

BRAIDED RIVERS COMMUNITY TRUST CONSOLIDATED GROUP

TRUST DIRECTORY

FOR THE YEAR ENDED 31 MARCH 2023

Trustees

<i>Mr C. Robertson</i>	<i>Trustee (Chairperson)</i>
<i>Mr R. Harnett</i>	<i>Trustee</i>
<i>Mr K. Breakwell</i>	<i>Trustee</i>
<i>Mr T. Silva</i>	<i>Trustee</i>
<i>Mrs C. Quinn</i>	<i>Trustee</i>
<i>Mr G. Rushton</i>	<i>Trustee (elected Oct 22)</i>
<i>Mr R. Paterson</i>	<i>Trustee (retired Oct 22)</i>

REGISTERED OFFICE

*PO BOX 217
ASHBURTON*

AUDITORS

*Crowe New Zealand Audit Partnership
On behalf of
The Auditor-General*

BANKERS

*ANZ Bank
ASHBURTON*

SOLICITORS

*Argyle Welsh Finnigan
ASHBURTON*

INSURANCE BROKERS

*Aon New Zealand
WELLINGTON*

STATEMENT OF ACCOUNTING POLICIES

For the year ended 31 March 2023

The Braided Rivers Community Trust (the "Trust", or "BRCT") is a Community Trust as defined in New Zealand by the Sale and Supply of Alcohol Act 2012. The Trust is involved in Investment and Granting activities.

The consolidated financial statements of the Braided Rivers Community Trust and its subsidiaries (collectively, the Group) for the year ended 31 March 2023 were authorised for issue in accordance with a resolution of the Trust board members on 21 September 2023.

The Owners/Officers of the Trust do not have the power to amend these financial statements after issue.

Statement of Compliance

The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand (NZ GAAP). For the purpose of complying with NZ GAAP the entity is a for-profit entity.

The financial statements comply with NZIFRS reduced disclosure regime, and other Financial Reporting Standards, as appropriate for profit oriented entities. The Group has designated itself a Tier 2 for-profit entity and has elected to report in accordance with Tier 2 For-profit accounting standards. The group is eligible to report in accordance with Tier 2 For-profit accounting standards on the basis that it does not have public accountability and it is not a large for profit public sector entity. The group has applied disclosure concessions.

Basis of Preparation

The financial statements are presented in New Zealand currency, rounded to the nearest whole dollar.

The financial statements have been prepared on the historic cost basis, except for the revaluation of investment properties and certain financial instruments. Cost is based on the fair value of consideration given in exchange for assets.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The preparation of financial statements in conformity with NZ IFRS requires management to make judgements, estimates and assumptions that may affect the application of policies and reported amounts of assets and liabilities, income and expenses. These estimates and 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 judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

Judgements made by management in the application of NZ IFRS that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 16.

Basis of Consolidation

The purchase method is used to prepare the consolidated financial statements, which involves adding together like items of assets, liabilities, equity, income and expenses on a line-by-line basis. All significant intergroup balances, transactions, income and expenses are eliminated on consolidation.



Subsidiaries

The Trust consolidates in the group financial statements all entities where the Trust has the capacity to control their financing and operating policies so as to obtain benefits from the activities of the entity. This power exists where the Trust controls the majority voting power on the governing body.

The Trust group comprises the following entities:

- Braided Rivers Community Trust (BRCT, the Trust)
- Somerset Ashburton Trust (SAT)
- Somerset Ashburton Ltd (SAL)

Adoption of New and Revised Standards

The Trust adopts all the new and revised Standards and Interpretations approved by the External Reporting Board that are relevant to its operations, and effective for annual reporting periods beginning on 1 April 2022.

A number of new standards and interpretations are not yet effective as at 31 March 2023, and have not been applied in preparing these consolidated financial statements. These standards are not expected to have a material impact on the groups financial statements.

Significant accounting policies

The following significant accounting policies have been adopted in the preparation and presentation of these financial statements:

a) Property, plant and equipment

- **Owned assets**

Items of property, plant and equipment are stated at historic cost less accumulated depreciation (see below) and impairment losses (refer accounting policy (h)).

The cost of self-constructed assets includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of overhead costs.

Where individual parts of an item of property plant and equipment have different useful lives, these are accounted for and depreciated as separate assets.

- **Subsequent costs**

The Trust recognises in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied within the item will flow to the Trust and the cost of the item can be measured reliably.

All other costs are recognised in the profit or loss as the expense is incurred.

- **Depreciation**

Prior to 1 April 2010 Depreciation was charged to the profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. From 1 April 2010 the Members decided that Depreciation on all new assets excluding Building Structures will be charged using the Diminishing Value method. Building Structures are depreciated at 2% on a straight line basis in accordance with NZ IAS 16, this reflects an estimated useful life of 50 years. Land is not depreciated. The depreciation method, residual value and useful life of all assets are reviewed annually.

No depreciation is charged on assets available for sale from the date at which they become classified as 'Available for Sale'

For Assets purchased prior to 1 April 2010; the estimated useful lives determined by the Trust are as follows:

Building Structure	100 years	Floor Coverings	5 years
Building Fitout and Services - Hotel	10 years	Furnishings - Office	10 years
Building Fitout and Services - Other	20 years	Motor Vehicles	6 years
Other items of PPE	3 - 15 years		

For Assets purchased after 1 April 2010; the Diminishing Value rates used are:

Building Fitout and Services	10% - 25%	Floor Coverings	40%
Furnishings	13% - 20%	Plant	10% - 67%
Office Equipment	16% - 50%	Motor Vehicles	16% - 50%
Electronic Equipment (Incl Computer Equip)	50%	Linen, Crockery & Cutlery	67%

For Building Structures purchased after 1 April 2010; the estimated useful lives determined by the Trust are:

Building Structure	50 years
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- b) **Borrowing costs**

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset when it is probable the asset will result in the realisation of future economic benefits and the cost of the asset can be reliably measured. Other borrowing costs are expensed in the period in which they are incurred.

Qualifying assets are those assets whose cost of acquisition, construction or production, (excluding borrowing costs) when completed and ready for use, will individually equate to ten percent or greater of the carrying amount of Property, Plant and Equipment immediately prior to capitalisation, and which have taken 12 months or more to acquire, construct or produce.

To the extent the funds are borrowed funds specifically for the purpose of obtaining a qualifying asset, the amount of borrowing costs that are to be capitalised are the actual borrowing costs incurred on borrowings during the acquisition, construction or production period, less any investment income earned during this period if any or part of the borrowed funds have been invested.

Where funds are borrowed generally and are used to obtain a qualifying asset, the amount of borrowing costs that will be capitalised is determined by applying a capitalisation rate to the expenditure on that asset. The capitalisation rate shall be the weighted average of the borrowing costs applicable to the borrowings that were outstanding during the acquisition period, excluding borrowings that were obtained specifically for the purpose of obtaining another qualifying asset.

