RBL PROPERTY LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 30 June 2022

Introduction

RBL Property Limited (the company) is 100% owned by Christchurch City Holdings Limited, the investment arm of the Christchurch City Council.

The Company holds the land located at 120 Ferry Road, Phillipstown, Christchurch.

The Company is committed to being a responsible land owner and landlord until the final ownership of the site is determined and implemented.

The Company will maintain community, environment, people and financial objectives commensurate with the size and scale of its business.

Contents

Report from the Board

The Board of RBL Property Limited is pleased to present the 31st Annual Report for the Company.

This report represents the first full year of operating as an investment company rather than a public transport operator. The Company's sole investment is the strategic land parcel located at 120 Ferry Road, Phillipstown, Christchurch, the site of the former Red Bus operations.

The Board and the management of Christchurch City Holding Limited are assessing the opportunities for the Ferry Road site.

At the time of this report, no decisions have been made.

On behalf of the Board,

Tony King Chair 30 November 2022	Claire Evans Director 30 November 2022

Statement of responsibility

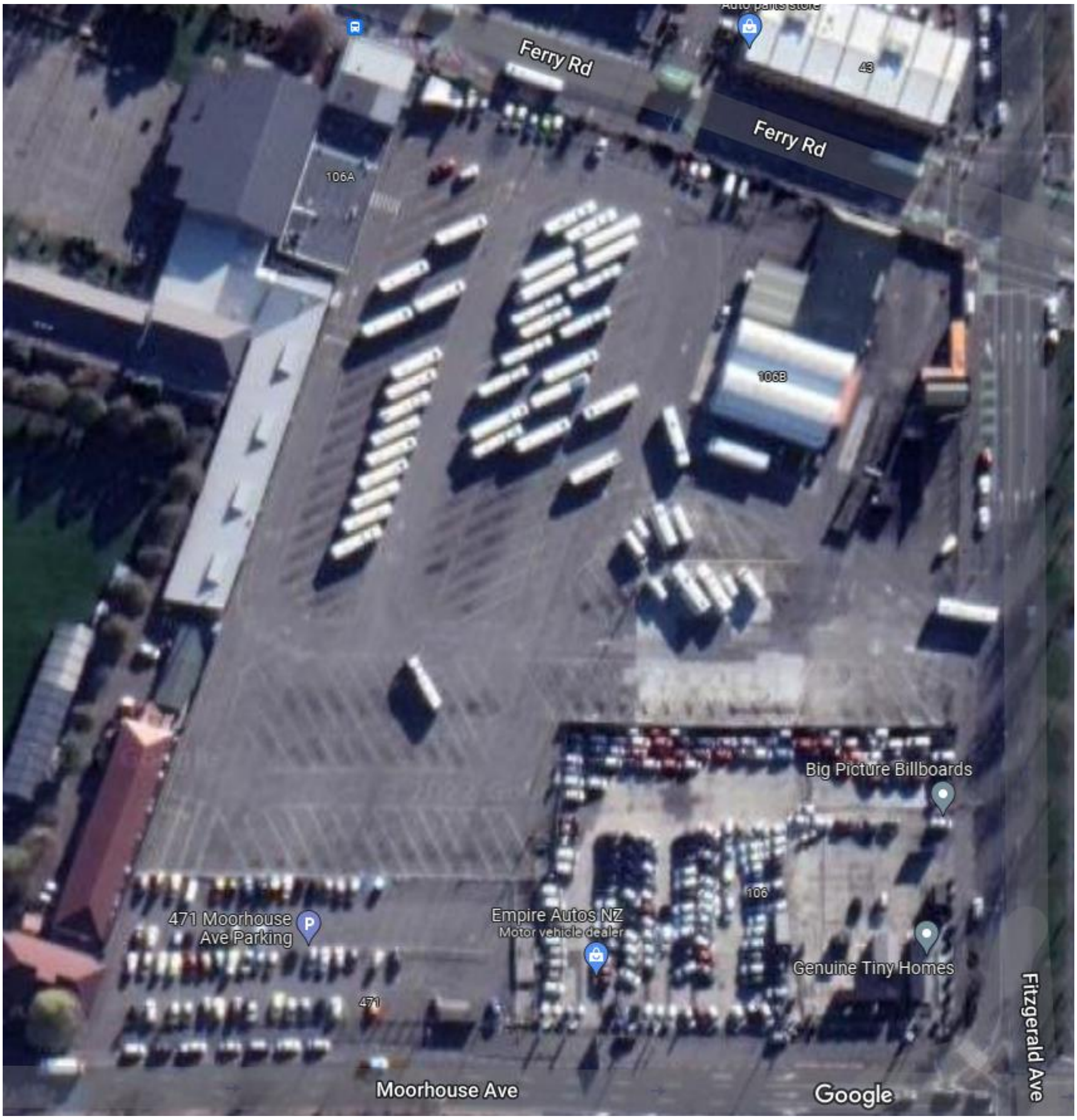
The Board is responsible for the preparation of RBL Property Limited's financial statements and for the judgements made in them.

