Annual Report 2021

RBL PROPERTY LIMITED

RBL Property Limited

In December 2020 the Red Bus Limited operating business was sold to Ritchies Transport Holdings Limited.

The remaining assets being the land and buildings situated at 120 Ferry Road continue to be owned by the renamed entity RBL Property Limited. The decision on the future ownership of these assets will be determined during 2022, in consultation with the Council.

RBL Property Limited is committed to being a responsible landowner and landlord until the final ownership of the site is determined and implemented. RBL Property Limited will maintain community, environment, people and financial objectives commensurate with the size and scale of the business.

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

Contents

Report from the Board

RBL Property Limited (RBL Property Ltd) is pleased to present its 30th Annual Report and financial statements for the year ended 30 June 2021.

In last year's annual report, Red Bus Limited (Red Bus), as it was named at that time, reported that it had been unsuccessful in gaining increased routes in the Environment Canterbury public transport tender. The company was left only with the negotiated Unit 3 routes – the set that run from North West to South East of the city. At that time we disclosed that the company was considering two options, namely operating a slimmed down version of the business, or sale of the business.

As has been widely reported, the company subsequently decided, with the approval of CCHL and endorsement of Christchurch City Council, to sell the operating assets of the company. Following a competitive tender process the successful bidder – Ritchies Transport Holdings Limited – completed the purchase on 7 December 2020. At that time, the name of the company was changed to RBL Property Ltd.

In December 2020, the Board approved the payment of a $17 million special dividend to CCHL representing surplus cash held following the sale.

The completion of the sale left the company owning surplus buses (with sale and purchase contracts in place for all remaining buses) and the large site located on the corners of Moorhouse Avenue, Fitzgerald Avenue and Ferry Road. A decision on the long term future of the site has been placed in the hands of CCHL as RBL Property Ltd has no ongoing need for it. In the meantime five tenants occupy various parts of the site.

One of the goals of the sale process was to minimise potential adverse effects on staff. The company used casual and fixed term staff to maintain driver numbers (who comprised the great majority of Red Bus employees) pending the sale. Almost all permanent drivers who wished to remain with the company transferred to the new owners on settlement to maintain services to the public. Some workshop staff and management and administrative positions were necessarily involuntary redundancies.

As a result of the sale of the operating business five months into the year, the financial accounts are an amalgam of normal operating incomes and expenses, sale of operating assets, subsequent sale of surplus assets, and property leasing activities. Comparison with prior years are largely irrelevant. The exception is in the area of return to shareholders via dividends where the dividend paid following sale, far exceeds that paid (even on a cumulative basis) by the company in previous years. In essence the years of work put into Red Bus by its loyal staff and committed shareholder over the years was realised financially in the sale process for the benefit of the city.

At the end of December 2020, the directors (Bryan Jamison, Leah Scales and Paul Kiesanowski) who had successfully guided the company through the sale process had completed their task and resigned. The constitution was changed to provide for just two directors, to deal with any residual assets and issues, and Claire Evans and Tony King were appointed. Tony King had managed the sale process as CEO, and previously been a director and his appointment provides continuity for the company.

It is appropriate to acknowledge that with the sale of the operating business a long standing chapter in the history of Christchurch public transport comes to a close. Red Bus operated as a commercial entity since 1991. Red Bus was constituted out of the Christchurch Transport Board which itself started as the Christchurch Tramway Board in 1902 taking over private operators of horse and steam trams. The de-regulation of the industry in 1989 saw the Transport Board lose its monopoly, and the sale of Red Bus operations in 2020 sees all public transport back in private ownership once again more than a century later.

Finally, many people have worked at Red Bus and its predecessors over the years. In some cases, people have spent their whole working lives in the organisation. Their contribution is acknowledged with thanks.

Our Financial Results

	2021 $'000	2020 $'000 *Restated
Revenue	412	43
Net surplus (deficit) from continuing operations	(515)	(73)
Net surplus (deficit) from discontinued operations	3,575	43
Net surplus (loss) after taxation	3,060	(30)
Other comprehensive income (loss) on property revaluation	-	(507)
Tax on revalued assets	-	38
Total Comprehensive Income	3,060	(499)

*The restatements to the comparative period are explained in note 18 of the Financial Statements

The financial results have been affected by a number of factors, including COVID, as a bus operator (in the period June to December 2020) revenues were impacted during Alert level 3 and Alert level 4.

The overall result is a total comprehensive income of $3.06 million.

The RBL Property Ltd balance sheet strengthened further, and is sufficiently robust to see the company through the next period of change. The company has no net debt and good forecast cash flows.