- c) **Investments**

- **Investments in shares (equity investments)**

The Trust has investments in shares which are classified as financial assets at fair value through other comprehensive income (FVOCI). These equity securities are not held for trading, and the Trust has irrevocably elected at initial recognition to recognise them in this category. On disposal of these equity investments, any related balance within the FVOCI reserve is reclassified to retained earnings.

The fair value of financial instruments classified as FVOCI is the quoted price in an active market at balance date. Where there is no active market, the Trust is required to use another valuation technique to estimate fair value.

Shares in DBSIB - The fair value is determined based on Level 3 inputs, which are observable inputs that reflect the assumptions that market participants would use when pricing the assets, including assumptions about risk.

Dividends are recognised in surplus/deficit.



- **Managed Fund**

The managed fund is a portfolio of financial assets that are actively traded with the intention of making profits. Therefore, the managed fund is classified as Fair Value through Profit and Loss. After initial recognition, the managed fund is measured at fair value, with gains and losses recognised in the surplus or deficit. Fair value is determined based on Level 1 inputs, which are quoted prices in active markets.

- **Financial Instruments at Amortised Cost**

Cash and Cash Equivalents, Bank Overdrafts, Short-term deposits, Trade and Other payables, Trade and Other Receivables, Term advances and other Current Liabilities are measured at Amortised Cost under NZ IFRS 9. These instruments are initially recognised at Fair Value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently measured at amortised costs using the effective interest rate method, less provision for impairment (expected credit loss).

d) Investment Property

Investment property, principally comprising hospitality properties previously operated by the Trust, is held for long-term rental yields. Investment property held by the Group is revalued on an annual basis via an annual independent valuation, this revaluation gain/(loss) is reported in the profit or loss in line with NZ IAS 40 Investment Property.

Investment property owned by the Trusts subsidiaries, principally comprising freehold office buildings, is held for long-term rental yields some of which is occupied by the Braided Rivers Community Trust or Group. To allow consistency of reporting across the Braided Rivers Community Trust Group investment property held by the BRCT subsidiaries are independently revalued on an annual basis, this revaluation gain/(loss) is reported in the profit or loss in line with NZ IAS 40 Investment Property.

e) Receivables

Trade and other receivables are recorded at amounts due, less any loss allowance for expected credit loss (ECL). Initial recognition is at fair value and subsequently measured and amortised using the effective interest method. Bad debts are written off against the allowance account when these are deemed no longer collectable. Changes in the carrying amount of the allowance account are recognised in the profit or loss. The Trust and group always measures the loss allowance for trade receivables at an amount equal to lifetime ECL.

f) Inventories

Inventories are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business.

Cost of inventories is based on the first-in first-out principle, and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

g) Cash and cash balances

Cash and cash balances comprise of cash on hand in the Trust and group's establishments and current and short-term deposit accounts (with an original maturity of less than 3 months) maintained by the Trust and group with external banking institutions. Bank overdrafts that are repayable on demand and which form an integral part of the Trust and group's cash management are included as a component of cash and cash balances for the purpose of the statement of cash flows.

h) Impairment of assets

The carrying amounts of the Trust's or Group's assets, other than inventories (refer accounting policy f) and deferred tax assets (accounting policy i), are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

The recoverable amount is the higher of fair value less costs to sell, and value in use. When assessing value in use, estimated future cash flows are discounted to present value using a pre-tax discount rate to reflect market assessments of the time-value of money and the risks specific to the asset for which the estimated future cash flows have not been adjusted.

If the recoverable amount of an asset, or cash generating unit, is estimated to be less than its carrying amount, the carrying amount is reduced to its recoverable amount, and an impairment loss is recognised immediately in the profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset previously. A reversal of impairment loss is recognised immediately in the profit or loss.

i) Income tax

Income tax expense includes components relating to both current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable profit for the current income year, and any adjustments to income tax payable in respect of prior years. Current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted at balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax is measured at tax rates that are expected to apply when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at balance date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the entity expects to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset or liability in a transaction that affects neither accounting profit nor taxable profit.

Current and deferred tax is recognised against the profit or loss for the period, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

j) Payables

Trade and other payables are recognised when the Trust and group becomes obliged to make future payments resulting from the purchase of goods and services. Initial recognition is at fair value and subsequently measured and amortised using the effective interest method.

k) Provisions

A provision is recognised on the face of the balance sheet when the Trust and group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.



l) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any differences between the proceeds (net of transaction costs) and the redemption value is recognised in the profit or loss over the period of the borrowings using the effective interest method, except for borrowing costs capitalised as part of the cost of constructed assets.

m) Employee benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and the liability is capable of reliable measurement.

Provisions made in respect of employee benefits expected to be settled within 12 months are measured at their nominal rates using the remuneration rate expected to apply at the time of settlement.

Provisions made in respect of benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash flows to be made by the Trust in respect of services provided by employees up to the current reporting date.

n) Revenue

• Trading Revenue

Revenue from the sale of goods is recognised when the Trust and group has satisfied its performance obligations. Performance obligations are considered satisfied at the time of delivery of the goods to the customer.

• Rental Revenue

Rental Revenue includes income from the rental of commercial property in satisfaction of performance obligations, income from this is recognised in equal monthly instalments across the lease term and adjusted for rental increases as they occur. Lease incentives provided are recognised in the profit and loss as an integral part of the rental income over the minimum term of the lease.

• Other Revenue

Other revenue is revenue other than trading and rental revenue which arises in the normal course of the Trust and group's business activities, and includes:

o Gaming machine site rental

Rental income from site rental agreements with gaming machine operators and from other sources is recognised when it becomes due.

o TAB commission

TAB commission is based on turnover at TAB agencies operating on the Trust and group's premises.

• Operating Leases

When assets are leased out under an operating lease, the asset is included in the balance sheet based on the nature of the asset.

• Finance income

Dividend revenue from investments is recognised when the shareholders' rights to receive payment have been established. Interest revenue is recognised on a time proportionate basis taking into account the effective yield on the financial asset.

• Other Rental Income

Other Rental Income is income received from the renting of space other than commercial space.

o) Expenses

• Operating lease payments

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Payments made under operating leases are recognised in the profit and loss on a straight line basis over the term of the lease. Lease incentives received are recognised in the profit and loss as an integral part of the total lease expense.



p) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of GST, except for receivables and payables, which are reported inclusive of GST.

The GST component of the cash flows arising from investing and financing activities which is recoverable from, or payable to, the Inland Revenue Department is classified as operating cash flows.