The Board of RBL Property Ltd has responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the Board's opinion, the financial statements fairly reflect the financial position and performance of RBL Property Ltd for the year ended 30 June 2022.

On behalf of the Board,

Tony King Chair 30 November 2022	Claire Evans Director 30 November 2022


Ferry Rd
Ferry Rd
106A
43
106B
Big Picture Billboards
106
471 Moorhouse
Ave Parking
Empire Autos NZ
Motor vehicle dealer
Genuine Tiny Homes
471
Moorhouse Ave
Google
Fitzgerald Ave

Statement of comprehensive revenue and expense

For the year ended 30 June 2022

	Note	2022 $'000	2021 $'000
Revenue	3 a	761	412
Other income	3 b	649	512
Depreciation, amortisation and impairment expense	3 c	(506)	(1,081)
Other expenses	3 d	(386)	(542)
Profit (loss) before income tax expense		518	(699)
Income tax expense / (credit)	4 a	142	(184)
Net surplus/ (loss) after taxation from continuing operations		376	(515)
Net surplus/ (loss) after taxation from discontinued operations	14 a	-	3,575
Net surplus/ (loss) after taxation		376	3,060
Other comprehensive revenue		-	-
Total Comprehensive Revenue		376	3,060

The notes to the financial statements form part of these financial statements.

Statement of changes in equity

For the year ended 30 June 2022

	Note	Share capital $'000	Retained earnings $'000	Other reserves $'000	Total $'000
Balance as at 1 July 2020		10	18,262	13,987	32,259
Total comprehensive income		-	3,060	-	3,060
Dividends		-	(17,000)	-	(17,000)
Balance at 30 June 2021	10 c	10	4,322	13,987	18,319
Total comprehensive income		-	376	-	376
Dividends		-	-	-	-
Balance at 30 June 2022	10 c	10	4,698	13,987	18,695

The notes to the financial statements form part of these financial statements.

Statement of financial position

As at 30 June 2022

	Note	2022 $'000	2021 $'000
Current Assets			
Cash and Cash Equivalents	6	1,717	2,230
Trade and Other Receivables	7	52	95
RWT Credit Receivable		7	3
Net assets classified as held for sale	14 c	-	1,745
Total Current Assets		1,776	4,073
Non-current Assets			
Investment Property	8	17,000	16,190
Total Non-current Assets		17,000	16,190
Total Assets		18,776	20,263
Current Liabilities			
Trade and Other Payables	9	79	208
Current Taxation Payable		-	1,676
Provisions		-	200
Total Current Liabilities		79	2,084
Non-current Liabilities			
Deferred Tax Liabilities	4 b	2	(139)
Total Non-current Liabilities		2	(139)
Total Liabilities		81	1,945
Net Assets		18,695	18,319
Equity			
Share Capital	10 a	10	10
Reserves	10 b	13,987	13,987
Retained Earnings	10 c	4,698	4,322
Total Equity		18,695	18,319

The notes to the financial statements form part of these financial statements.

Statement of cash flow

For the year ended 30 June 2022

	Note	2022 $'000	2021 $'000
Cash flows from operating activities			
Receipts from customers		769	1,165
Interest received		14	11
Payments to suppliers and employees		(469)	(1,080)
Interest and other finance costs paid		-	(8)
Subvention tax receipt (payment)		(1,681)	(98)
Net cash from operating activities continuing operations		(1,367)	(10)
Net cash from operating activities discontinued operations	14 b	-	(334)
Net cash from operating activities		(1,367)	(344)
Cash flows from investing activities			
Proceeds from Investments		-	1,000
Proceeds from sale of property, plant, equipment & intangibles		854	1,743
Net cash from investing activities continuing operations		854	2,743
Net cash from investing activities discontinued operations	14 b	-	12,618
Net cash from investing activities		854	15,361
Cash flows from financing activities			
Payment of Dividends		-	(17,000)
Net cash used in financing activities continuing operations		-	(17,000)
Net increase (decrease) in cash and cash equivalents		(513)	(1,983)
Cash and cash equivalents at beginning of year		2,230	4,213
Cash and cash equivalents at end of year	6	1,717	2,230

The notes to the financial statements form part of these financial statements.

Notes to the financial statements

For the year ended 30 June 2022

1 Significant changes in the period affecting the Financial Statements

Impact of COVID-19 on Financial Statements

RBLPL's exposure to the financial impact of Covid-19 has been significantly reduced with the sale of the bus operation in 2021. Any impact on RBLPL is limited to the underlying economic conditions in New Zealand and in particular Christchurch rather than Covid-19. The company continues to monitor the implications of Covid-19 in the community and apply changes to accounting policies where and when necessary.

2 Summary of Accounting Policies

RBL Property Limited is a profit-orientated limited liability company, incorporated in New Zealand. Its principal purpose is to hold the investment property, land and buildings at 120 Ferry Road, Phillipstown, Christchurch and to generate rental income from this.

The company is a reporting entity for the purposes of the Financial Reporting Act 2013 and its financial statements comply with that Act.

