackenridge as its major source of revenue.

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

Key Management Personnel Compensation

Key management personnel including the Chief Executive Officer, other Senior Management and Directors.

Compensation paid or credited to all personnel in management roles during the year is as follows:

	2017 \$'000	2016 \$'000
Salaries and other short term benefits	563	518
Termination payments	-	-
Total key management personnel compensation	563	518

17. Financial Instruments

Categories of financial assets and liabilities.

	2017 \$'000	2016 \$'000
Financial Assets		
Loans and receivables		
Cash and cash equivalents	960	1,309
Trade and other receivables	994	1,086
Investments	750	500
Total due less than one year	2,704	2,895
Total loans and receivables	2,704	2,895
Financial Liabilities		
Creditors and payables at amortised cost		
Trade and other payables	521	203
Current account with Canterbury DHB	125	598
Total due less than one year	646	801
Total financial liabilities at amortised cost	646	801

Liquidity Risk

Liquidity risk is the risk that Brackenridge will encounter difficulty raising liquid funds to meet commitments as they 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 181 day terms.

Credit Risk

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

Concentrations of risk with respect to accounts receivable are high due to the reliance on the Ministry of Health and the Ministry for Vulnerable Children Oranga Tamariki. This accounts for 81% (2016: 81%) of year end trade and other receivables. However they are both high credit quality entities being Government funded purchasers of health and disability support services.

Cash is held with finance institutions that have a Standard and Poors rating of 'AA-' or better. The maximum exposure to credit risk at balance date is the carrying amount of each financial asset.

Interest Rate Risk

Cash and cash equivalents and short term deposits totalling \$1,710,000 (2016 \$1,809,000) are subject to interest rate risk. Term deposits are at fixed interest rates, cash at bank of \$957,000 (2016 \$1,305,000) is at floating rates.

The table below illustrates the potential effect on the interest revenue surplus or deficit for reasonable possible market movements, with all other variables held constant, based on Brackenridge's financial instrument exposures at balance date.

	2017	
	\$000	
Interest Rate Risk	-100bps	+100bps
	Surplus	Surplus
Cash and Cash Equivalents	(7)	7

Fair Values of Financial Instruments

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

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

18. Capital Management

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

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

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

19. Subsequent events

There were no events after 30 June 2017 which could have a material impact on the information in Brackenridge's financial statements.

Statement of Responsibility

For the year ended 30 June 2017

The Board and Management of Brackenridge Estate 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 Estate 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 Estate Limited, the annual financial statements for the year ended 30 June 2017 fairly reflect the financial position and operations of Brackenridge Estate Limited.

For and on behalf of the Board

.....

Jane Cartwright

Chair

11 December 2017

.....

Kath Fox

Director

11 December 2017

Independent Auditor's Report

To the readers of Brackenridge Estate Limited's financial statements for the year ended 30 June 2017

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

Opinion

We have audited the financial statements of the company on pages 8 to 27 that comprise the statement of financial position as at 30 June 2017, the statement of comprehensive revenue and expense, the statement of changes in equity and the statement of cash flows for the year ended on that date and the notes to the financial statements including significant accounting policies and other explanatory information.

In our opinion:

- the financial statements of the company on pages 8 to 27:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2017; 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 Tier 1 Public Benefit Entity accounting standards.

Our audit was completed on 11 December 2017. 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 of Directors 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.

Independent Auditors Report

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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 comply with generally accepted accounting practice in New Zealand. The Board of Directors is responsible for such internal control as they determine is necessary to enable them 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 merge or to terminate the activities of the company, or there is no realistic alternative but to do so.

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 it 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.

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 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 3 to 7, page 28, and pages 31 to 34, 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 (Revised): 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.



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

Statutory Disclosures

Directors' Interests

The Directors have declared the following interests:

Jane Cartwright	Ara Institute (formerly Christchurch Polytechnic Institute of Technology) -Council Member Ara Institute Foundation - Trustee Institute of Community Health Care - Chair NZ Health Practitioners Disciplinary Tribunal – Board Member Member Nurse Maude Association - Board Member
Kath Fox	Nazareth Care (Australasia) – Chief Executive (<i>until Sept 2016</i>). St John South Island Regional Trust Board - Board Member
Toni Gutschlag	Employee of Canterbury DHB (General Manager of Mental Health).
Graeme McNally	Retired 30 June 2017 Deloitte – Retired Partner Tai Poutini Polytechnic – Council chair
Paula Rose	Broadcasting Standards Authority – Board Member Complaints Committee New Zealand Audiological Society – Board Member New Zealand Parole Board – Board Member Online Media Standards Authority Complaints Committee – Board Member St John South Island Regional Trust Board - Board Member WorkSafe New Zealand - Board Member

Directors' Loans

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

Directors' Insurance

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

Remuneration and Other Benefits to Directors

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

Jane Cartwright	\$21,866
Kath Fox (Paid to the Trustees of the Sisters of Nazareth NZ)	\$10,933
Graeme McNally	\$10,933
Paula Rose	\$10,933

Toni Gutschlag did not receive directors' fees as she is a Canterbury District Health Board employee.

Employee Remuneration

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

	2017	2016
\$120,000 to \$130,000	2	0
\$170,000 to \$180,000	1	1

Payments in Respect of Termination of Employment

During the year, the company made provision for a \$6,000 payment to a former employee in respect of termination of employment with Brackenridge (2016: Nil).

Use of Company Information by Directors

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

Donations

Donations were made during the year of \$340 (2016 \$975).

Dividends

The Directors recommend that no dividend be paid (2016 nil).

Financial Statements



Disclosures and Statements

Board Members

Jane Cartwright - Chair

Toni Gutschlag

Graeme McNally – until 30 June 2017

Kath Fox

Paula Rose

Chief Executive

Pip Stewart

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