Tony King
Executive Director RBL Property Limited

Claire Evans
Director RBL Property Limited

Financial Statements

The Directors have approved for issue the financial statements of RBL Property Limited for the year ended 30 June 2021.

For and on behalf of the Board of Directors

Tony King
Executive Director RBL Property Limited
10 March 2022

Claire Evans
Director RBL Property Limited
10 March 2022

Contents for the Financial Statements

Statement of Comprehensive Income
For the year ended 30 June 2021

	Note	2021 $'000	2020 $'000 *Restated
Revenue	3(a)	412	43
Other income	3(b)	512	28
Depreciation, amortisation and impairment expense	3(c)	(1,081)	-
Other expenses	3(d)	(542)	(172)
Profit (loss) before income tax expense		**(699)**	**(101)**
Income tax credit/(expense)	4(a)	184	28
Net surplus/ (loss) after taxation from continuing operations		**(515)**	**(73)**
Net surplus/ (loss) after taxation from discontinued operations	18(a)	**3,575**	**43**
Net surplus/ (loss) after taxation		**3,060**	**(30)**
Other comprehensive income			
Gain (Loss) on property revaluation	11	-	(507)
Tax on revalued assets		-	38
Total Comprehensive Income		**3,060**	**(499)**

* The restatements to the comparative period are explained in note 18

Statement of Changes in Equity
For the year ended 30 June 2021

	Note	Share capital $'000	Retained earnings $'000	Other reserves $'000	Total $'000
Balance as at 1 July 2019		10	18,292	14,456	32,758
Total comprehensive income		-	(30)	(469)	(499)
Balance at 30 June 2020	12	**10**	**18,262**	**13,987**	**32,259**
Total comprehensive income		-	3,060	-	3,060
Dividends paid		-	(17,000)	-	(17,000)
Balance at 30 June 2021	12	**10**	**4,322**	**13,987**	**18,319**

The accompanying notes form part of and are to be read in conjunction with these financial statements

Statement of Financial Position
As at 30 June 2021

	Note	2021 $'000	2020 $'000 *Restated
Current Assets			
Cash and Cash Equivalents	15	2,230	4,213
Trade and Other Receivables	6	95	354
Short Term Deposits		-	1,000
Inventories		-	391
Net assets classified as held for sale	18(c)	1,745	2,199
Total Current Assets		**4,070**	**8,157**
Non-current Assets			
Property, Plant and Equipment	7	-	27,775
Investment Property	8	16,190	-
Total Non-current Assets		**16,190**	**27,775**
Total Assets		**20,260**	**35,932**
Current Liabilities			
Trade and Other Payables	9	208	784
Current Taxation Payable		1,673	96
Provisions		200	-
Employee Entitlements		-	1,537
Total Current Liabilities		**2,081**	**2,417**
Non-current Liabilities			
Employee entitlements		-	25
Deferred Tax Liabilities	4(b)	(139)	1,231
Total Non-current Liabilities		**(139)**	**1,256**
Total Liabilities		**1,942**	**3,673**
Net Assets		**18,319**	**32,259**
Equity			
Share Capital	10	10	10
Reserves	11	13,987	13,987
Retained Earnings	12	4,322	18,262
Total Equity		**18,319**	**32,259**

The accompanying notes form part of and are to be read in conjunction with these financial statements

Statement of Cash Flows
For the year ended 30 June 2021

	Note	2021 $'000	2020 $'000 *Restated
Cash flows from operating activities			
Receipts from customers		1,165	41
Interest received		11	28
Payments to suppliers and employees		(1,080)	(172)
Interest and other finance costs paid		(8)	-
Subvention tax receipt (payment)		(98)	-
Net cash from operating activities continuing operations		**(10)**	**(103)**
Net cash from operating activities discontinued operations	18 (b)	(334)	1,559
Net cash from operating activities		**(344)**	**1,456**
Cash flows from investing activities			
Acquisition of property, plant and equipment		-	-
Proceeds from Investments		1,000	-
Proceeds from Insurance claims		-	-
Term deposits placed		-	(1,000)
Proceeds from sale of business		-	-
Proceeds from sale of property, plant, equipment & intangibles		1,743	-
Net cash from investing activities continuing operations		**2,743**	**(1,000)**
Net cash from investing activities discontinued operations	18 (b)	12,618	198
Net cash from investing activities		**15,361**	**(802)**
Cash flows from financing activities			
Payment of Dividends		(17,000)	-
Repayment of leases		-	(3)
Net cash used in financing activities continuing operations		**(17,000)**	**(3)**
Net increase (decrease) in cash and cash equivalents		(1,983)	651
Cash and cash equivalents at beginning of year		4,213	3,562
Cash and cash equivalents at end of year	15	**2,230**	**4,213**

The accompanying notes form part of and are to be read in conjunction with these financial statements

Notes to the Financial Statements

1. Significant changes in the period affecting the Financial Statements

Impact of COVID-19 on Financial Statements

As previously reported in the 2020 Annual Report, on 31 December 2019 China alerted the World Health Organisation to the outbreak of a virus, now commonly referred to as COVID-19. This outbreak was declared a pandemic on 11 March 2020.