The company is a Council-Controlled Trading Organisation as defined in section 6 (1) of the Local Government Act 2002. The company is wholly owned by Christchurch City Holdings Limited, which is wholly owned by Christchurch City Council.

The company's registered office is located at Level 1, 151 Cambridge Terrace, Christchurch.

Basis of Preparation

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

The company is a Tier 2 for-profit entity and has elected to report in accordance with Tier 2 For-profit Accounting Standards. The Company is eligible to report in accordance with Tier 2 For-profit Accounting Standards on the basis that it does not have public accountability and is not a large for-profit public sector entity.

These financial statements comply with New Zealand equivalents to the International Financial Reporting Standards Reduced Disclosure Regime (NZ IFRS RDR).

The financial statements are prepared under the historical cost convention, as modified by the revaluation of certain assets as identified in the significant accounting policies. The functional and presentation currency is New Zealand dollars (NZ$) and all values are rounded to the nearest NZ$1,000 except when otherwise indicated.

Changes in accounting policies and disclosures

The accounting polices detailed have been applied in the preparation of these financial statements for the year ended 30 June 2022.

New and amended Standards

Amendments to For Profit Accounting Standard NZ IFRS 16 Leases on the disclosure of Covid-19 related rent concessions has little or no impact of the accounting policies of the company as at 30 June 2022.

Amendments to For Profit Accounting Standards NZ IFRS 9 Financial Instruments, NZ IAS 39 Financial Instruments: Recognition and Measurement, NZ IFRS 7 Financial Instruments: Disclosures, and NZ IFRS 4 Insurance Contracts, have little or no impact of the accounting policies of the company as at 30 June 2022.

New Standards and Interpretations Not Yet Adopted

NZ IFRS RDR Standards and Interpretations that have recently been issued or amended but are not yet effective will be adopted in the period that application of the standard is required, however they are not expected to have a significant impact on the company's financial statements. The Company has not early adopted any standards not yet effective.

Critical Accounting Estimates and Assumptions

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

Investment Property

The company engages external, independent and qualified valuer to determine the fair value of the group’s investment properties at the end of every financial year.

As at 30 June 2022, the fair value of the investment property has been determined by Mr W Blake (ANZIV/FPINZ) of Bayleys Valuations Limited.

The main inputs used are discount rates, terminal yields, expected vacancy rates and rental growth rates. These are estimated by the valuer and are based on comparable transactions and industry data.

Significant Accounting Policies

The accounting policies set out below have been adopted in the preparation of the financial report and applied consistently to all years presented in the financial statements.

Goods and services tax (GST)

The Statement of Comprehensive Income has been prepared so that all components are stated exclusive of GST. All items in the Balance Sheet are stated exclusive of GST, with the exception of receivables and payables, which include GST.

Financial assets

The company classifies its financial assets at amortised cost. The measurement basis is determined by reference to both the business model for managing the financial asset and the contractual cash flow characteristics of the financial asset.

Financial assets at amortised cost

Financial assets at amortised cost are non-derivative financial assets held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The cost of other inventories is based on the weighted average cost principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

Assets held for sale

The company classifies assets as held for sale if their carrying value will be recovered principally through a sale rather than continuing use. Such assets classified as held for sale are measured at the lower of their carrying value and fair value less costs to sell.

The criteria for held for sale is regarded as met only when the asset is available for immediate sale in its present condition, sale is highly probable and the sale is expected to be completed within one year of balance date.

Property, plant and equipment are not depreciated once classified as held for sale. Assets classified as held for sale are presented separately as current items in the balance sheet.

Property, plant and equipment

Land and buildings are shown at fair value, based on periodic, but at least triennial, valuations undertaken by external independent valuer, less subsequent depreciation. The land and buildings are valued at fair value using market-based evidence. Market rents and capitalisation rates were applied to determine the fair values. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Valuations are performed with sufficient regularity to ensure revalued assets are carried at a value that is not materially different from fair value.

Increases in the carrying amounts arising on revaluation of an asset are recognised as other comprehensive income. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit and loss. Decreases that reverse previous increases of the same asset are first charged against revaluation reserves directly to comprehensive income to the extent of the remaining reserve attributable to the asset; all other decreases are charged to the profit or loss.

All other property, plant and equipment, except capital work in progress, is stated at historical cost less accumulated depreciation and impairment. Capital work in progress is recorded at historical cost until the purchase of the item is completed and it begins service in the business. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the profit or loss during the financial year in which they are incurred.

Land and capital work in progress is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

Buses	15 – 20 years
Plant, equipment and motor vehicles	3 - 25 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the profit or loss. When revalued assets are sold, it is the company's policy to transfer the amounts included in other reserves in respect of those assets to retained earnings.

Intangible assets

Computer software

Acquired computer software licenses are capitalised on the basis of costs incurred to acquire the software. These costs are amortised over their estimated useful lives of between one and three years. Costs associated with maintaining computer software programs are recognised as an expense as incurred.

Trademarks

Trademarks are finite life intangibles and are recorded at cost less accumulated amortisation and impairment. Amortisation is charged on a straight-line basis over the estimated useful life of ten years. The estimated useful life and amortisation is reviewed at the end of each annual reporting period.

