

**UCG Rose Lodge Limited**

**Financial Statements**

**For the Year Ended 31 March 2025**

**FINANCIAL STATEMENTS**  
**UCG Rose Lodge Limited**  
**For the Year Ended 31 March 2025**

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**UCG Rose Lodge Limited**  
**Financial Statements For the Year Ended 31 March 2025**  
**Corporate Information**

**Directors**

Benjamin Paul Unger  
Robert Arthur Owens  
Vicki Sherree Harrison (resigned 21 March 2025)

**Registered Office**

Level 7, 117 Lambton Quay, Wellington 6011, New Zealand

**Principal place of business**

Invercargill

**Solicitors**

Anthony Harper, Auckland

**Bankers**

Westpac Bank, Auckland

**Auditors**

Ernst & Young, Auckland

**Statutory Supervisor**

Covenant Trustee Services Limited

**Shareholder**

UCG Investments Limited

**UCG Rose Lodge Limited**  
**Financial Statements For the Year Ended 31 March 2025**  
**Directors' Responsibilities Statement**

**Directors' declaration**

In the opinion of the directors of UCG Rose Lodge Limited, the financial statements and notes on pages 4 to 16:

- comply with New Zealand generally accepted accounting practice and fairly presents in all material respects the financial position of the company as at 31 March 2025 and the results of its operations and cash flows for the year then ended;

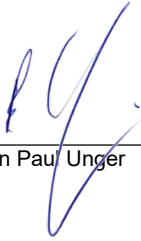
- have been prepared using appropriate accounting policies, which have been consistently applied and supported by reasonable judgements and estimates.

The directors believe that proper accounting records have been kept which enable, with reasonable accuracy, the determination of the financial position of the company and facilitate compliance of the financial statements with the Financial Reporting Act 2013.

The directors consider that they have taken adequate steps to safeguard the assets of the company and to prevent and detect fraud and other irregularities. Internal control procedures are also considered to be sufficient to provide a reasonable assurance as to the integrity and reliability of the financial statements.

The directors confirm that the shareholders have exercised their right under section 211(3) of the Companies Act 1993 and have unanimously agreed that this annual report need not comply with paragraphs (a) and (e) to (j) of section 211(1).

The directors are pleased to present the financial statements of UCG Rose Lodge Limited for the year ended 31 March 2025.



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Benjamin Pau Unger



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Robert Arthur Owens

**STATEMENT OF FINANCIAL POSITION**  
**UCG Rose Lodge Limited**  
**As at 31 March 2025**

	Notes	2025 \$000	2024 \$000
<b>ASSETS</b>			
Cash and cash equivalents		42	54
Trade and other receivables		-	4
Loans to related parties	9	409	79
Taxation		-	2
Property, plant and equipment	2	1,418	1,442
Investment properties	3	3,173	3,055
<b>Total assets</b>		<b>5,042</b>	<b>4,636</b>
<b>LIABILITIES</b>			
Trade creditors		3	24
Other payables and accruals		14	10
Taxation		11	-
Deposits refundable to residents	4	2,443	2,155
Deferred tax liabilities	8 (d)	326	321
<b>Total liabilities</b>		<b>2,797</b>	<b>2,510</b>
<b>Total net assets</b>		<b>2,245</b>	<b>2,126</b>
<b>EQUITY</b>			
<b>Capital and reserves</b>			
Share capital	5	1,175	1,175
Retained earnings		1,070	951
<b>Total equity</b>		<b>2,245</b>	<b>2,126</b>

The notes on pages 8 to 16 form part of these financial statements.

For and on behalf of the Board, who authorised these financial statements on 30 July 2025.

