

# Braided Rivers Community Trust and Group SUMMARY ANNUAL REPORT

For the year ended 31 March 2022

## STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2022

	GROUP 2022	GROUP 2021	PARENT 2022	PARENT 2021
	\$	\$	\$	\$
Revenue	2,121,139	2,238,538	1,294,409	1,468,409
Cost of Sales	(252,081)	(299,659)	(252,081)	(299,659)
<b>Gross Profit</b>	<b>1,869,058</b>	<b>1,938,879</b>	<b>1,042,328</b>	<b>1,168,750</b>
Other Revenue	224,768	581,488	347,690	639,335
Fair Value Movement in Investment Properties	884,477	(43,483)	125,461	(35,214)
Less Expenses	(1,270,372)	(1,294,419)	(1,048,445)	(1,089,112)
Less Finance Cost - Interest	(62,437)	(130,185)	(375)	(89)
Gain/(Loss) on Disposal	(8,797)	(1,794,965)	(8,797)	(1,794,965)
<b>Operating Surplus before Tax and Donations</b>	<b>1,636,697</b>	<b>(742,685)</b>	<b>457,862</b>	<b>(1,111,295)</b>
Income Tax (Expense)/Credit	—	—	—	—
Operating Surplus before Donations	1,636,697	(742,685)	457,862	(1,111,295)
Less Grants	(97,552)	(99,451)	(97,552)	(99,451)
<b>Net Profit/(Loss) for the period</b>	<b>1,539,145</b>	<b>(842,136)</b>	<b>360,310</b>	<b>(1,210,746)</b>
Other Comprehensive Income	(96,000)	339,786	(96,000)	339,786
<b>Total Comprehensive Income</b>	<b>1,443,145</b>	<b>(502,350)</b>	<b>264,310</b>	<b>(870,960)</b>

## STATEMENT OF CASHFLOWS

FOR THE YEAR ENDED 31 MARCH 2022

	GROUP 2022	GROUP 2021	PARENT 2022	PARENT 2021
	\$	\$	\$	\$
Net Flow from Operating Activities	663,769	471,571	170,125	25,216
Net Flow From Investing Activities	(2,023,600)	3,831,035	(3,422,616)	3,839,304
Net Flow From Financing Activities	(2,003,570)	(472,742)	—	—
<b>Net Increase/(Decrease) in Cash held</b>	<b>(3,363,401)</b>	<b>3,829,864</b>	<b>(3,252,491)</b>	<b>3,864,520</b>
Add Opening Cash Brought Forward	4,660,117	830,253	4,483,108	618,588
Ending Cash Carried Forward	1,296,716	4,660,117	1,230,617	4,483,108

## STATEMENT OF MOVEMENTS IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2022

PARENT	Retained Earnings \$	Revaluation Reserve \$	Total Equity \$
<b>Balance at 31 March 2020</b>	<b>16,619,559</b>	—	<b>16,619,559</b>
Total Comprehensive Income	(1,210,746)	—	(1,210,746)
Other Comprehensive Income	—	339,786	339,786
<b>Balance at 31 March 2021</b>	<b>15,408,813</b>	<b>339,786</b>	<b>15,748,599</b>
Total Comprehensive Income	360,310	—	360,310
Other Comprehensive Income	—	(96,000)	(96,000)
<b>Balance at 31 March 2022</b>	<b>15,769,123</b>	<b>243,786</b>	<b>16,012,909</b>
GROUP	Retained Earnings \$	Revaluation Reserve \$	Total Equity \$
<b>Balance at 31 March 2020</b>	<b>21,903,717</b>	—	<b>21,903,717</b>
Total Comprehensive Income	(842,136)	—	(842,136)
Other Comprehensive Income	—	339,786	339,786
<b>Balance at 31 March 2021</b>	<b>21,061,581</b>	<b>339,786</b>	<b>21,401,367</b>
Total Comprehensive Income	1,539,145	—	1,539,145
Other Comprehensive Income	—	(96,000)	(96,000)
<b>Balance at 31 March 2022</b>	<b>22,600,726</b>	<b>243,786</b>	<b>22,844,512</b>

## STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2022

	GROUP 2022	GROUP 2021	PARENT 2022	PARENT 2021
	\$	\$	\$	\$
Current Assets	2,101,412	5,168,582	2,256,460	4,945,343
Non-Current Assets	22,551,714	19,875,534	14,024,606	11,049,415
<b>Total Assets</b>	<b>24,653,126</b>	<b>25,044,116</b>	<b>16,281,066</b>	<b>15,994,758</b>
Current Liabilities	464,603	439,227	258,258	238,186
Non Current Liabilities	1,344,011	3,203,522	9,899	7,973
<b>Total Liabilities</b>	<b>1,808,614</b>	<b>3,642,749</b>	<b>268,157</b>	<b>246,159</b>
<b>Net Assets</b>	<b>22,844,512</b>	<b>21,401,367</b>	<b>16,012,909</b>	<b>15,748,599</b>
<b>Total Equity</b>	<b>22,844,512</b>	<b>21,401,367</b>	<b>16,012,909</b>	<b>15,748,599</b>

# Chairman's Report

## Braided Rivers Community Trust

### Introduction

This year was in many ways a significant step forward for us as an organisation. Firstly, we completed the three year process of reconstituting as a community trust and secondly and in some ways more importantly we completed a full year operating under our new investment structure without any major structural changes and had it not been for the downward impact on international stock markets at the end of the year we would have reported a profit within our long term expectations. While the year had its ups and downs our new business structure performed well and risk was mitigated as intended. We now look forward to a more stable and profitable future operating as the Braided Rivers Community Trust which will in turn generate significantly greater returns to our community. Like most businesses we struck challenges as a result of covid although they were much reduced on the previous year. Our tenants play an important role in the financial strength of both the BRCT and group and we continue to focus on our long term relationships with tenants. We continued to work on implementing our investment strategy and through this year we increased our regular investment into our managed portfolio with Jarden. With the bigger and more 'lumpy' transactions behind us we look forward to a steadily improving financial position which will in turn support community organisations in Mid Canterbury.

### Community Trust

In July 2021 we completed the process to become a Community Trust and undertook a process of communicating this within our community. We believe that the Community Trust concept is a much better fit for us and our current operations. We have adopted our new brand and are now known as the Braided Rivers Community Trust.

### Covid -19

The nature of Covid-19 has changed and in the last financial year had a significantly lesser impact on revenue but did have a much greater impact on costs and our ability to operate effectively. Covid-19 continues to throw up challenges but we have developed a level of resilience through experience and planning, this along with the diversification built up in our new operating model has reduced risk and left us less exposed to adverse trading conditions.

### Financial

The financial year ended 31 March 2022 started well and financial performance was strong as we bedded down our new operating strategy where we operate more as a landlord and continue to work on diversifying our investment policy for the benefit of our community. We are now far enough through our transition that our actual and underlying performance are largely similar. We have and will see movement in investment returns and property valuations

on an annual basis but when averaged over multi year periods these results will smoothen out and we fully expect these to fall within or exceed our \$500k to \$700k expected range. In this year we reported a profit of \$364k before granting despite an unrealised loss on our investment portfolio of \$190k over the January to February 2022 period. We are comfortable with our long term strategy and positive about the returns we are generating for our community.

### Audit

A qualified audit report has been received on our financial statements for the year ended March 2022. This is the direct result of the valuation of the Hotel Ashburton at March 2020 and the loss on sale recorded as a result of this which was deemed by our auditors to have an impact on the comparability of our financial statements. The Balance sheet as at 31 March 2021 and transactions since are not in question.