Impairment of non-financial assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows (cash-generating units).

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

Provisions

A provision is recognised in the Balance Sheet when the company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits the amount of which can be reliably estimated will be required to settle the obligation. If the effect 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.

Borrowings

Borrowings are recognised initially at fair value net of attributable transaction costs. Subsequent to initial recognition, borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the Statement of Comprehensive Income over the period of the borrowings on an effective interest basis.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

Finance costs are expensed as incurred, except those capitalised in accordance with NZ IAS 23.

Recognition of Government Grants

Government Grants shall not be recognised until there is reasonable assurance that the company will comply with the conditions attached to them and that the grants will be received. In accordance with NZ IAS 20, Government Grants related to assets, are presented in the financial statements by deducting the grant in arriving at the carrying amount of the asset. The grant is recognised in the profit or loss over the life of a depreciable asset as a reduced depreciation expense.

3 Profit From Operations

Accounting Policy

Revenue is comprised solely of rental income from investment property.

Rental income from investment property leased out under operating leases is recognised in the statement of comprehensive income on a straight-line basis over the term of the lease.

3 a Revenue from investment property

	2022 $'000	2021 $'000
Revenue from Rent	761	412
Total Revenue from Rent	761	412

3 b Other income

	2022 $'000	2021 $'000
Gain on revaluation of Property	810	-
Interest income	14	11
Profit / (Loss) on sale of business	(150)	-
Profit / (Loss) on sale of assets	(35)	420
Other Revenue	10	81
Other Gains		-
Total other income	649	512

3 c Depreciation, amortisation and impairment expense

	2022 $'000	2021 $'000
Depreciation of Property, Plant & Equipment	-	-
Impairment of Bus Fleet	506	1,081
Reversal of Impairment, Bus Fleet	-	-
Amortisation of intangible assets	-	-
Impairment of intangible assets	-	-
Total impairment expense	506	1,081

3 d Other expenses

	2022 $'000	2021 $'000
Audit of the financial statements	43	53
Director fees	-	-
Rates on leased property	114	109
Insurances	63	50
Bad debts	-	-
Professional fees	106	195
Other expenses	60	135
Other Losses	-	-
Total other expenses	386	542

4 Income Taxes

Accounting Policy

Income tax expense comprises both current tax and deferred tax, and is calculated using tax rates that have been enacted or substantively enacted by balance date. Current tax is the amount of income tax payable on the taxable profit for the current year, plus any adjustments to income tax payable in respect of prior years.

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 corresponding tax bases used in the computation of taxable profit. The measurement of deferred tax reflects the consequences that would follow from the manner in which the company expects to recover or settle the carrying amount of 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 and liability in a transaction that is not a business combination, and at the time of the transaction, affects neither the accounting profit nor taxable profit.

Current tax and deferred tax is charged or credited to the profit or loss, except where it relates to items charged or credited directly to equity, in which case the tax is dealt with in equity.

4 a Income tax expense

	2022 $'000	2021 $'000
Tax Expense comprises:		
Current tax expense	(218)	1,676
Prior period adjustment to current tax	1	2
Under/(over) provision of income tax in previous year		-
Deferred tax expense relating to the origination and reversal of temporary differences	359	(1,370)
Deferred tax adjustment relating to changes in tax rates & removal of building depreciation.	-	-
Total Tax Expense	142	308
Reconciliation of prima facie income tax:		
Profit / (Loss) from continuing activities	518	(699)
Profit / (Loss) from discontinued activities	-	4,067
Profit / (Loss) from operations	518	3,368
Income tax expense calculated at 28%	145	943
Non-deductible expenses/Non-taxable income	(4)	(646)
Deferred tax adjustment	-	11
Prior period adjustment to current tax	1	-
Total Tax Expense	142	308
Tax attributable to continuing operations	142	(184)
Tax attributable to discontinued operations	-	492
Total Tax Expense	142	308

4 b Deferred tax liability / (asset)

For the year ended 30 June 2022	Opening Balance $'000	Charged to income $'000	Charged to Equity $'000	Prior Period adj. $'000	Closing Balance $'000
Deferred Tax Liabilities:					
Property, Plant and Equipment	(77)	359	-	-	282
Other	-	-	-	-	-
Total deferred tax liabilities	(77)	359	-	-	282
Deferred Tax Assets:					
Provisions	62	-	-	-	62
Other	-	218		-	218
Total deferred tax assets	62	218	-	-	280
Net Deferred Tax Liability (Asset)	(139)	141	-	-	2

For the year ended 30 June 2021	Opening Balance $'000	Charged to income $'000	Charged to Equity $'000	Prior Period adj. $'000	Closing Balance $'000
Deferred Tax Liabilities:					
Property, Plant and Equipment	(1,593)	1,673	-	(3)	77
Other					
Total deferred tax liabilities	(1,593)	1,673	-	(3)	77
Deferred Tax Assets:					
Provisions	362	(302)	-	2	62
Doubtful debts and Impairment losses	-	-	-	-	-
Total deferred tax assets	362	(302)	-	2	62
Net Deferred Tax Liability (Asset)	(1,231)	1,371	-	(1)	139

4 c Imputation credit account balances

	2022 $'000	2021 $'000
Imputation credits available for use in subsequent reporting periods	-	-
Resident withholding tax credits available in subsequent reporting periods	(7)	(3)
Total balance of ICA Account	(7)	(3)

5 Key Management Personnel Compensation

Accounting Policy

Liabilities for wages and salaries, including non-monetary benefits, annual leave, and accumulating sick leave expected to be settled within twelve months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. The liability for employee entitlements is carried at the present value of the estimated future cash flows.