Benjamin Paul Unger

Robert Arthur Owens

**STATEMENT OF COMPREHENSIVE INCOME**  
**UCG Rose Lodge Limited**  
**For the Year Ended 31 March 2025**

	Notes	2025 \$000	2024 \$000
<b>Revenue</b>	6	214	148
<b>Operating expenses</b>			
Other expenses	7	(81)	(67)
Management fees	9	(52)	(41)
Depreciation	7	(24)	(25)
		(157)	(133)
<b>Operating profit before fair value movement</b>		57	15
<b>Movement in value of investment property</b>	3	78	215
<b>Operating profit before income tax</b>		135	230
Income tax expense	8	(16)	(311)
<b>Net profit / (loss) for the year</b>		119	(81)
<b>Other comprehensive income</b>		-	-
<b>Total comprehensive income for the year</b>		119	(81)

The notes on pages 8 to 16 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY**  
**UCG Rose Lodge Limited**  
**For the Year Ended 31 March 2025**

	Ordinary shares	Retained earnings	Total
	\$000	\$000	\$000
<b>At 1 April 2024</b>	<b>1,175</b>	<b>951</b>	<b>2,126</b>
Profit for the year	-	119	119
Total comprehensive income for the year	-	119	119
<b>At 31 March 2025</b>	<b>1,175</b>	<b>1,070</b>	<b>2,245</b>
<b>At 1 April 2023</b>	<b>1,175</b>	<b>1,032</b>	<b>2,207</b>
Loss for the year	-	(81)	(81)
Total comprehensive income for the year	-	(81)	(81)
<b>At 31 March 2024</b>	<b>1,175</b>	<b>951</b>	<b>2,126</b>

The notes on pages 8 to 16 form part of these financial statements.

**STATEMENT OF CASH FLOWS**  
**UCG Rose Lodge Limited**  
**For the Year Ended 31 March 2025**

	<b>2025</b>	<b>2024</b>
	<b>\$000</b>	<b>\$000</b>
<b>Cash flow from operating activities</b>		
Receipts from customers	84	68
Payments to suppliers	(27)	(34)
Net incoming resident entry payments	402	204
Net cash inflows from operating activities	459	238
<b>Cash flow from investing activities</b>		
Payments for investment property	(61)	(81)
Net cash outflows from investing activities	(61)	(81)
<b>Cash flow from financing activities</b>		
Advances to related parties	(410)	(150)
Net cash outflows from financing activities	(410)	(150)
<b>Net (decrease)/increase in cash held</b>	<b>(12)</b>	<b>7</b>
Opening cash brought forward	54	47
<b>Ending cash carried forward</b>	<b>42</b>	<b>54</b>

The notes on pages 8 to 16 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS**  
**UCG Rose Lodge Limited**  
**For the Year Ended 31 March 2025**

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**GENERAL INFORMATION**

UCG Rose Lodge Limited provides aged care services.

The financial statements are for UCG Rose Lodge Limited as a separate legal entity. The company is incorporated and domiciled in New Zealand. The immediate parent company of UCG Rose Lodge Limited is UCG Investments Limited, a company incorporated in New Zealand. The ultimate parent entity is Clime Group Limited, a company incorporated in New Zealand.

The financial statements are prepared in accordance with the requirements of the Companies Act 1993, the Financial Markets Act 2013 and the Retirement Village Act 2003.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Preparation**

The financial statements of UCG Rose Lodge Limited have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand and International Financial Reporting Standards with Reduced Disclosure Requirements (NZ IFRS RDR). For the purposes of complying with NZ GAAP the entity is a for profit entity.

The company is eligible to report in accordance with these standards on the basis that it does not have public accountability and is not a public sector entity.

The financial statements have been prepared under the historical cost convention, except for investment property at fair value.

**Statement of Compliance**

The financial statements have been prepared in accordance with NZ GAAP. They comply with New Zealand equivalents to International Financial Reporting Standards, and other applicable Financial Reporting Standards, as appropriate for profit-oriented entities that are eligible for and have elected to report in accordance with Tier 2 for for-profit accounting standards (NZ IFRS RDR) on the basis that it does not have public accountability and is not a large for-profit public sector entity.

The preparation of financial statements in conformity with NZ IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the company's accounting policies. The areas involving a higher degree of critical accounting judgement or complexity, key sources of estimation uncertainty, or areas where assumptions and estimates are significant to the financial statements, are disclosed as and where relevant.

**Designation**

The company is designated as a profit-orientated entity.