As a bus operator at the time, revenues were impacted during Alert level 3 and Alert level 4 however, the main impact was on the Red Travel division which ceased services and resulted in the decision for this part of the operation to close. As a consequence Red Travel was treated as a discontinued operation as at 31 March 2020 and these assets are still for sale (and treated as a discontinued operation) as at 30 June 2021. Refer to note 18 for more detail.

Impact of loss of contracts on Financial Statements

In late 2019, Environment Canterbury retendered urban transport contracts for Canterbury. As a consequence RBL Property Ltd lost approximately one third of its existing urban transport contracts. This loss of contracts has resulted in the sale of its remaining urban and school 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 remaining assets related to the bus business are now held for sale at June 2021 and classified as discontinued operations. Refer to note 6 and note 18.

As a result of both the discontinued operations, and reclassification of assets to the 'held for sale' category, comparative numbers for 2020 have been recalculated and so these will differ from those in the published 2020 annual report. Refer to note 18 for the restatement reconciliation.

2. Summary of Accounting Policies

RBL Property Limited is a profit-orientated limited liability company, incorporated in New Zealand. Its principal activity up until the sale on 7 December 2020 of its remaining urban and school bus contracts and associated assets to Ritchies Transport Holdings Ltd was the provision of urban public transport in the Canterbury region. From 8 December 2021 the principal purpose of the company is to hold its investment property (land and buildings) 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 120 Ferry Road, 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 othrewise indicated.

Changes in accounting policies and disclosures

The accounting policies detailed have been applied in the preparation of these financial statements for the year ended 30 June 2021. Up until 7 December 2020, NZ IAS 16 Property, Plant and Equipment was used to measure and disclose land and buildings. On 8 December 2020, land and buildings were revalued and are now measured and disclosed under NZ IAS 40 Investment Property.

2. Summary of Accounting Policies (continued)

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.

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.

Property, Plant and Equipment

At balance date the company reviews the useful life and residual values of its property, plant and equipment. Assessing the appropriateness of useful life and residual value estimates of property, plant and equipment requires the company to consider a number of factors such as the physical condition of the asset, expected period of use of the asset by the company, and expected disposal proceeds from the future sale of the asset.

An incorrect estimate of the useful life or residual value will impact on the depreciable amount of an asset, therefore impacting on the depreciation expenses recognised in the Statement of Comprehensive Income, and carrying amount of the asset in the Balance Sheet. The company minimises the risk of this estimation uncertainty by:

- physical inspection of assets;
- asset replacement programs;
- review of second-hand market prices for similar assets; and
- analysis of prior assets sales.

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

Investment Property

The company engages external, independent and qualified valuers to determine the fair value of the group’s investment properties at the end of every financial year. As at 30 June 2021, 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.

2. Summary of Accounting Policies (continued)

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.

(a) Revenue

Revenue principally comprises revenue from passenger services in New Zealand.
An explanation of the types of revenue are set out below:

(i) Revenue from contracts

Contract revenues mainly relate to Environment Canterbury bus contracts. Revenues are recognised as the services are provided over the length of the contract, and based on a transactional price, which is defined in the terms of the contract. The transaction price is calculated based on the total consideration expected to be received in relation to the performance of the contract, net of variable consideration.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

(ii) Revenue from others - charter/private hire

Charter and private hire predominantly relates to charter work for both school districts with extracurricular activities and third parties with general transportation needs. Revenue is recognised over the period in which the charter/private hire is provided to the customer.

Any payment received in advance of the services being provided is recognised as a contract liability and is released on a straight-line basis over the period of service.

(b) Current and deferred income tax

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.

(c) 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.

(d) 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 cashflow characteristics of the financial asset.

(i) Financial assets at amortised cost

Financial assets at amortised cost are non-derivative financial assets held for collection of contractual cashflows where those cashflows 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.

2. Summary of Accounting Policies (continued)

Significant Accounting Policies (continued)

(e) Cash and cash equivalents

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.

(f) Trade and other receivables

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.

(g) 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.

(h) Non-current assets held for sale

The company classifies non-current assets as held for sale if their carrying value will be recovered principally through a sale rather than continuing use. Such non-current 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.

(i) Property, plant and equipment

Land and buildings are shown at fair value, based on periodic, but at least triennial, valuations undertaken by external independent valuers, 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.