	2022 $'000	2021 $'000
The compensation of the directors and executives, being the Key management personnel of the entity, is set out below:		
Salaries and short term employee benefits including termination benefits	-	354

Total Remuneration and other benefits paid	2022 Number	2021 Number
$110,001 to $120,000	-	1
$160,001 to $170,000	-	1

6 Cash and Cash Equivalents

Accounting Policy

Cash and cash equivalents comprise cash balances and call deposits, and other short-term highly liquid investments with maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the company's cash management are included as a component of cash and cash equivalents for the purpose of the Statement of Cash Flows, and in current liabilities on the Balance Sheet.

	2022 $'000	2021 $'000
Cash	-	-
Bank balances	1,717	2,230
Short Term Deposits (less than 3 Months)	-	-
Total cash and Cash equivalents	1,717	2,230

7 Trade and Other Receivables

Accounting Policy

Trade and other receivables are recognised initially at fair value and subsequently at amortised cost, less an allowance for expected credit losses. Loss allowances relate solely to credit loss allowances arising from contracts with customers.

The Company recognises a loss allowance for expected credit losses ("ECL") on trade receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

An expected credit loss is determined based on the historic credit loss rates, adjusted for other current observable data that may materially impact the Company's future credit risk, including customer specific factors, current conditions and forecasts of future economic conditions.

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

	2022 $'000	2021 $'000
Trade and Other Receivables	27	24
Allowance for impairment of receivables	-	-
Total trade and other receivables	27	24
Prepayments	25	71
Total trade and other receivables and prepayments	52	95

The Company measures the provision for expected credit losses (ECL) using the simplified approach to measuring ECL, which uses a lifetime loss allowance for all trade receivables. The Company determines lifetime expected credit losses using a provision matrix of trade receivables that is applied to customers with shared credit risk characteristics. Groupings are based on customer, trading terms and ageing.

8 Investment Property

Accounting Policy

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the company, is classified as investment property.

Investment property is measured initially at its cost, including related transaction costs and borrowing costs where applicable. After initial recognition, investment property is carried at fair value. The fair value of investment property reflects, among other things, rental income from current leases and other assumptions market participants would make when pricing the property under current market conditions. Changes in fair values are recognised in the income statement.

Investment property is derecognised when it has been disposed. Where the company disposes of a property at fair value in an arm's length transaction, the carrying value immediately prior to the sale is adjusted to the transaction price, and the adjustment is recorded in the income statement within net gain from fair value adjustment on investment property.

Operating lease revenue is recognised on a straight line basis.

8 a Carrying value of investment properties

	Freehold land at fair value $'000	Buildings at fair value $'000	Total $'000
Carrying value of Investment Properties			
Balance at 1 July 2020	-	-	-
Reclassification of Assets			
Re-classified as held for sale	15,230	960	16,190
Balance at 30 June 2021	15,230	960	16,190
Net revaluation increments	810	-	810
Balance at 30 June 2022	16,040	960	17,000

Investment properties are held for long-term rental yields or for capital appreciation or both and are not occupied by the group. They are carried at fair value. Changes in fair values are presented in profit or loss within other income.

Mr W Blake (ANZIV/FPINZ) of Bayleys Valuations Limited was contracted by the Board as an independent valuer to assess the fair value of the investment property at 120 Ferry Road/Fitzgerald Avenue, Moorhouse Avenue, Christchurch in March 2022.

The valuation was based on an assumption that there has been no significant change to the market for this type of property.

Sensitivity Analysis

The company has adopted a valuation of $17 million for the circa 2.7 hectare site at 120 Ferry Road. The site borders three major thoroughfares in Christchurch and is predominantly bare land with various development options. The company prepared sensitivity analysis on the base rate for the land and concluded that if the valuation of the land per square metre is increased or decreased by $100 per square metre, the value of the investment property would range from $19.8 million to $14.6 million depending on the methodology chosen. The company believes that the valuation dated March 2022 fairly represents the value of the company's investment property at 30 June 2022.

Leasing Arrangements

The investment property is currently leased to four tenants under operating leases with rentals payable monthly; Ritchies Transport Holdings, Wilsons Parking, Containers + More and F&I Consultants / Empire Autos. Lease payments for some contracts include outgoing recoveries and CPI increases. Expectations about the future residual values are reflected in the fair value of the properties.