### Devon Tavern

We continue to own and operate the Devon Tavern, this is the only remaining site which we operate ourselves. This site continues to perform well and generate strong financial results while servicing an important segment of our community. The Devon Tavern closed for 2 weeks due to Covid restrictions in August 2021 and this coupled with constant operating restrictions made it hard to get the Devon operating effectively although as restrictions eased late in the year turnover and profitability improved. The key challenge we were left facing was the pressure placed on our staff who were left enforcing government restrictions, we appreciate their efforts and hard work over this time.

### Investment Strategy

While we saw a dip at the end of this financial year, the strong results reported earlier in the year more than offset the losses. In line with our investment strategy we have continued to invest further funds in our managed portfolio with Jarden. Ongoing work has continued this year to diversify our investment profile in line with our investment policy, coming up to 4 years since inception we are now seeing some clear wins as our financial models starts to resemble the finished product. At March 2022 we had just over \$3.5m invested in this fund and we are continuing to contribute \$100k per month.

### Property & Tenants

Financial performance across our rental properties has remained positive driven through strong occupancy as the result of strong long term tenants and our positive relationships with them which assist in creating a strong long term partnership. In prior years we invested heavily in our properties to ensure they were well maintained and would require little further investment, this has been successful as these properties require very little R&M spend and become subject to more thorough preventative maintenance plans. The impact of Covid-19 on our tenants continued to be difficult although improving through last year. We offered lesser rental relief to our

tenants this year, in most cases this was limited to 2 weeks rent and opex. We were pleased to be in a position to support our tenants and happy to be able to do so. Our tenants are one of our biggest assets and one we don't take for granted.

### Collaboration

We are committed to working with other local funders and community organisations to generate the best outcomes for our community. By working together we can share information and expertise while at the same time taking advantage of synergies and cost savings. As a Community Trust we believe we can fill needs gaps in the community that other organisations through their approved purposes and constitutions are unable to fill.

### Somerset House

Somerset House is owned within the Somerset Charitable group. Through this year we have seen significant improvements in long term prospects through the introduction of new tenants and the renewal of existing leases. We have focused on leveraging the relationships with tenants to shore up our long term future and to fill unoccupied space which in turn maximises the funds available to our community.

### Granting

Our association with the Lion Foundation continues to play a key role within our community. We have a positive ongoing relationship with the Lion Foundation which enables grants to community organisations and initiatives of around \$1.5m annually through our local Regional Grants Committee. BRCT's granting policy has continued to drive distributions to community organisations and initiatives at a more sustainable level while allowing us to reinvest in our business. We have now implemented a granting policy and account for Somerset Ashburton Ltd which will allow us to further increase charitable support to our community.

### Thank You

If I might conclude, we are proud of what we have achieved since we began our overhaul of the Trust's structure in early 2016. We have completed the 'heavy lifting' and are now building on the work undertaken over the last 3 board terms. The key for us now is to stay the course and maximise opportunities to grow funding for local community organisations. The changes ahead for our Community Trust are ones of planned evolution, not revolution. We build on the work of previous boards and the decisions they made to move to the Community Trust landlord model. I see no reason whatsoever to move from that model and it is about staying the course in turbulent waters. In doing so we will build resiliency and it will be around for the next 100 years.

Chris Robertson  
Chairman  
Braided Rivers Community Trust

## BRAIDED RIVERS COMMUNITY TRUST AND GROUP

### Notes to the Summary Financial Statements

For the Year ended 31st March  
2022

These are the summary consolidated financial statements of the Braided Rivers Community Trust for the year ended 31 March 2022.

The specific disclosures included in these summary financial statements have been extracted from the full annual financial statements dated 31 March 2022. The full annual statements dated 18 August 2022 have been prepared in accordance with the New Zealand Equivalents to International Financial Reporting Standards Reduced Disclosure Regime (NZ IFRS RDR). This summary financial report cannot be expected to provide as complete an understanding as provided by the full financial report of the income statement, balance sheet and cash flows of the Trust.