Commitments and contingencies are disclosed net of the amounts of GST recoverable from or payable to the Inland Revenue Department.

q) Grants

Decisions regarding grants from the Trust are made at monthly grant meetings. The Trust only distributes funds that are already available, and these funds are generally only available to those organisations or individuals whose family home is in the Trust's district. Subsidiary, SAL contributes funds annually into a granting account per the conditions of its granting policy. The funds in this granting account are 'Ring fenced' solely for distribution towards charitable purposes in the Mid Canterbury area. These funds may not be distributed every year and may be retained and distributed as a larger contribution after a number of years. All grants are recognised in the profit or loss in the year in which the board becomes obliged to make payment.

r) Assets Available for Sale

'Assets Available for Sale' are those assets held where a commitment has been made to dispose of them and it is probable that the disposal will take place within 12 months. Assets held for sale are held at the lower of their carrying amount or their fair value less costs to sell.

s) Discontinued Operations

Discontinued Operations are those components of the business that have either been disposed of or are classified as 'available for sale. A 'component' of the business is where the operations and cash flows can be clearly distinguished operationally and for financial reporting purposes.

t) Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with NZ IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and assumptions are based on historical experience and various other factors believed to be reasonable under the circumstances. Estimates are subject to ongoing review and actual results may differ from these estimates. Revisions to accounting estimates

The following are significant management judgements in applying the accounting policies of a group that have a significant effect on the financial statements;

- **Investment Property Income**

The Trustees have elected to treat income derived from the rental of investment properties as operating lease income as the operating leases do not substantially transfer to the leasor all of the risks and rewards incidental to ownership.

- **Investment Property Asset**

Investment properties have been designated as such as the main purpose is to hold these assets to meet the Trust and groups financial objectives which include deriving rental income or capital appreciation or both.

- **DBSIB Shareholding**

The Trustees have elected to treat the movement in value of its shareholding in DBSIB through other comprehensive income. These shares are held for long term dividend yield.

u) Changes in Accounting Policies

There have been no changes in Accounting Policies in comparison with the prior year except for those detailed in the Adoption of New and Revised Standards on page 3.



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2023

	Notes	Group 2023 \$	Group 2022 \$	Parent 2023 \$	Parent 2022 \$
Trading Revenue	1(a)	986,791	863,156	986,791	863,156
Less Cost of Sales		(279,926)	(252,081)	(279,926)	(252,081)
Gross Profit from Trading		706,865	611,075	706,865	611,075
Rental Revenue	1(b)	1,490,169	1,257,983	492,383	431,253
Gross Profit		2,197,034	1,869,058	1,199,248	1,042,328
Other Revenue	2	13,796	224,768	212,418	347,690
Payroll Expenses	5	(658,930)	(536,609)	(658,930)	(536,609)
Other Expenses	3	(899,063)	(611,581)	(606,318)	(480,776)
Property Expenses	4	(217,791)	(182,148)	(106,463)	(91,026)
Depreciation	13	(32,156)	(37,586)	(32,156)	(37,586)
Gain/(Loss) on Disposal		-	(8,797)	-	(8,797)
Impairment	14	(165,352)	-	(165,352)	-
Fair Value movement in Investment Properties		73,763	884,477	272,432	125,461
Operating Profit/(Loss)		311,301	1,601,582	114,879	360,685
Finance Cost – Interest		(95,848)	(62,437)	(246)	(375)
Profit/(Loss) Before Income Tax		215,453	1,539,145	114,633	360,310
Income Tax (Expense)/Credit	7	-	-	-	-
Net Profit/(Loss) for the period		215,453	1,539,145	114,633	360,310
Other Comprehensive Income		(243,786)	(96,000)	(243,786)	(96,000)
Total Comprehensive Income		(28,333)	1,443,145	(129,153)	264,310

Braided Rivers Community Trust is a Community Trust which 'controls' its subsidiaries which are consolidated within these financial statements. 100% of all earnings from the Trust's subsidiaries is available to be distributed for charitable purposes, this includes all earnings from both continuing and discontinued operations as well as operating and non operating profits. 100% of the parents earnings including all earnings from both continuing and discontinued operations as well as operating and non operating profits are available to be distributed to any of the purposes prescribed in the Sale and Supply of Alcohol Act 2012.

CONSOLIDATED STATEMENT OF MOVEMENTS IN EQUITY
For the year ended 31 March 2023

STATEMENT OF MOVEMENTS IN EQUITY - Parent
For the year ended 31 March 2023

	Retained Earnings \$	Revaluation Reserve \$	Total Equity \$
Balance at 1 April 2021	15,408,813	339,786	15,748,599
Net Profit/Loss for the period	360,310		360,310
Other Comprehensive Income	-	(96,000)	(96,000)
Balance at 31 March 2022	15,769,123	243,786	16,012,909
Balance at 1 April 2022	15,769,123	243,786	16,012,909
Net Profit/Loss for the period	114,633	-	114,633
Other Comprehensive Income	-	(243,786)	(243,786)
Balance at 31 March 2023	15,883,756	-	15,883,756

STATEMENT OF MOVEMENTS IN EQUITY - Group
For the year ended 31 March 2023

	Retained Earnings \$	Revaluation Reserve \$	Total Equity \$
Balance at 1 April 2021	21,061,581	339,786	21,401,367
Net Profit/Loss for the period	1,539,145		1,539,145
Other Comprehensive Income	-	(96,000)	(96,000)
Balance at 31 March 2022	22,600,726	243,786	22,844,512
Balance at 1 April 2022	22,600,726	243,786	22,844,512
Net Profit/Loss for the period	215,453	-	215,453
Other Comprehensive Income	-	(243,786)	(243,786)
Balance at 31 March 2023	22,816,179	-	22,816,179

The Statement of Accounting Policies and Notes form an integral part of, and should be read in conjunction with, these financial statements



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2023

	Notes	Group 2023 \$	Group 2022 \$	Parent 2023 \$	Parent 2022 \$
Current Assets					
Cash and Cash Balance	8	649,055	1,397,318	608,462	1,230,617
Term Deposits greater than 90 days		-	557,270	-	557,270
Trade and Other Receivables	9	76,644	15,491	75,946	20,677
Prepayments	9	40,555	37,853	27,161	25,550
Term Advance	23	-	-	360,000	360,000
Vendor Finance		-	16,986	-	16,986
Insurance Aggregate Fund		30,470	30,470	24,672	24,672
Tenant Incentives		40,398	25,336	-	-
Inventories	10	25,009	20,688	25,009	20,688
		862,131	2,101,412	1,121,250	2,256,460
Non Current Assets					
Financial Assets - Investment in Shares	14(a)	727,171	1,137,404	727,171	1,137,404
Managed Fund	14(b)	4,626,775	3,531,243	4,626,775	3,531,243
Investment Properties	14(c)	18,272,558	17,512,557	8,126,243	7,846,242
Property, Plant & Equipment	13	303,572	339,717	303,572	339,717
Term Advance	23	-	-	1,320,000	1,170,000
Tenant Incentives		76,990	30,793	-	-
		24,007,066	22,551,714	15,103,761	14,024,606
Total Assets		24,869,197	24,653,126	16,225,011	16,281,066
Current Liabilities					
Trade & Other Payables	11	355,512	285,264	229,925	179,521
ANZ - Flexible Facility	8	252,064	100,602	-	-
Employee Entitlements	12	96,309	78,737	96,309	78,737
		703,885	464,603	326,234	258,258
Non Current Liabilities					
Provision for Employee Entitlements	12	15,021	9,899	15,021	9,899
Deferred Taxation	7	-	-	-	-
Mortgage ANZ Bank	23	1,334,112	1,334,112	-	-
		1,349,133	1,344,011	15,021	9,899
Total Liabilities		2,053,018	1,808,614	341,255	268,157
Net Assets		22,816,179	22,844,512	15,883,756	16,012,909
Represented By					
Retained Earnings	15	22,816,179	22,600,726	15,883,756	15,769,123
Revaluation Reserve	18(b)	-	243,786	-	243,786
Total Equity		22,816,179	22,844,512	15,883,756	16,012,909