8 b Operating revenue from investment properties

	2022 $'000	2021 $'000
Amounts recognised in profit or loss:		
Rental revenue from operating leases	761	412
Fair value gain recognised in other income	-	-
	761	412

Minimum lease payments receivable on leases of investment properties are as follows:

	2022 $'000	2021 $'000
Within one year	689	536
Between 1 and 2 years	-	6
Between 2 and 3 years	-	-
Between 3 and 4 years	-	-
Between 4 and 5 years	-	-
Later than 5 years	-	-
Total minimum lease payments receivable	689	542

9 Trade and Other Payables

Accounting Policy

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

	2022 $'000	2021 $'000
Trade Payables	7	63
Good and Services Tax payable	8	27
Accrued expenses	64	118
Total trade and other payables	79	208

10 Equity

10 a Share Capital

Accounting Policy

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Provision is made for the amount of any dividend approved by the directors on or before the end of the financial year but not distributed at balance date.

	2022 $'000	2021 $'000
Fully paid ordinary shares	10	10

As at 30 June 2022, share capital comprised 10,100 ordinary shares (2021: 10,100).

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company, and rank equally with regard to the company's residual assets.

10 b Reserves

	Asset Revaluation $'000	General	Total $'000
Balance at 1 July 2020	6,687	7,300	13,987
Balance at 30 June 2021	6,687	7,300	13,987
Balance at 30 June 2022	6,687	7,300	13,987

The Asset Revaluation Reserve comprises $5,710,000 of land revaluation and $977,000 of buildings revaluation net of deferred tax, unchanged from 2021. The General Reserve of $7,300,000 comprises a Share Premium Reserve of $7,290,000 and a Capital Redemption Reserve of $10,000, unchanged from 2021.

10 c Retained earnings

	2022 $'000	2021 $'000
Balance at beginning of year	4,322	18,262
Net gain after taxation from continuing operations	376	(515)
Net gain after taxation from discontinued operations	-	3,575
Dividends paid	-	(17,000)
Retained earnings balance at end of year	4,698	4,322

11 Commitments and Contingent Assets and Liabilities

As at 30 June 2022 the company had no commitments for capital expenditure (2021: Nil).

As at 30 June 2022 the company had no contingent liabilities (2021: Nil).

As at 30 June 2022 the company had no contingent assets (2021: Nil).

12 Related Party Transactions

During the year the company conducted normal business transactions with its shareholder, Christchurch City Holdings Limited (CCHL), its ultimate shareholder Christchurch City Council and associated CCHL subsidiaries City Care Limited and Christchurch International Airport Limited of which the transactions were:

12 a Receipts from related parties

	2022 $'000	2021 $'000
Transactions:		
Sale of goods/services to Christchurch City Council	-	1
Sale of goods/services to City Care Group Ltd	14	-
Total receipts from related parties	14	1

12 b Payments to related parties

	2022 $'000	2021 $'000
Transactions:		
Rates paid to Christchurch City Council	114	136
Purchase of goods/services from Christchurch City Council	1,677	1
Purchase of goods/services from ChCh International Airport Ltd	-	12
Purchase of goods/services from City Care Group Ltd	-	15
Purchase of goods/services from Option One Ltd	51	-
Total payments to related parties	1,842	164

12 c Year end payables and receivables balances with related parties

	2022 $'000	2021 $'000
Payable & Receivable Balances across CCC Group members		
Payable to City Care Group Ltd	-	(2)
Payable to Option One Ltd	(1)	-
Receivable from Christchurch City Council	-	27
Net payable to / receivable from CCC Group members	(1)	25

12 d Separate disclosure of individual transactions

The company made a subvention payment in 2022 totalling $1,676,818 and purchased loss offsets of $4,311,818 from members of the Christchurch City Council Group. (2021: $98,250.88 and $252,645.12 respectively)

During the year the Company entered into transactions with Option One Limited, a company owned by one of the Company's Directors, totalling $51,727. (2021 $44,043)

There were no outstanding balances payable to Key Management Personnel at the end of the year (2021: Nil). All transactions were conducted on standard commercial terms.

13 Financial Instruments

13 a Financial Instrument Categories

The accounting for financial instruments has been applied to the items below:

	2022 $'000	2021 $'000
Financial Assets at amortised cost:		
Cash & Cash Equivalents	1,717	2,230
Short Term Deposits	-	-
Trade & Other Receivables	27	24
Total financial assets at amortised cost	1,744	2,254
Financial Liabilities		
Financial Liabilities at amortised cost:		
Trade & Other Payables	79	208
Finance Lease	-	-
Total financial liabilities at amortised cost	79	208

13 b Financial Instrument Risks

The company has a policy that manages the risks associated with financial instruments and is risk averse and seeks to minimise exposure from its treasury activities. The policy does not allow any transactions that are speculative in nature to be entered into.

Market Risk

Cash flow interest rate risk

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in the market interest rates. Deposits at variable interest rates expose the company to cash flow rate risk.

	2022		2021	
	+100bps	-100bps	+100bps	-100bps
	$'000	$'000	$'000	$'000
Financial Assets				
Cash & Cash Equivalents	29	(14)	22	(22)
Sensitivity range on the Company's profit before tax	29	(14)	22	(22)

Explanation of the interest rate risk sensitivity

The interest rate sensitivity is based on a reasonable possible movement in interest rates, with all other variables held constant, measured as a basis point (bps) movement. Average deposit interest rates during the year were less than one percent and a 100bps movement down cannot reasonably be measured, therefore the maximum downward impact equals the revenue generated in the current year.