2. Summary of Accounting Policies (continued)

Significant Accounting Policies (continued)

(i) Property, plant and equipment (continued)
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:

Buildings and capital improvements	7 - 30 years
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.

(j) Investment Property
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.

(k) Intangible assets
(i) 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.

(ii) 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.

(l) 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.

(m) Trade and other payables
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.

2. Summary of Accounting Policies (continued)

Significant Accounting Policies (continued)

(n) Employee entitlements

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.

(o) 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.

(p) 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.

(q) Finance Leases

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred. At the commencement of the lease term, the company recognises finance leases as assets and liabilities in the balance sheet at the lower of the fair value of the leased item and the value of the minimum lease payments.

The finance charge is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability. The amount recognised as an asset is depreciated over its useful life. Where there is no uncertainty as to whether the company will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

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.

(r) Dividends

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.

(s) 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

(a) Revenue from Investment Property

	2021 $'000	2020 $'000 *Restated
Revenue from Rent	412	43
	412	**43**

(b) Other income

	2021 $'000	2020 $'000 *Restated
Interest income	11	28
Gain on sale of business	-	-
Profit on sale of assets	420	-
Other Revenue	81	-
	512	**28**

(c) Depreciation, amortisation and impairment expense

	2021 $'000	2020 $'000 *Restated
Depreciation of Property, Plant & Equipment	-	-
Impairment of Bus Fleet	(1,081)	-
	(1,081)	**-**

(d) Other expenses

	2021 $'000	2020 $'000 *Restated
Audit of the financial statements	(53)	(53)
Director fees	-	-
Rates on leased property	(109)	(12)
Insurances	(50)	(54)
Professional fees	(195)	-
Other expenses	(135)	(53)
	(542)	**(172)**

4 Income Taxes

(a) Income Tax Expense

	2021 $'000	2020 $'000 *Restated
Tax Expense comprises:		
Current tax expense	1,676	96
Prior period adjustment to current tax	2	46
Deferred tax expense relating to the origination and reversal of temporary differences	(1,370)	(141)
Total Tax Expense	**308**	**1**
Reconciliation of prima facie income tax:		
Profit / (Loss) from continuing activities	(699)	(101)
Profit / (Loss) from discontinued activities	4,067	72
Profit / (Loss) from operations	3,368	(29)
Income tax expense calculated at 28%	943	(9)
Non-deductible expenses/Non-taxable income	(646)	7
Deferred tax adjustment	11	9
Prior period adjustment to current tax	-	(7)
Total Tax Expense	**308**	**(0)**
Tax attributable to continuing operations	(184)	(28)
Tax attributable to discontinued operations	492	29
Total Tax Expense	**308**	**1**

(b) Deferred Tax balances

Taxable and deductible temporary differences arise from the following:

Year ended 30 June 2021	Opening Balance $'000	Charged to income $'000	Charged to Equity $'000	Prior Period adjustment $'000	Closing Balance $'000
Deferred Tax Liabilities:					
Property, Plant and Equipment	(1,593)	1,673	-	(3)	77
	(1,593)	**1,673**	**-**	**(3)**	**77**
Deferred Tax Assets:					
Provisions	362	(302)	-	2	62
	362	**(302)**	**-**	**2**	**62**
Net Deferred Tax Liability	**(1,231)**	**1,371**	**-**	**(1)**	**139**

Year ended 30 June 2020 * Restated	Opening Balance $'000	Charged to income $'000	Charged to Equity $'000	Prior Period adjustment $'000	Closing Balance $'000
Deferred Tax Liabilities:					
Property, Plant and Equipment	(1,608)	(61)	38	38	(1,593)
	(1,608)	**(61)**	**38**	**38**	**(1,593)**
Deferred Tax Assets:					
Provisions	198	157	-	7	362
	198	**157**	**-**	**7**	**362**
Net Deferred Tax Liability	**(1,410)**	**96**	**38**	**45**	**(1,231)**

5 Key management personnel compensation

	2021 $'000	2020 $'000 *Restated
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	1,052

6 Trade and Other Receivables

	2021 $'000	2020 $'000 *Restated
Trade and Other Receivables	24	161
Allowance for impairment of receivables	-	(9)
	24	152
Prepayments	71	202
	95	**354**

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.