R. Reid
CEO
Date:

21/9/23

C. Robertson
Chairperson
Date:

21/9/23

The Statement of Accounting Policies and Notes form an integral part of, and should be read in conjunction with, these financial statements



CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 March 2023

Notes	Group 2023 \$	Group 2022 \$	Parent 2023 \$	Parent 2022 \$
Cash Flow From Operating Activities:				
Cash was provided from:				
Income from Interest	24,312	31,081	130,165	84,715
Income from Dividends	10,771	84,357	10,771	84,357
Receipts from Customers	2,409,928	2,155,020	1,514,651	1,331,160
GST	(21,802)	12,669	(2,849)	2,779
	2,423,209	2,283,127	1,652,738	1,503,011
Cash was disbursed to:				
Payments to Suppliers and Employees	(1,734,352)	(1,459,369)	(1,440,582)	(1,234,959)
Grants Paid	(226,028)	(97,552)	(96,028)	(97,552)
Interest Paid	(95,848)	(62,437)	(246)	(375)
	(2,056,228)	(1,619,358)	(1,536,856)	(1,332,886)
Net Flow from Operating Activities	366,981	663,769	115,882	170,125
Cash Flow From Investing Activities:				
Cash was provided from:				
Proceeds from Sale of Fixed Assets	7,081	-	1,095	-
Term Deposits greater than 90 days	557,270	77,717	557,270	377,717
Repayment of Advance	16,986	-	376,986	-
	581,337	77,717	935,351	377,717
Cash was disbursed to:				
Purchase of Investment Property	(692,224)	(913,369)	(7,569)	(782,385)
Advance	-	-	(510,000)	(1,830,000)
Term Deposits greater than 90 days	-	(302,424)	-	(302,424)
Purchase of Managed Funds	(1,140,000)	(840,000)	(1,140,000)	(840,000)
Purchase of Fixed Assets and Intangibles	(15,819)	(45,524)	(15,819)	(45,524)
	(1,848,043)	(2,101,317)	(1,673,388)	(3,800,333)
Net Flow from Investing Activities	(1,266,706)	(2,023,600)	(738,037)	(3,422,616)
Cash Flow From Financing Activities:				
Cash was provided from:				
Loan Payment Received	-	-	-	-
	-	-	-	-
Cash was disbursed to:				
Repayments of Mortgage	-	(2,003,570)	-	-
	-	(2,003,570)	-	-
Net Flow from Financing Activities	-	(2,003,570)	-	-
Net Increase / (Decrease) in Cash Held	(899,725)	(3,363,401)	(622,155)	(3,252,491)
Add Opening Cash Brought Forward	1,296,716	4,660,117	1,230,617	4,483,108
Ending Cash Carried Forward	8	396,991	608,462	1,230,617

The Statement of Accounting Policies and Notes form an integral part of, and should be read in conjunction with, these financial statements

NOTES TO THE ACCOUNTS

Notes	Group 2023 \$	Group 2022 \$	Parent 2023 \$	Parent 2022 \$
1 Revenue				
a) Trading Revenue				
Revenue comprises sales of products and services to external parties, categorised as follows:				
Liquor	676,837	610,004	676,837	610,004
Meals	44,499	36,693	44,499	36,693
Other	265,455	216,459	265,455	216,459
Total Revenue	<u>986,791</u>	<u>863,156</u>	<u>986,791</u>	<u>863,156</u>
b) Rental Revenue				
Revenue comprises sales of products and services to external parties, categorised as follows:				
Commercial Property Rental	1,278,900	1,076,652	492,383	431,253
Operating Expense Recovery	211,269	181,331	-	-
Total Revenue	<u>1,490,169</u>	<u>1,257,983</u>	<u>492,383</u>	<u>431,253</u>
2 Other Revenue				
Dividends Received	66,156	84,357	66,156	84,357
Interest Income	68,475	31,081	174,328	84,715
Realised Gain on Investments	(22,071)	1,166	(22,071)	1,166
Unrealised Gain on Investments	(98,352)	108,958	(98,352)	108,958
Management Services	(750)	(751)	92,019	68,537
Capital Gains	-	-	-	-
Other	338	(43)	338	(43)
Total Other Income	<u>13,796</u>	<u>224,768</u>	<u>212,418</u>	<u>347,690</u>
3 Other Expenses				
Audit Fee	118,936	80,887	82,788	61,565
Bad Debts	(6,726)	(6,994)	(6,726)	(6,994)
Members Expenses	20 6,129	12,988	6,129	12,988
Members Remuneration	20 87,750	79,032	87,750	79,032
Grants	6 245,836	97,552	115,836	97,552
Other	447,138	348,116	320,541	236,633
	<u>899,063</u>	<u>611,581</u>	<u>606,318</u>	<u>480,776</u>
4 Property Expenses				
Insurance	92,027	72,003	36,943	23,676
Rent and Rates	54,223	50,184	23,930	21,296
Repairs and Maintenance	63,071	44,733	37,120	30,826
Replacements	8,470	15,228	8,470	15,228
Other	-	-	-	-
	<u>217,791</u>	<u>182,148</u>	<u>106,463</u>	<u>91,026</u>

The Statement of Accounting Policies and Notes form an integral part of, and should be read in conjunction with, these financial statements



	Group 2023 \$	Group 2022 \$	Parent 2023 \$	Parent 2022 \$
5 Staffing Costs				
Wages and Salaries	636,236	522,004	636,236	522,004
Changes to Provisions	22,694	14,605	22,694	14,605
Total Staff Costs	658,930	536,609	658,930	536,609

As required under section 335 (4) (b) (ii) Sale and Supply of Alcohol Act 2012) numbers of employees and former employees of the trust who received in excess of \$100,000 by way of remuneration and other benefits during the financial year are as follows:

Remuneration band

\$140,000 - \$150,000	-	1	-	1
\$170,000 - \$180,000	1	-	1	-

6 Grants

Profits made by the Trust that are not required for the development of the Trust's facilities and continuing operations may be made available for granting to community groups domiciled within the Trust's geographic region.