A qualified audit opinion has been received on the full financial report for the year ended 31 March 2022. This summary financial report has been examined by our auditor for consistency with the full financial statements. These summary financial statements were approved for issue by the Board members on 18 August 2022.

These are the summary consolidated financial statements of Braided Rivers Community Trust and the Somerset Ashburton Trust Group, these are for profit entities. The summary consolidated financial statements comply with FRS-43: Summary Financial Statements and are presented in New Zealand currency, rounded to the nearest whole dollar.

The full consolidated financial statements, upon which these summary financial statements are based, have been prepared to comply with the New Zealand equivalents to the International Financial Reporting Standards Reduced Disclosure Regime (NZ IFRS RDR) and NZ GAAP as deemed appropriate for profit orientated entities.

A full set of the annual accounts, including President's Report can be obtained from the Braided Rivers Community Trust Head Office, Level 2, Somerset House, 161 Burnett Street, Ashburton, or download from [www.braidedriverscommunitytrust.co.nz](http://www.braidedriverscommunitytrust.co.nz)



# braidedrivers

## COMMUNITY TRUST

### ASHBURTON

**A Guardian of assets for the intergenerational benefit of the community.**



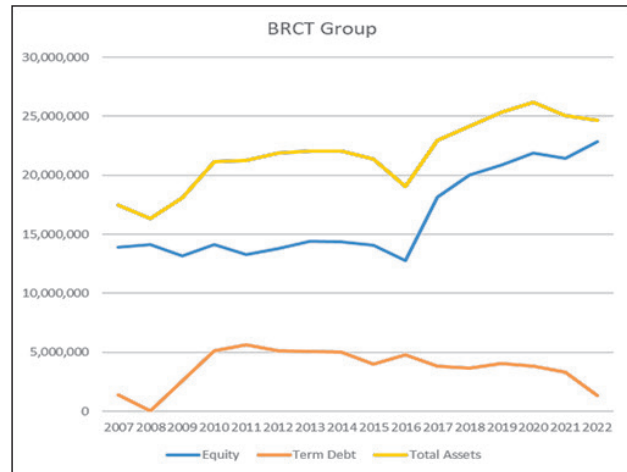
Current Braided Rivers Community Trust board in order L-R: Robert Harnett - Deputy, Chris Robertson - Chair, Chantelle Quinn, Kieran Breakwell, Roger Paterson, Tim Silva and Rob Reid - CEO

In 2015 the Ashburton Licensing Trust board began looking at options to reinvent the trust and to ensure its viability into the future including making sure it could always distribute funds to support community groups and worthwhile causes well into the future. In early 2016 this involved entering into a consultation process which ultimately resulted in a decision to exit the operation of most of the trust's business units and become a landlord at these sites.

April 2016	Somerset Grocer sold
May 2016	Speights Alehouse sold
November 2016	Hotel Ashburton sold
September 2017	Tinwald Tavern sold

The Devon Tavern was the one hospitality business unit which was retained. This site is still owned and operated by Braided Rivers Community Trust and managed by Nicky Box.

In August 2018 the Ashburton Licensing Trust board passed a resolution that ALT be converted to a community trust. The name Braided Rivers Community Trust was chosen. The Community Trust model is a much better fit and better reflects our role and place in the community. On 12 July 2021 under order in Council the Ashburton Licensing Trust's undertaking was 100% vested in the Braided Rivers Community Trust. During this time we worked on creating new Investment and Granting policies for the Trust. The graph below shows clearly the positive impact seen on group equity over the past 15 years, group equity has climbed and debt reduced surging up the long term future of this organisation to enable future growth in equity and granting at an intergenerational level.



Somerset House was opened in late 2008, it is a 4 storey commercial building located in Ashburton CBD on the site previously occupied by the Somerset Tavern.