7 Property, Plant and Equipment

	Freehold land at fair value	Buildings at fair value	Buses at cost	Plant & Equipment	Total
	$'000	$'000	$'000	$'000	$'000
Balance at 1 July 2019	15,600	1,997	38,970	3,349	59,916
Balance at 30 June 2020 * Restated	**15,230**	**960**	**38,142**	**2,616**	**56,948**
Additions	-	-	-	-	-
Impairment	-	-	-	-	-
Disposals	-	-	(26,847)	(1,675)	(28,522)
Reclassification of Assets to Investment Property	(15,230)	(960)	-	-	(16,190)
Re-classified as held for sale	-	-	(11,295)	(941)	(12,236)
Impairment	-	-		-	-
Balance at 30 June 2021	-	-	-	-	-

Accumulated Depreciation and Impairment:	Freehold land at fair value	Buildings at fair value	Buses at cost	Plant & Equipment	Total
	$'000	$'000	$'000	$'000	$'000
Balance at 1 July 2019	-	(800)	(24,350)	(2,230)	(27,380)
Balance at 30 June 2020 * Restated	**-**	**-**	**(27,196)**	**(1,977)**	**(29,173)**
Disposals	-	-	18,050	1,227	19,277
Impairment	-	-	(175)		(175)
Depreciation expense	-		(839)	(54)	(893)
Reclassification of Assets				-	-
Re-classified as held for sale	-		10,160	804	10,964
Net revaluation increments	-			-	-
Balance at 30 June 2021	-	-	-	-	-
Net book value at 30 June 2020 * Restated	**15,230**	**960**	**10,946**	**639**	**27,775**
Net book value at 30 June 2021	-	-	-	-	-

The restatement of costs/accumulated depreciation is to align the reporting with accounting policy by recognition of historic cost of assets in use and also eliminating accumulated depreciation against the gross carrying amount upon revaluation.

Buses and Plant & Equipment were either sold or reclassified as held for sale during the year, and Land & Buildings were reclassified as Investment Property during the year.

	2021	2020
	$'000	$'000 *Restated
Aggregate depreciation allocated, whether recognised as an expense or capitalised as part of the carrying amount of other assets during the year:		
Buildings	-	98
Buses	-	2,027
Plant & Equipment	-	266
	-	**2,391**

8 Investment Property

	Freehold land at fair value	Buildings at fair value	Total
	$'000	$'000	$'000
Balance at 1 July 2019	-	-	-
Balance at 30 June 2020	**-**	**-**	**-**
Reclassification of Assets	15,230	960	16,190
Balance at 30 June 2021	**15,230**	**960**	**16,190**

	2021	2020
	$'000	$'000
Amounts recognised in profit or loss:		*Restated
Rental income from operating leases	412	43
	412	**43**

Investment property at fair value

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 May 2021.

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

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 Go Outdoor Advertising Limited. 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.

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

	2021	2020
	$'000	$'000
		*Restated
Within one year	536	92
Between 1 and 2 years	6	90
Between 2 and 3 years	-	-
Between 3 and 4 years	-	-
Between 4 and 5 years	-	-
Later than 5 years	-	-
	542	**182**

9 Trade and Other Payables

	2021 $'000	2020 $'000 *Restated
Trade Payables	63	371
Good and Services Tax payable	27	180
Accrued expenses	118	233
	208	**784**

10 Share Capital

	2021 $'000	2020 $'000 *Restated
Fully paid ordinary shares	10	10

As at 30 June 2021, share capital comprised 10,100 ordinary shares (2020: 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.

11 Reserves

	Reserve Funds $'000	for sale revaln $'000	Asset revaluation $'000	Available General $'000	Total $'000
Balance at 1 July 2019	-	-	7,156	7,300	14,456
Net Gain/(loss) on revalued assets	-	-	(469)	-	(469)
Balance at 30 June 2020	-	-	**6,687**	**7,300**	**13,987**
Net Gain/(loss) on revalued assets	-	-	-	-	-
Balance at 30 June 2021	-	-	**6,687**	**7,300**	**13,987**

Asset Revaluation Reserve

The Asset Revaluation Reserve comprises $5,710,000 (2020: $5,710,000) of land revaluation and $977,000 (2020: $977,000) of buildings revaluation net of deferred tax.

General Reserve

The General Reserve of $7,300,000 (2020: $7,300,000) comprises a Share Premium Reserve of $7,290,000 (2020: $7,290,000) and a Capital Redemption Reserve of $10,000 (2020: $10,000).

12 Retained Earnings

	2021 $'000	2020 $'000 *Restated
Balance at beginning of year	18,262	18,292
Net gain after taxation from continuing operations	(515)	(73)
Net gain after taxation from discontinued operations	3,575	43
Dividends paid	(17,000)	-
Balance at end of year	**4,322**	**18,262**

13 Commitments for Capital Expenditure

As at 30 June 2021 the company had no commitments for capital expenditure (2020: $nil).