Grants paid to such groups amounted to:	245,836	97,552	115,836	97,552
Future grants committed:				
within 12 months	25,500	27,500	25,500	27,500
1 to 5 years	37,000	57,000	37,000	57,000
over 5 years	-	16,500	-	16,500

7 Taxation – Parent & Group

(a) <u>Tax Expense/(Credit) comprises</u>	2023 \$	2022 \$
Statement of Financial Performance		
Current Income Tax	-	-
Deferred Tax (Credit)/Expense – Temporary differences	-	-
Tax Expense/(Credit)	-	-

(b) Reconciliation of effective tax rate

Accounting profit before tax from continuing operations	215,453	1,539,145	114,633	360,310
Accounting profit before tax from discontinued operations	-	-	-	-
Net Profit/(Loss) before tax	215,453	1,539,145	114,633	360,310
Prima facie Tax at 28%	60,327	430,961	32,097	100,887
Unused imputation Credits converted to tax Losses	-	-	(13,271)	(22,564)
Non-Assessable Revenue/Income	(60,328)	(430,962)	(18,826)	(78,323)
Tax Expense	-	-	-	-

The Statement of Accounting Policies and Notes form an integral part of, and should be read in conjunction with, these financial statements



(c) Deferred Income Tax

<u>Deferred tax</u>	<u>Employee Entitlements</u>	<u>Unused Tax Losses</u>	<u>PPE and Investment Properties</u>	<u>Total</u>
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Deferred tax Asset/(liability) 1 April 2021	15,108	674,583	(689,691)	-
(Charged)/credited to Financial Performance	1,298	30,571	(31,869)	-
(Charged)/credited to Equity	-	-	-	-
Deferred tax as at 31 March 2022	16,406	705,154	(721,560)	-
(Charged)/credited to Financial Performance	3,583	82,335	(85,918)	-
(Charged)/credited to Equity	-	-	-	-
Deferred tax as at 31 March 2023	19,989	787,489	(807,478)	-

A deferred tax asset has not been recognised in relation to tax losses of \$3,585,654 (2022: \$3,956,361)

8 Cash and Cash Balances

	<u>Group 2023</u>	<u>Group 2022</u>	<u>Parent 2023</u>	<u>Parent 2022</u>
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Funds in Bank	576,527	1,219,822	536,297	1,182,226
Granting Account	363	129,105	-	-
Maintenance Reserves	44,520	20,784	44,520	20,784
Imprest Advances	27,645	27,607	27,645	27,607
	649,055	1,397,318	608,462	1,230,617
ANZ - Flexible Facility	(252,064)	(100,602)	-	-
Cash & Cash Balances	396,991	1,296,716	608,462	1,230,617

9 Trade and Other Receivables

Trade Receivables	58,153	1,856	57,455	7,042
Other Receivables	18,491	13,635	18,491	13,635
	76,644	15,491	75,946	20,677
Prepayments	40,555	37,853	27,161	25,550
Total Receivables and Prepayments	117,199	53,344	103,107	46,227

As of 31 March 2023 trade receivables of \$Nil (2022 \$Nil) were due to the Parent from the Subsidiaries.

10 Inventories

The Trust's inventories comprise of the following:

Beverages, Cigarettes & Bar Sundries	24,183	19,935	24,183	19,935
Food	826	753	826	753
	25,009	20,688	25,009	20,688

Some inventories are subject to retention of title clauses until payment is received by the suppliers.

11 Trade and Other Payables

Trading Supplies	113,281	141,097	57,567	67,584
Income Received in Advance	8,025	-	-	-
Accruals	234,206	144,167	172,358	111,937
	355,512	285,264	229,925	179,521

As of 31 March 2023 trade payables of \$Nil (2022 \$Nil) were due to Subsidiaries from the Parent.

As of 31 March 2023 trade payables of \$Nil (2022 \$Nil) were due to the other Related Parties.

12 Provision for Employee Entitlements – Parent and Group

	Vested Leave \$	Unvested Leave \$	Total \$
Opening Balance 1 April 2021	63,858	9,899	73,757
Additional provision recognised	45,011	5,122	50,133
Reduction arising from payments	(26,001)	-	(26,001)
Reductions arising from staff terminations	(9,253)	-	(9,253)
Transfer to Vested Leave	-	-	-
Balance at 31 March 2022	73,615	15,021	88,636
Additional provision Recognised	60,905	4,950	65,855
Reduction arising from payments	(40,237)	-	(40,237)
Reductions arising from staff terminations	(2,924)	-	(2,924)
Transfer to Vested Leave	-	-	-
Balance at 31 March 2023	91,359	19,971	111,330
Disclosed as a Current Liability	73,615	5,122	78,737
Disclosed as a Non-Current Liability	-	9,899	9,899
Balance at 31 March 2022	73,615	15,021	88,636
Disclosed as a Current Liability	91,359	4,950	96,309
Disclosed as a Non-Current Liability	-	15,021	15,021
Balance at 31 March 2023	91,359	19,971	111,330

Vested leave represents both annual leave due to employees, and long service leave to which staff have become entitled, and which has vested.

Unvested long service leave represents the Trust's assessment of its exposure relating to staff for whom the entitlement is yet to vest.

13 Property, Plant and Equipment

a) Property Plant & Equipment – Routine Fixed Assets - Parent & Group

Cost / Valuation	Land	Buildings	Equipment	Vehicles	Work in Progress	Total
Balance 1 April 2021	124,246	219,814	542,350	48,575	-	934,985
Balance 31 March 2022	124,246	199,961	452,758	48,575	1,300	826,840
Acquisitions	-	9,730	8,058	-	-	17,788
Disposals	-	-	(26,581)	-	(1,300)	(27,881)
Balance 31 March 2023	124,246	209,691	434,235	48,575	-	816,747
Accumulated Depreciation / Amortisation / Impairment	Land	Buildings	Equipment	Vehicles	Work in Progress	Total
Balance 1 April 2021	1,543	124,310	425,871	44,289	-	596,013
Balance 31 March 2022	1,616	104,023	335,909	45,575	-	487,123
Disposals	-	-	(6,104)	-	-	(6,104)
Depreciation Expense	73	5,998	25,995	90	-	32,156
Balance 31 March 2023	1,689	110,021	355,800	45,665	-	513,175
NBV 31 March 2022	122,630	95,938	116,849	3,000	1,300	339,717
NBV 31 March 2023	122,557	99,670	78,435	2,910	-	303,572

14 Investments

(a) Investment in Shares

The Trust holds 357,658 (2022 357,658) ordinary shares issued by DB South Island Brewery Ltd. This holding represents 4.97% of the 7,200,000 (2022 7,200,000) shares issued by that company.

The shares were revalued as at 31 March 2023. Due to uncertainty arising as a result of DBSIB being unable to disclose forecast or projection data it was decided that the Net Asset value most appropriately represents the fair value at balance date.

Sensitivity Analysis

In the current year a net asset value approach has been taken to determine fair value. A sensitivity analysis has been performed as per below.