Credit risk

Financial instruments that potentially subject the company to concentrations of credit risk consist principally of cash, short-term investments and trade receivables. Cash and short-term investments are placed with banks with high credit ratings assigned by international credit-rating agencies, or other high credit quality financial institutions.

The company manages its exposure to credit risk from trade receivables by performing credit evaluations on all customers requiring credit whenever possible, and continuously monitoring the outstanding credit exposure to individual customers. The company does not generally require or hold collateral against credit risk.

The company is not exposed to a concentration of credit risk with respect to accounts receivable.

Maximum exposure to Credit Risk

	2022	2021
	$'000	$'000
Cash & Cash Equivalents	1,717	2,230
Short Term Deposits	-	-
Trade and Other Receivables	27	24
Maximum exposure to Credit Risk	1,744	2,254

Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to the Standard & Poor's credit ratings:

	2022	2021
	$'000	$'000
Counterparty with Credit Ratings		
Cash & Cash Equivalents AA-	1,717	2,230
Short Term Deposits AA-	-	-
Exposure to Credit Ratings	1,717	2,230

Liquidity risk

Liquidity risk represents the company's ability to meet its contractual obligations. The company evaluates its liquidity requirements on an ongoing basis. In general, the company generates sufficient cash flows from its operating activities to meet its contractual obligations arising from its financial liabilities and has credit lines in place to cover potential shortfalls.

Contractual Maturity Analysis

	Carrying amount	Contract cash flow	Less than 1 year	1-2 years	2-5 years
	$'000	$'000	$'000	$'000	$'000
As at 30 June 2022					
Financial Assets					
Cash & Cash Equivalents	1,717	1,717	1,717	-	-
Short Term Deposits	-	-	-	-	-
Trade and Other Receivables	27	27	27	-	-
	1,744	1,744	1,744	-	-
Financial Liabilities					
Trade and Other Payables	15	15	15	-	-
Accruals	64	64	64	-	-
Finance leases	-	-	-	-	-
	79	79	79	-	-

	Carrying amount	Contract cash flow	Less than 1 year	1-2 years	2-5 years
	$'000	$'000	$'000	$'000	$'000
As at 30 June 2021					
Financial Assets					
Cash & Cash Equivalents	2,230	2,230	2,230	-	-
Short Term Deposits	-	-	-		
Trade and Other Receivables	24	24	24	-	-
	2,254	2,254	2,254	-	-
Financial Liabilities					
Trade and Other Payables	90	90	90	-	-
Accruals	118	118	118	-	-
Finance Leases	-	-	-	-	-
	208	208	208	-	-

13 c Capital management

The Company's capital includes share capital, reserves and retained earnings. The company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain the future development of the business.

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowing and the advantages and security offered by a sound capital position.

13 d Fair value

The estimated fair values of the Company's financial instruments are represented by the carrying values.

14 Discontinued Operations

In December 2020, the Company sold its remaining urban and school commercial bus service contracts and the assets associated in delivering the Unit 3 services including 52 buses from the fleet to Ritchies Transport Holdings Ltd.

The net of tax and cash flow from operating and investing activities of the discontinued Bus business were as follows:

14 a Net Income from Discontinued Operations

	2022 $'000	2021 $'000
Net Income from Discontinued Operations		
Revenue	-	8,042
Other Gains	-	4,547
Depreciation, amortisation and impairment expense	-	(913)
Employee benefits expense	-	(4,497)
Other expenses	-	(3,112)
Profit (loss) before income tax expense	-	4,067
Income tax credit/(expense)	-	(492)
Net surplus/ (loss) after taxation from discontinued operations	-	3,575

14 b Cash Flow from Discontinued Operations

	2022 $'000	2021 $'000
Cash Flow from Discontinued Operations		
Cash flows from operating activities		
Receipts from customers	-	8,125
Payments to suppliers and employees	-	(8,459)
Net cash from operating activities discontinued operations	-	(334)
Cash flows from investing activities		
Acquisition of property, plant and equipment	-	-
Proceeds from other activities	-	12,618
Net cash from investing activities discontinued operations	-	12,618
Net increase (decrease) in cash and cash equivalents	-	12,284

14 c Net Assets Held for Sale

	2022 $'000	2021 $'000
Net Assets Held for Sale	-	1,745
Total net assets held for sale	-	1,745

The net assets held for sale presented the remaining coach and bus fleets following the transfer of operations to Ritchies. These coaches and buses were sold in the current period to a variety of transport operators.

15 Statement of Intent

The Statement of Intent agreed between the directors of RBL Property Limited and Christchurch City Holdings Limited provided the following performance targets.