14 Contingent Liabilities and Contingent Assets

	2021 $'000	2020 $'000
Contingent Liabilities:		
Performance bonds	-	40
Retention payments	-	124
Legal proceedings	-	30

As at 30 June 2021 the company had no contingent liabilities (2020: $194,000).

Contingent Assets:

As at 30 June 2021 the company had no contingent assets (2020: nil).

15 Notes to the Cash Flow Statement

(a) Cash and Cash equivalents

	2021 $'000	2020 $'000
Cash	-	35
Bank balances	2,230	278
Short Term Deposits (less than 3 Months)	-	3,900
	2,230	**4,213**

16 Related party disclosures

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, Christchurch International Airport Limited and Orion New Zealand Limited of which the major transactions were:

(a) Receipts from related parties

	2021 $'000	2020 $'000
Transactions:		
Sales of goods/services to Christchurch City Council	1	13
	1	**13**

(b) Payments to related parties

	2021 $'000	2020 $'000
Transactions:		
Rates paid to Christchurch City Council	136	101
Purchase of goods/services from CCC	1	-
Purchase of goods/services from City Care Ltd	15	17
Purchase of goods/services from Christchurch International Airport Ltd	12	-
	164	**118**

(c) Year-end balances arising from transactions

	2021 $'000	2020 $'000
Payable to City Care Ltd	2	2
Receivable from Christchurch City Council	27	-

(d) Separate disclosure of individual transactions

The company made a subvention payment totalling $98,251 (2020: $nil) and purchased loss offsets of $252,645 (2020: $nil) from members of the Christchurch City Council Group.

During the year no transactions were entered into with any of the company's directors other than payment of directors' fees.

There were no outstanding balances payable to Key management personnel at the end of the year (2020: $40,595). All transactions were conducted on standard commercial terms.

17 Financial instruments

(a) Financial Instrument Categories

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

Financial Assets

	2021 $'000	2020 $'000
Financial Assets at amortised cost		
Cash & Cash Equivalents	2,230	4,213
Short Term Deposits	-	1,000
Trade & Other Receivables	24	161
Total Loans & Receivables	**2,254**	**5,374**
Financial Liabilities		
Financial Liabilities at amortised cost		
Trade & Other Payables	208	784
Total Financial Liabilities at amortised cost	**208**	**784**

(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. Had interest rates been either 1% higher or lower, and all other variables been held constant , the Company's profit would have increased (or decreased) by approximately $22,000 (2020:$52,000).

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

	2021 $'000	2020 $'000
Cash & Cash Equivalents	2,230	4,213
Short Term Deposits	-	1,000
Trade and Other Receivables	24	161
	2,254	**5,374**

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:

17 Financial instruments (continued)

	2021 $'000	2020 $'000
Counterparty with Credit Ratings		
Cash & Cash Equivalents AA-	2,230	4,213
Short Term Deposits AA-	-	1,000
	2,230	**5,213**

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 $'000	Contractual cash flow $'000	Less than 1 year $'000	1-2 years $'000	2-5 years $'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**	**-**	**-**
As at 30 June 2020					
Financial Assets					
Cash & Cash Equivalents	4,213	4,213	4,213	-	-
Short Term Deposits	1,000	1,000	1,000		
Trade and Other Receivables	161	161	161	-	-
	5,374	**5,374**	**5,374**	**-**	**-**
Financial Liabilities					
Trade and Other Payables	551	551	551	-	-
Accruals	233	233	233	-	-
	784	**784**	**784**	**-**	**-**

Sensitivity Analysis

The company is exposed to movements in interest rates.

	2021		2020	
Interest Rate Risk	+100bps $'000	-100bps $'000	+100bps $'000	-100bps $'000
Financial Assets				
Cash & Cash Equivalents	22	(22)	42	(42)
Short Term Deposits	-	-	10	(10)
Total Sensitivity	**22**	**(22)**	**52**	**(52)**

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.

17 Financial instruments (continued)

(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.

(d) Fair value

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

18 Discontinued Operations

Effective 7 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. RBL Property Ltd ceased being an employer and the intention to close the bus business (including the Red Travel business which was already presented as discontinued operations at June 2020) and report it as a discontinued operation in the current period. The associated assets are consequently presented as held for sale in the 2021 financial statements. The remaining fleet from the Red Travel and remaining urban bus business discontinued activities after a net impairments of $1.081m have been classified as held for sale and are are measured at the lower of their carrying value and fair value less costs to sell.