	Fair Value	Total Impairment
Net Asset value change - 5%	\$690,519	\$202,004
Net Asset value change + 5%	\$763,205	\$129,320

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	Group 2023	Group 2022	Parent 2023	Parent 2022
	\$	\$	\$	\$
<u>DB South Island Brewery Ltd:</u>				
Balance at start of financial period	1,136,000	1,232,000	1,136,000	1,232,000
Revaluation to fair value	(243,786)	(96,000)	(243,786)	(96,000)
Impairment loss	(165,352)	-	(165,352)	-
Closing Balance	726,862	1,136,000	726,862	1,136,000
<u>Other Investments:</u>				
Foodstuffs (SI) Ltd – share credits	309	1,404	309	1,404
Total Investments closing balance	727,171	1,137,404	727,171	1,137,404

(b) Managed Fund

In September 2018 the Trust appointed Jarden to manage investments in financial assets on its behalf. Investments in this managed fund are made in compliance with pre agreed investment allocations between different financial asset classes based on criteria set out in the Trusts Statement of Investment Policies and Objectives (SIPO). The fair value of the managed fund was determined by Jarden through quoted prices in the relevant active markets as of 31 March 2023.

<u>Managed Fund</u>				
Cash	126,808	304,859	126,808	304,859
NZ Fixed Interest	1,288,010	857,733	1,288,010	857,733
NZ Equity	1,168,325	793,627	1,168,325	793,627
Global Equity	2,043,632	1,575,024	2,043,632	1,575,024
Closing Balance	4,626,775	3,531,243	4,626,775	3,531,243

(c) Investment Property – Group

Balance as at 1 April	17,512,557	15,716,315	7,846,242	6,940,000
Additions (Subsequent Expenditure)	692,224	157,127	7,569	26,143
Additions (Acquisition)	-	756,242	-	756,242
Disposals	(5,986)	(1,604)	-	(1,604)
Fair Value Gain/(Loss)	73,763	884,477	272,432	125,461
Total Investment Property closing balance	18,272,558	17,512,557	8,126,243	7,846,242

Parent - The carrying amount of Investment Property has been revalued to fair value at 31 March 2023. Fair value was determined by independent market valuation undertaken by Clark McLeod & Associates Ltd as at 31 March 2023. Clark McLeod & Associates Ltd are registered valuers with extensive experience valuing commercial properties in the Mid Canterbury area. The valuer prepared their valuation based on empirical data available at the date of valuation. The main assumptions used in the valuation were the capitalisation rate and net market rental. The valuer adopted a capitalisation rate of 5.75%-7.2% (2022 : 6.1%-7.0%) and net market rental of \$499,300 (2022 : \$473,100). For residential rental properties, 3 yearly rating valuations are considered to be fair value. For residential properties purchased within the past 3 years, cost is considered fair value. Fair value will be reassessed where material increases/decreases are expected.

Somerset Ashburton Ltd - The carrying amount of Investment Property has been revalued to market value at 31 March 2023. The revalued amount was determined by an independent market valuation undertaken by Clark McLeod & Associates Ltd as at 31 March 2023. Clark McLeod & Associates Ltd are registered valuers with extensive experience valuing commercial properties in the Mid Canterbury area. The valuer prepared their valuation based on empirical data available at the date of valuation. The main assumptions used in the valuation were the capitalisation rate and net market rental. The valuer adopted a capitalisation rate of 8.25% (2022: 7.75%) and net market rental of \$945,618 (2022 : \$852,355).

The amount of this fair value gain/(loss) has been recognised as income in the operating profit for the year.

Sensitivity Analysis (Capitalisation rate)

The valuer has determined that a capitalisation rate of 5.75% - 8.25% is appropriate when determining the market value of the company's investment property. This capitalisation rate is determined by the professional judgement of the valuer after taking into account various factors including the quality of property, leases and other factors. This capitalisation rate can vary up or down based on the valuers opinion on these factors. Movement in the capitalisation rate up or down by 0.25% results in the following.

-0.25%	+\$640,000
+0.25%	-\$625,000

Investment property contains a degree of risk through holding operating leases. This risk is managed primarily through the maintenance of comprehensive property insurance at a level of or exceeding the requirements contained in current lease agreements.

	Group 2023 \$	Group 2022 \$	Parent 2023 \$	Parent 2022 \$
Rental Income from Investment Properties	1,490,169	1,257,983	492,383	431,253
Direct Operating Costs generating Rental Income	(236,332)	(227,743)	(5,319)	(9,175)
Direct Operating Costs that did not generate Rental Income	-	-	-	-

The Trust has no restriction on the realisability of its investment properties and no contractual obligations to either purchase, construct or develop investment properties or for repairs, maintenance and enhancements. ANZ hold a security interest over Somerset House, and investment property owned by SAL relating to the loan on this property, BRCT holds a second ranking security over this same property.

15 Retained Earnings and Reserves

Retained Earnings				
Opening Balance	22,600,726	21,061,581	15,769,123	15,408,813
Net Profit/Loss for the Period	215,453	1,539,145	114,633	360,310
Closing Balance 31 March	22,816,179	22,600,726	15,883,756	15,769,123
Revaluation Reserve				
Opening Balance	243,786	339,786	243,786	339,786
Other Comprehensive Income	(243,786)	(96,000)	(243,786)	(96,000)
Closing Balance 31 March	-	243,786	-	243,786
Total Equity				
Opening Balance	22,844,512	21,401,367	16,012,909	15,748,599
Total Comprehensive Income	(28,333)	1,443,145	(129,153)	264,310
Closing Balance 31 March	22,816,179	22,844,512	15,883,756	16,012,909

Other Comprehensive income is made up entirely of the Fair Value movement of Investments in Shares

16 Exercise of Judgement and Estimation

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

17 Commitments for Expenditure

Capital Commitments

The Trust has commitments of \$Nil (2022: \$7,569)
 SAT has committed nil at 31 March 2023 (2022 Nil)
 SAL has capital commitments of \$Nil at 31 March 2022 (2022 \$400,779)

Lease Commitments

Finance lease liabilities and non-cancellable operating lease commitments are disclosed in note 19.

18 Contingent Liabilities and Assets

NZ Racing Board

The ANZ Bank has given a Guarantee of \$25,000 in favour of the NZ Racing Board on behalf of the Braided Rivers Community Trust. This guarantee relates to the operation of the TAB agency at the Devon Tavern. The liability under this guarantee would only become payable if the Braided Rivers Community Trust were unable to pay any money relating to the operation of the TAB agency to the NZ Racing Board.

There are no other contingent assets or contingent liabilities at balance date (2022 \$Nil).

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19 Leases

Finance Lease Liabilities

The Trust has no finance leases in place.

Operating Lease Commitments

The Group has entered into commercial leases on certain items of equipment. These leases have an average life of less than 12 months, with no renewal option included in the contracts. There are no restrictions placed upon the Group by entering into these leases.

Future minimum rentals payable under non-cancellable operating leases as at 31 March are, as follows:

	Group 2023	Group 2022	Parent 2023	Parent 2022
	\$	\$	\$	\$
Within 12 months	2,220	925	18,809	3,459
Between 1 and 5 years	5,365	-	8,130	-
Greater than 5 years	-	-	-	-
	<u>7,585</u>	<u>925</u>	<u>26,939</u>	<u>3,459</u>

Operating Leases as a Lessor

Somerset Ashburton Ltd, a subsidiary of the Trust has entered into commercial property leases on its investment property, Somerset House. These non-cancellable leases have remaining terms of up to 88 months. During this financial year the Braided Rivers Community Trust has leased out 2 (2022: 2) of its properties which are classified as Investment Property. These non-cancellable leases have remaining terms of up to 41 months. All leases enable upward revision of the rental charge on a regular basis according to the specific terms of the lease.