**Functional and Presentation Currency**

The functional and presentation currency of UCG Rose Lodge Limited is New Zealand dollars. All amounts are rounded to the nearest one thousand dollars.

**Property, Plant and Equipment**

Plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation. All other repairs and maintenance are recognised in profit and loss as incurred.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in profit or loss in other expenses.

Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Property, other than land, is depreciated on a straight line basis at rates that will write off the cost of assets over their estimated remaining useful life. Land is not depreciated.

The depreciation rates and methods applied to assets are as follows:

<b>Asset Class</b>	<b>Percentage</b>	<b>Method</b>
Land and Buildings	2	Straight Line

Asset residual values and useful lives are reviewed, and adjusted if appropriate, at regular intervals.

Land and buildings associated with the operation of rest home and hospital care services are included in non-current assets as property, plant and equipment. Land and buildings associated with the operation of retirement units sold to residents under licences to occupy are held in non-current assets as investment properties.

**Investment Properties**

Investment properties held to earn deferred management fee income, service fees and for capital appreciation comprise land and buildings intended to be held for the long term, relating to independent living units, serviced apartments and common facilities in retirement villages. Investment properties are measured initially at cost and subsequently are stated at fair value, based upon valuations completed annually by independent external valuers. Gains or losses arising on changes in fair value are recognised in profit or loss in the year in which they arise. Depreciation is not charged on investment properties.

**NOTES TO THE FINANCIAL STATEMENTS**  
**UCG Rose Lodge Limited**  
**For the Year Ended 31 March 2025**

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**Impairment**

The carrying amount of the company's non-financial assets, excluding investment property, are tested 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". In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects time value of money and the risks specific to the asset. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows (cash generating units).

**Non-derivative Financial Instruments**

A financial instrument is recognised if the company becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the company's contractual rights to the cash flows from the financial assets expire or if the company transfers the financial assets to another party without retaining control or substantially all the risks and rewards of the asset. Financial liabilities are derecognised if the company's obligations specified in the contract expire or are discharged or cancelled.

Non-derivative financial instruments are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition non-derivative instruments are measured as follows:

*Cash and cash equivalents*

Cash and cash equivalents comprise cash on hand and deposits held at call and are stated at face value.

*Trade and other receivables*

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method less provision for impairment. See the note below for the policy on impairment of trade receivables. Other receivables are stated at cost less impairment losses.

*Liabilities refundable to residents*

An occupation right agreement confers a right of occupancy to a villa. The consideration received on the grant of an occupation right agreement is allocated to the loans refundable to residents in full. The loans refundable to residents are amounts payable under occupation right agreements. These loans are non-interest-bearing and are payable when both an occupation right agreement is terminated and there has been settlement of a new occupation right agreement for the same retirement unit and the proceeds from the new settlement have been received by UCG Rose Lodge Limited. Residents' loans are initially recognised at fair value and subsequently measured at amortised cost.

UCG Rose Lodge Limited holds a contractual right to set-off the deferred management fee receivable on termination of an agreement against the resident's loan to be repaid. Residents' loans are therefore recognised net of the deferred management fee receivable on the balance sheet. Deferred management fees are payable by residents in consideration for the supply of accommodation and the right to share in the use of community facilities. Deferred management fees are paid in arrears with the amount payable calculated as a percentage of the residents' loan amount as per the resident's occupation right agreement.

Deferred management fee receivable is calculated and recorded based on the expected tenure of the resident and the contractual right to deferred management fee earned at balance date.

*Intercompany loans*

Intercompany loans are recorded at fair value, being face value, as they are repayable on demand.

**Taxation**

Current tax assets and liabilities for the current and prior year are measured at the amount expected to be recovered from or paid to taxation authorities based on the current years taxable income. The tax rates and laws used to compute the amount are those that are enacted or substantively enacted by the balance date.

Deferred income tax is provided on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognised for all taxable timing differences except:

- when the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of that transaction, affects neither accounting or taxable profit or loss.

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that future taxable profit will be available against which the temporary differences and unused tax credits and losses can be utilised except:

- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither accounting or taxable profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS**  
**UCG Rose Lodge Limited**  
**For the Year Ended 31 March 2025**

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The carrying amount of deferred tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be used. Unrecognised deferred tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and laws that have been enacted or substantively enacted at the balance date.