(a) The details of income net of tax of the discontinued Bus business are as follows:

Net Income from Discontinued Operations	**2021 $'000**	**2020 $'000 *Restated**
Revenue	8,042	19,938
Other Gains	4,547	316
Depreciation, amortisation and impairment expense	(913)	(1,894)
Employee benefits expense	(4,497)	(11,999)
Other expenses	(3,112)	(6,289)
Profit (loss) before income tax expense	4,067	72
Income tax credit/(expense)	(492)	(29)
Net surplus/ (loss) after taxation from discontinued operations	**3,575**	**43**

(b) The cash flow from operating and investing activities of the discontinued operations are as follows:

Cash Flow from Discontinued Operations	**2021 $'000**	**2020 $'000 *Restated**
Cash flows from operating activities		
Receipts from customers	8,125	20,438
Payments to suppliers and employees	(8,459)	(18,879)
Net cash from operating activities discontinued operations	(334)	1,559
Cash flows from investing activities		
Acquisition of property, plant and equipment	-	(47)
Proceeds from other activities	12,618	245
Net cash from investing activities discontinued operations	12,618	198
Net increase (decrease) in cash and cash equivalents	**12,284**	**1,757**

(c) Current Assets / Net Assets Held for Sale

	2021 $'000	**2020 $'000 *Restated**
Current Assets / Net Assets Held for Sale	1,745	2,199
	1,745	**2,199**

The remaining fleet from the Red Travel and remaining urban bus business discontinued activities after a net impairments of $1.081m have been classified as held for sale and are are measured at the lower of their carrying value and fair value less costs to sell.

18 Discontinued Operations (continued)

(d) Application of NZ IFRS 5 Non-Current Assets Held for Sale and Discontinued Operations
The Comparative year has been restated as required by NZ IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

	Previously Reported	**NZ IFRS 5 Adjustments**	**Restated**
	$'000	$'000	$'000
Revenue	18,767	(18,724)	43
Income tax credit/(expense)	(222)	250	28
Net surplus/ (loss) after taxation from continuing operations	**538**	**(611)**	**(73)**
Net surplus/ (loss) after taxation from discontinued operations	**(568)**	-	**43**
Net surplus/ (loss) after taxation	**(30)**	**(611)**	**(30)**
Other comprehensive income			
Gain (Loss) on property revaluation	(507)	-	(507)
Tax on revalued assets	38	-	38
Total Comprehensive Income	(499)	-	(499)

19 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	Target	Commentary
(a)	**Our Finances**			
	Revenue	$13.5M	$16.6M	*5 Months trading plus asset sales*
	NPAT	$3.0M	$0.770M	*Target achieved*
	EBITDA	$5.3M	$2.7M	*Target achieved*
	Return on average equity %	12.1%	2.4%	*Target achieved*
	Return on average total assets %	10.9%	2.3%	*Target achieved*
	Dividends Proposed	$17.0M	$0	*Target achieved*
	Shareholders Funds/Net Assets	$18.3M	$32.1M	*Achieved until dividend paid*
	Net debt as a % of equity	-1.6%	4.3%	*Target achieved*
	Interest cover x	N/A	N/A	*Target achieved*
(b)	**Our People**			
	Zero notifiable events	0	0	*Target achieved*
	Work to a smooth transition for staff with route changes in Nov/Dec	Yes	Yes	*Target achieved*
	Develop an appropriate transition plan with other Christchurch operators	Yes	Yes	*Target achieved*
	Fully support EAP	Yes	Yes	*Target achieved*
(c)	**Our Environment**			
	Establish & maintain sustainability framework	N/A	Yes	*Not measured**
	Make Toitu certification practices a focus of business	N/A	Yes	*Not measured**
	Encourage electric bus patronage on 29 Route	N/A	5% increase	*Not measured**
(d)	**Our Community**			
	Work co-operatively with ECan to develop contractual business plan for Unit 3 to support and drive use of public transport	N/A	Yes	*Not measured**
(e)	**Our Sustainability**			
	Encourage bus patronage on all our routes	N/A	Yes	*Not measured**
	Support literacy courses for our new New Zealander staff with focus on public transport	N/A	Yes	*Not measured**

*Due to the sale of the business, these metrics were not measureable at year end

20 Subsequent events

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

Statutory Information

Ownership

RBL Property Limited is a limited liability company incorporated under the Companies Act 1993. The company is wholly owned by Christchurch City Holdings Limited, a company 100% owned by the Christchurch City Council.

Principal Activities

The company's principal activity during the year was the ownership of 120 Ferry Road, Christchurch and sale of surplus bus assets.

Dividend

A special dividend of $17 million was paid to Christchurch City Holdings Limited during the year under review. This was the result of the sale of Red Bus Limited to Ritchies Transport Holdings Limited.