The future minimum lease payments receivable under non-cancellable operating leases are as follows:

No later than 1 Year	1,279,470	1,084,181	462,914	462,914
Later than 1 and not later than 5 years	2,609,346	2,660,307	1,082,856	1,545,770
Later than 5 years	321,791	-	-	-
	<u>4,210,607</u>	<u>3,744,488</u>	<u>1,545,770</u>	<u>2,008,684</u>

20 Related Parties

Somerset Ashburton Trust

The Community Trust formed the Somerset Ashburton Trust (previously known as the Braided Rivers Trust), a charitable trust, along with a charitable company, Somerset Ashburton Limited. Somerset Ashburton Trust is the sole shareholder of this company.

During the period the Licensing Trust provided to Braided Rivers Trust group of companies:

- Administration and accounting services to Somerset Ashburton Ltd for \$10,334 (2022 \$10,334)
- Management and marketing fees to Somerset Ashburton Ltd for \$32,128 (2022 \$10,000)
- Property management fees to Somerset Ashburton Ltd for \$44,557 (2022 \$43,196)
- Administration and accounting services to Somerset Ashburton Trust for \$5,750 (2022 \$5,750)
- Paid rental expense for Head Office of \$16,504 (2022 \$14,458) plus a share of operating expenses \$7,243 (2022 \$6,684).
- There was nothing outstanding at balance date. (2022 \$Nil)

Members

Transactions with the Trust and group are conducted in accordance with normal commercial practice. Transactions are undertaken on a normal arms-length basis, during this year there were the following transactions with directors of subsidiary Somerset Ashburton Ltd.

	Transactions during the year		Owed at balance date	
	2023	2022	2023	2022
	\$	\$	\$	\$
RMF Silva Ltd	52,334	--	--	--

Transactions noted above with RMF Silva are through an office lease from Somerset Ashburton Ltd to RMF Silva Ltd, Mr Robertson and Mr Silva are mutual directors of both Somerset Ashburton Ltd and RMF Silva Ltd, There were no transactions between BRCT and its Trustees this financial year (2022: \$Nil)

These transactions are regularly monitored to assess compliance with the Local Authorities (Members Interests') Act 1968.

	Group 2023	Group 2022	Parent 2023	Parent 2022
	\$	\$	\$	\$
Remuneration of Trust members (section 335 (4) (b) (i) Sale and Supply of Alcohol Act 2012)				
Members of the Trust are remunerated based on attendance at meetings and on their positions within the Trust and Group.				
Remuneration and expenses paid during the year amounted to:				
President	25,833	25,000	25,833	25,000
Other Members Fees	61,917	54,032	61,917	54,032
Total Remuneration paid	87,750	79,032	87,750	79,032
Expenses reimbursed to the President and members				
Relating to meeting attendance and other activities	6,129	12,988	6,129	12,988
Total Cost	93,879	92,020	93,879	92,020

Key Management Personnel

Key Management Personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Trust and Group, whether directly or indirectly. The Trust and Group has determined that in addition to the position of the CEO, board members and directors meet this definition.

For the purposes of this disclosure also, short-term employment benefits include wages, salaries, paid annual and sick leave, bonuses, contributions to superannuation schemes and non-monetary benefits, such as the use of motor vehicles and the payment of health insurance costs.

Remuneration of Key Management Personnel

Total Compensation paid to key management personnel	266,572	228,100	266,572	228,100
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Term Advance

Inter-group loans and borrowings are conducted in accordance with normal commercial practice and are undertaken on a normal 'arms-length' basis. During the year Somerset Ashburton Ltd entered into 1 new loan agreement with Braided Rivers Community Trust in addition to the 2 entered into the year prior.

Interest Only Facility

In May 2021 BRCT advanced \$750,000 to SAL, this is a 5 year interest only facility

Opening Balance at 1 April	-	-	750,000	-
Funds Advanced	-	-	-	750,000
Repayments	-	-	-	-
Closing Balance 31 March	-	-	750,000	750,000

Interest is charged at current ANZ loan rates, at 31 March 2023 interest was being charged at 8.08% (2022: 4.28%). Interest of \$47,141 was charged during this financial year (2022: \$23,915). Of this \$Nil was owed by the Company at balance date (2022: \$Nil).

36 Month facility

In May 2021 BRCT advanced \$1,080,000 to SAL, this is a 3 year facility repayable by 36 equal monthly capital repayments.

Opening Balance at 1 April	-	-	780,000	-
Funds Advanced	-	-	-	1,080,000
Repayments	-	-	(360,000)	(300,000)
Closing Balance 31 March	-	-	420,000	780,000

Interest is charged at current ANZ loan rates, at 31 March 2023 interest was being charged at 8.08% (2022: 4.28%). Interest of \$36,914 was charged during this financial year (2022: \$29,823). Of this \$Nil was owed by the Company at balance date (2022: \$Nil).

39 Month facility

In July 2022 an agreement was signed allowing SAL to draw down up to \$510,000 from BRCT, this is a facility repayable by 17 equal monthly capital repayments commencing May 2024.

Opening Balance at 1 April	-	-	-	-
Funds Advanced	-	-	510,000	-
Repayments	-	-	-	-
Closing Balance 31 March	-	-	510,000	-

Interest is charged at current ANZ loan rates, at 31 March 2023 interest was being charged at 8.08%. Interest of \$23,214 was charged during this financial year (2022: \$Nil). Of this \$13,605 was owed by the Company at balance date (2022: \$Nil).

The Statement of Accounting Policies and Notes form an integral part of, and should be read in conjunction with, these financial statements



21 Events Subsequent to Balance Date

There have been no undisclosed events subsequent to balance date (2022: Nil).

22 Financial Instruments

The main risk arising from the Trust's and Group's financial Instruments is interest rate risk. The board reviews and agrees a policy for this risk and it is summarised below.

	Group 2023 \$	Group 2022 \$	Parent 2023 \$	Parent 2022 \$
Categories of Financial Instruments				
Financial Assets at Amortised Cost				
Cash and Cash Balance	649,055	1,397,318	608,462	1,230,617
Term Deposits greater than 90 days	-	557,270	-	557,270
Trade and Other Receivables	58,153	1,856	57,455	7,042
Term Advance	-	-	1,680,000	1,530,000
Vendor Finance	-	16,986	-	16,986
Financial Liabilities measured at Amortised Cost				
Trade Payables	113,281	141,097	57,567	67,584
Income Received in Advance	8,025	-	-	-
ANZ Term Loans	1,334,112	1,334,112	-	-
ANZ - Flexible Facility	252,064	100,602	-	-
Financial Assets measured at Fair Value through Profit & Loss				
Managed Fund	4,626,775	3,531,243	4,626,775	3,531,243
Financial Assets measured at Fair Value through Other Comprehensive Income				
Investment in Shares	727,171	1,137,404	727,171	1,137,404

Fair Values

The fair value of all financial instruments does not differ materially from the carrying amount.