	Actual $'000	Target $'000	Result
Our Finances			
NPAT	376	379	Not achieved
Total Assets	18,776	21,161	Not achieved
Equity	18,695	18,684	Achieved
Shareholders Funds/Total Assets	100.0%	88.0%	Achieved
Our Mana			
Constructive relationship with owners regarding land holding	Yes	Yes	Achieved
Our Kaitiakitanga			
Site environmental management maintained to acceptable standard	Yes	Yes	Achieved

16 Subsequent Events

There were no events post balance date that require disclosure or adjustment to the information included in the financial statements.

Statutory information

Directors' interests

RBL Property Ltd maintains an interest's register in which particulars of certain transactions and matters involving the directors are recorded. These are requirements under the Companies Act 1993.

The following entries were recorded in the interests register during the year ended 30 June 2022 and subsequent to balance date.

Anthony (Tony) King (Chair) (Appointed 1 January 2021)	Director	Option One Ltd
	Chair	Mainpower New Zealand Ltd
	Director	Greenpower New Zealand Ltd
	Director	Mt Cass Wind Farm Ltd
	Director	Barrhill Chertsey Irrigation Limited
Claire Evans (Appointed 29 March 2021)	Director	Canterbury Linen Services Ltd
	Director	Case Holdings Ltd
	Director	Christchurch City Holdings Ltd
	Director	Lane Neave Holdings
	Director	SCC Investment Ltd
	Trustee	Christchurch Symphony Trust
	Trustee	Emergency Care Foundation
	Trustee	Evans & Walton Family Trusts

Directors' remuneration

Remuneration and other benefits paid or due and payable to directors for services during the year as a director of the company were as follows:

		2022	2021
Tony King	(i)	-	-
Claire Evans		-	-
Bryan Jamison (resigned 31 Dec 20)		-	37,500
Paul Kiesanowski (resigned 31 Dec 20)		-	20,000
Leah Scales (resigned 16 Apr 21)		-	20,000
Total		-	77,500

(i) Option One Limited receives a fee for services provided to RBLPL.

Directors' remuneration includes fees paid only and does not include travel reimbursements. No other form of remuneration was paid during the year.

Employee remuneration

During the year ended 30 June 2022, the Company employed no staff. (2021: 2).

Insurance

The Company has Directors' and Officers' Liability insurance. The Company indemnifies the Directors against costs and liabilities incurred by Directors for acts or omissions made in their capacity as Directors to the extent permitted by the Company's Constitution and the Companies Act 1993.

Donations

No donations were made during the year. (2021: Nil)

Dividends

No dividends were paid during the year. (2021: $17 million).

Directory

Shareholder

Christchurch City Holdings Limited

Location and Registered Office

Level 1, 151 Cambridge Terrace

Christchurch, New Zealand

Email: accounts@rblproperty.co.nz

Auditor

The Auditor-General is the auditor pursuant to section 14 of the Public Audit Act 2001.

Banker

Bank of New Zealand

Legal advisers

Chapman Tripp

Independent Auditor's Report

To the readers of RBL Property Limited's financial statements and performance information for the year ended 30 June 2022

The Auditor-General is the auditor of RBL Property Limited (the Company). The Auditor-General has appointed me, Dereck Ollsson, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and performance information of the Company on his behalf.

Opinion

We have audited:

- the financial statements of the Company on pages 5 to 27, that comprise the statement of financial position as at 30 June 2022, the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the performance information of the Company on pages 27.

In our opinion:

- the financial statements of the Company on pages 5 to 27:
    - present fairly, in all material respects:
        - its financial position as at 30 June 2022; and
        - its financial performance and cash flows for the year then ended.
    - comply with generally accepted accounting practice in New Zealand in accordance with New Zealand Equivalents to International Financial Reporting Standards Reduced Disclosure Regime.
- the performance information of the Company on pages 27 presents fairly, in all material respects, the Company's actual performance compared against the performance targets and other measures by which performance was judged in relation to the Company's objectives for the year ended 30 June 2022.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board of Directors (the Board) and our responsibilities relating to the financial statements and the performance information, and we explain our independence.

Our audit was completed on 30 November 2022. This is the date at which our opinion is expressed.

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.

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

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

The Board is responsible on behalf of the Company, for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Board is also responsible for preparing the performance information for the Company.

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

In preparing the financial statements and the performance information, the Board is responsible on behalf of the Company for assessing the Company's ability to continue as a going concern. The Board is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Board intends to liquidate the Company or to cease operations or has no realistic alternative but to do so.

The Board's responsibilities arise from the Local Government Act 2002.

Responsibilities of the auditor for the audit of the financial statements and the performance information

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

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

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

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

- We identify and assess the risks of material misstatement of the financial statements and the performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.

- We evaluate the appropriateness of the reported performance information within the Company's framework for reporting its performance.

- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the performance information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other Information

The Board is responsible for the other information. The other information comprises the information included on pages 2 to 4 and 28 to 30 but does not include the financial statements and the performance information, and our auditor's report thereon.

Our opinion on the financial statements and the performance information 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 and the performance information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the performance information, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

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

Other than the audit, we have no relationship with, or interests in, the Company.

Dereck Ollsson
Audit New Zealand
On behalf of the Auditor-General
Christchurch, New Zealand