Directors

The following directors held office during the year ended 30 June 2021:

Director	
Tony King	Appointed January 2021
Claire Evans	Appointed March 2021
Bryan Jamison	Resigned December 2020
Leah Scales	Resigned December 2020
Paul Kiesanowski	Resigned December 2020

Directors' Interests

The company maintains an interest's register in which particulars of certain transactions and matters involving the directors are recorded. These records are a requirement under the Companies Act 1993. The following entries were recorded by the company's directors in the interests register during the year ended 30 June 2021.

Director	Entity	Position	Resigned
Tony King	Mainpower New Zealand	Director & Chair	
	Option One Ltd	Director	
	Extractives Industry	Advisory Group Member	
	Mt Cass Wind Farm Ltd	Director	
	Greenpower New Zealand Ltd	Director	
Claire Evans	Canterbury Linen Services Ltd	Director	
	Emergency Care Foundation	Trusteee	
	Christchurch Symphony Trust	Trustee	
	SCC Investment Ltd	Director	
	Case Holdings Ltd	Director	
	Evans & Walton Family Trusts	Trustee	
	Lane Neave Holdings	Director	
	Christchurch City Holdings Limited	Director	
Bryan Jamison	Essex Investments & Developments Ltd	Director	
Resigned December 2020	Jamison Family Trust	Trustee	
	ROSMAR Family Trust	Trustee	
	Southfuels Ltd	Chief Executive Officer	
	CityCare Ltd	Director & Chair	
Paul Kiesanowski	Paul Kiesanowski Advisory Limited	Director	
Resigned December 2020	Electricity Invercargill Limited D	Director	
	Powernet Ltd	Director	
	Pylon Ltd	Director	
	Craigpine Timber Limited	Director	
	Amalgamated Holdings Limited	Director	
Leah Scales	Waimairi School Board of Trustees	Trustee	
Resigned December 2020	Christchurch City Holdings Ltd	Chief Financial Officer	April 2021
	Four Fish Property Ltd	Director	
	INFINZ	Director	

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:

Director	Remuneration
Bryan Jamison	$37,500
Paul Kiesanowski	$20,000
Leah Scales	$20,000
Total	$77,500

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

User of Company Information

During the year, no notices were received from directors requesting to use company information in their capacity as directors, which was not otherwise available to them.

Directors’ Insurance

During the year the company paid premiums insuring all directors in respect of liability and costs to the extent permitted under Section 162 of the Companies Act 1993.

Employee Remuneration

Remuneration and other benefits paid to employees who received remuneration and other benefits of $100,000 or more per annum was as follows:

Total remuneration and other benefits	Number of employees	
	2021	2020
$110,000 to $120,000	1	1
$160,000 to $170,000	1	
$220,000 to $230,000		1
$540,000 to $550,000		1

Donations

There were no cash donations made during the year.

Auditor

In accordance with Section 70 of the Local Government Act 2002, the Office of the Auditor-General has appointed Audit New Zealand to undertake the audit.

Governance Statement

Board Structure and Functions

The Directors of RBL Property Ltd are appointed by the shareholder, Christchurch City Holdings Limited for terms of up to three years. Board membership currently consists of one non-executive director and one executive director.

The RBL Property Ltd Board's principal responsibilities are:

- To provide strategic direction and create shareholder value through the development and approval of company strategies and policies, with particular regard to corporate objectives and return expectations.
- To foster and encourage a company culture which requires high levels of ethical behaviour.
- To ensure effective management of the company's activities.
- To review and monitor company performance against budget and other performance targets.
- To communicate with the shareholder on a regular basis through the preparation and submission of an annual Statement of Intent, Annual and Interim Reports and other reporting as requested by the shareholder.
- To approve and monitor risk management programmes and ensure legislative and regulatory compliance.
- To ensure that appropriate external advice is available to the board and management.

Board Sub-Committees

Following sale of the operating business and the changes to the board structure and membership, all subcommittees were de-constituted.

Board Operations and Policies

The board meets as required with formal agendas and reporting procedures.

The Board seeks, in conjunction with its shareholder, to maintain a balance of directors with complementary skills and business experience and who will contribute to the Board in a positive and constructive manner, while acting with the highest levels of integrity and professionalism.

Independent Auditor's Report

To the readers of RBL Property Limited's financial statements and performance information for the year ended 30 June 2021

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 26, that comprise the statement of financial position as at 30 June 2021, the statement of comprehensive income, 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 26:
  - present fairly, in all material respects:
    - its financial position as at 30 June 2021; 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 New Zealand Equivalents to International Financial Reporting Standards Reduced Disclosure Regime; and
- 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 2021.

Our audit was completed on 10 March 2022. This is the date at which our opinion is expressed.

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

Basis for our opinion

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

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

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; 28 to 31 and 36, 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

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Tony King (Executive Director)
Claire Evans

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Nil

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RBL PROPERTY LIMITED