Somerset House is owned by Somerset Ashburton Ltd which is a charitable subsidiary of the Braided Rivers Community Trust Group.

All profits earned from this building will be returned to community organisations in the Mid Canterbury area.

It is currently home to 16 tenants across retail and office spaces.

#### GROUND FLOOR

- Minx
- Spark
- Preen
- HR Mobile
- Somerset Grocer

#### LEVEL ONE

- Radio Network
- Leech & Partners
- I-Select Ltd

#### LEVEL TWO

- Croys
- Braided Rivers Community Trust
- Advance Ashburton
- Spark Business
- Rangitata Diversion Race Management
- Tiffany McRae Barrister

#### LEVEL THREE

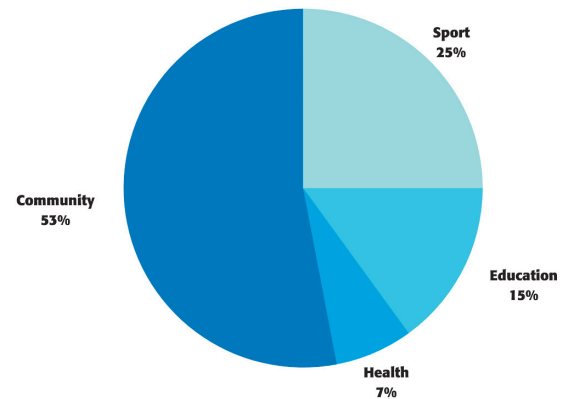
- RMF Silva
- Ashburton Guardian

## 2021-2022 Grants

Grantee	Amount (\$)
1st Ashburton Boys Brigade	900
Allenton Bowling Club	300
Ashburton Bridge Club	6,000
Ashburton Civic Music Council	500
Ashburton College	10,000
Ashburton County Scottish Society Pipe Band	2,000
Ashburton District Neighbourhood Support	1,146
Ashburton Methodist Parish	5,000
Ashburton Operatic Society	5,000
Ashburton Performing Arts Theatre Trust	5,000
Ashburton Town Watch Society	9,500
Ashburton Youth Café Charitable Trust	2,000
Ashburton Youth Council	326
Canterbury Waterski Association	2,000
Community House Mid Canterbury	3,000
Connecting Mid Canterbury Charitable Trust	5,000
Hakaterere Multicultural Council	1,000
Kai For Kids	4,500
Lions Club of Ashburton County	2,500
Mid Canterbury Bowling Greens Association	300
Mid Canterbury Childrens Trust (refunded)	-2,500
Mid Canterbury Emergency Relief Charitable Trust	3,000
Mid Canterbury Hockey Inc.	2,500
Mid Canterbury Netball	3,000
Mid Canterbury Tennis	5,412
Mid Canterbury Tennis Charitable Trust	5,500
Multiple Scerosis & Parkinsons Canterbury	2,000
Phoenix Preschool	4,432
Plains Ladies Friendship Club	1,100
Plains Museum Trust	500
Salvation Army	1,033
SI Ladies 4's Bowling	2,500
Target Shooting Mid Canterbury	2,703
Wheelchair Basketball	400

**Total**

**97,552**



In partnership with  
**THE LION FOUNDATION**

In early 2010 the then Ashburton Licensing Trust entered into a partnership with Lion Foundation. This led to the Lion Foundation taking over all of the administration and compliance work associated with running gaming machines at ALT sites. It was key to ALT was to ensure that all funds generated from Lion Foundation machines would stay in the Mid Canterbury area and that local people would be involved in decision making. In the year ended 31 March 2022 over \$1.5m was granted through our partnership with Lion Foundation. The Regional Grants Committee is made up of the 6 Braided Rivers Community Trust Trustees as well as our mayor, Neil Brown and 2 other appointed individuals, these are currently Fleur Thompsett and Jane Kelly. We have recently appointed a 10th person to the committee to represent youth in our community, this representative is Jack Jones.