Management have assessed that Cash and Cash Equivalents, Bank Overdrafts, Short-term deposits, Trade and Other payables, Trade and Other Receivables and other Current Liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. Equity investments are being carried at cost unless market values are able to be reasonably determined and differ materially from the carrying amount.

23 Term Advance and Borrowings

Term Advance

Somerset Ashburton Ltd, a subsidiary of Somerset Ashburton Trust and Braided Rivers Community Trust has entered into loan agreements with both ANZ and Braided Rivers Community Trust. These loans and borrowings are conducted in accordance with normal commercial practice and are undertaken on a normal 'arms-length' basis. ANZ holds a first ranking security over Somerset House. BRCT holds a second ranking security over Somerset House.

	Group 2023 \$	Group 2022 \$	Parent 2023 \$	Parent 2022 \$
BRCT - Interest Only Facility (interest 8.08%)	-	-	750,000	750,000
BRCT - 36 month facility (interest 8.08%)	-	-	420,000	780,000
BRCT - 39 month facility (interest 8.08%)	-	-	510,000	-
	-	-	1,680,000	1,530,000

Borrowings

ANZ - Interest Only Facility (interest 8.08%)	1,334,112	1,334,112	-	-
	1,334,112	1,334,112	-	-

ANZ loan interest was being charged at 8.08%. Interest of \$78,872 was charged during this financial year (2022: \$59,329). Of this \$Nil was owed by the Company at balance date (2022: \$Nil)

The Statement of Accounting Policies and Notes form an integral part of, and should be read in conjunction with, these financial statements



24 Composition of the Group

The Braided Rivers Community Trust is the Ultimate parent of the Braided Rivers Community Trust group. The Braided Rivers Community Trust has 'control' over the Somerset Ashburton Trust, Somerset Ashburton Trust is also the sole shareholder of Somerset Ashburton Ltd.

APPENDIX A.

Full Grants List	115,836
1st Ashburton Boys Brigade	300
Advance Ashburton - Ashburton Arts Fund	17,365
Aphasia NZ Charitable Trust	1,500
Ashburton Art Gallery	3,112
Ashburton A&P Association	500
Ashburton Bird Club	500
Ashburton Bowling Club	2,000
Ashburton Bridge Club	1,500
Ashburton College	7,000
Ashburton Community Christmas lunch	933
Ashburton County Scottish Society Pipe Band	2,000
Ashburton Dahlia Circle	1,000
Ashburton Fanciers Society	2,000
Ashburton MenzShed	1,462
Ashburton Performing Arts Theatre Trust	5,000
Ashburton Santa Parade	4,000
Ashburton Seniors Centre	1,193
Ashburton Society of Arts	3,000
Birthright Canterbury Trust	1,477
Bowls Mid Canterbury Sub Centre	350
CanInspire Charitable Trust	1,500
Canterbury West Coast Sports Trust	4,000
CCS Disability Action	650
Citizens Advice Beureau	2,000
Community House Mid Canterbury Charitable Trust	12,000
Connecting Mid Canterbury Charitable Trust	5,000
Coronation Target Shooting Club	2,312
Mid Canterbury Emergency Relief Charitable Trust	5,000
Mid Canterbury Hockey	2,000
Mid Canterbury Sub Centre of Athletics Canterbury	2,000
Mid Canterbury Tennis	3,500
Mid Canterbury Tennis Charitable Trust	5,500
Multiple Sclerosis & Parkinsons Canterbury	3,000
Ollie Bubb	1,000
SI Ladies 4's Bowling	1,500
Stacey Hooper	1,500
Star Jam Charitable Trust	1,500
Tina Giera	1,500
Tinwald Pony Club	1,000
United Netball Club	2,282
Variety Theatre Ashburton	2,000
Wakanui Hockey Club	1,300
Wheelchair Basketball	400
Last year unpaid	-2,800

The Statement of Accounting Policies and Notes form an integral part of, and should be read in conjunction with, these financial statements



INDEPENDENT AUDITOR'S REPORT**TO THE READERS OF BRAIDED RIVERS COMMUNITY TRUST GROUP'S
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023**

The Auditor-General is the auditor of the Braided Rivers Community Trust (the Trust) and its subsidiaries (The Group). The Auditor-General has appointed me, Michael Lee, using the staff and resources of Crowe, to carry out the audit of the financial statements of the Trust and Group, on his behalf.

Opinion

We have audited the financial statements of the Trust and Group on pages 2 to 22, that comprise the consolidated statement of financial position as at 31 March 2023, the consolidated statement of comprehensive income, consolidated statement of movements in equity and consolidated statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the Trust and Group:

- present fairly, in all material respects:
 - its financial position as at 31 March 2023; 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 NZIFRS reduced disclosure regime, and other Financial Reporting Standards, as appropriate for profit oriented entities.

Our audit was completed on 21 September 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 Trustees 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 for the audit of the financial statements section of our report.

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

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

Responsibilities of the Trustees for the financial statements

The Trustees are responsible on behalf of the Trust and Group for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand.

Findex (Aust) Pty Ltd, trading as Crowe Australasia is a member of Crowe Global, a Swiss verein. Each member firm of Crowe Global is a separate and independent legal entity. Findex (Aust) Pty Ltd and its affiliates are not responsible or liable for any acts or omissions of Crowe Global or any other member of Crowe Global. Crowe Global does not render any professional services and does not have an ownership or partnership interest in Findex (Aust) Pty Ltd.

Services are provided by Crowe New Zealand Audit Partnership an affiliate of Findex (Aust) Pty Ltd.

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The Trustees are 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 Trustees are responsible on behalf of the Trust and Group for assessing the Trust and Group's ability to continue as a going concern. The Trustees are also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Trustees resolve to amalgamate or liquidate the Trust and Group or to cease operations, or have no realistic alternative but to do so.

The Trustees' responsibilities arise from the Sale and Supply of Alcohol Act 2012.

Responsibilities of the auditor for the audit of the financial statements

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

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

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

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

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than 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 Trust and Group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust and Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust and Group 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 Trustees 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 Trustees are responsible for the other information. The other information comprises the information included on page 1, but does not include the financial statements and our auditor's report thereon.

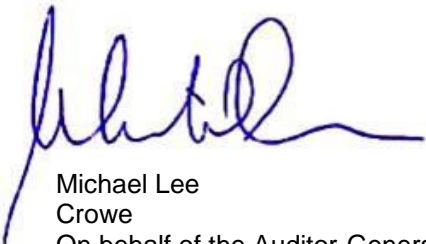
Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

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

Other than the audit, we have no relationship with, or interests in, the Community Trust or its subsidiaries.

A handwritten signature in blue ink, appearing to read 'Michael Lee', with a long horizontal flourish extending to the right.

Michael Lee
Crowe
On behalf of the Auditor-General
Christchurch, New Zealand