Deferred tax assets and liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

**Goods and Services Tax**

Revenues, expenses and assets are recognised net of the amount of GST except:

- When the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables, which are stated with the amount of GST included.

The net amount of GST payable to the taxation authority is included as part of payables in the Statement of Financial Position.

**Trade Receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method less a loss allowance for expected credit losses. A loss allowance for impairment of trade receivables is established when there are expected lifetime credit losses on such receivables. Cashflow characteristics are taken into account in assessing likely lifetime credit losses. The amount of the loss allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The movement in the loss allowance in the period is recognised in profit or loss.

**Share Capital**

Ordinary shares are classified as equity. Costs associated with the issue of shares are capitalised to share capital.

**Revenue Recognition**

*(a) Rendering of services*

Service rendered revenue is recognised in the accounting year in which the services are rendered.

Revenue from deferred management fees on licences to occupy is included in revenue from services rendered. This revenue is recognised over the estimated period of occupancy of the retirement village units. The assessment of the estimated occupancy is based on a number of factors including the age of the residents and the occupancy years of similar properties. Deferred management fees are recognised over eight years.

*(b) Interest income*

Interest income is recognised on an accruals basis using the effective interest rate method.

*(c) Income from property rental*

Rental income is charged on buildings occupied by related parties as described in Note 9 at an amount calculated to recover the costs of depreciation.

**Leases**

The Company acts as a lessor for occupation right agreements with village residents. The assets leased by the Company as a lessor are disclosed as investment property and lease income is generated in the form of deferred management fees. Deferred management fee revenue is recognised on a straight-line basis in the statement of comprehensive income, over the period of service, being the greater of the expected period of the tenure or the contractual right to revenue.

**NOTES TO THE FINANCIAL STATEMENTS**  
**UCG Rose Lodge Limited**  
**For the Year Ended 31 March 2025**

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**Statement of Cash Flows**

The following is the definition of the terms used in the Statement of Cash Flows:

*(a) Operating Activities*

Operating Activities are the principal revenue producing activities and other activities that are not investing or financing activities. Interest and dividends received in relation to investments and interest paid are included in operating activities.

*(b) Investing Activities*

Investing activities are those activities relating to the acquisition, holding and disposal of property, plant and equipment, software and investments.

*(c) Financing Activities*

Financing activities are those activities that result in changes in the size and composition of the capital structure of the company. This includes both equity and debt not falling within the definition of cash.

**1. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

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

*(a) Critical accounting estimates and assumptions*

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates, and associated assumptions, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

*(i) Fair value of investment properties*

The fair value of investment properties has been determined by an independent qualified valuer. Refer to Note 3 for valuation processes and key assumptions made. The fair value of investment properties is subjective and changes to the assumptions have a significant impact on profit and the fair value.

*(ii) Revenue Recognition*

Deferred management fees included under Revenue are recognised on a straight-line basis. This requires management to estimate the period of occupancy for units and apartments. Management estimates are based on experience of occupancy years and are detailed in Note 4.

*(b) Critical judgements in applying the entity's accounting policies.*

*(i) Deposits refundable to residents*

The value of amounts refundable to owners of licences to occupy requires a critical judgement of the expected life of the agreement and the capital appreciation of the property over that life. The company considers a number of factors when making that assessment including the age of the residents, the length of occupancy at the balance date and the change in market values of similar properties.

**NOTES TO THE FINANCIAL STATEMENTS**  
**UCG Rose Lodge Limited**  
**For the Year Ended 31 March 2025**

**2. PROPERTY, PLANT AND EQUIPMENT**

	<b>Land and Buildings</b>
	<b>\$000</b>
<b>Year ended 31 March 2025</b>	
Opening net book amount	1,442
Additions	-
Depreciation expense	(24)
	<b>1,418</b>
<b>As at 31 March 2025</b>	
Cost or valuation	1,590
Accumulated depreciation	(172)
<b>Net book amount</b>	<b>1,418</b>
<b>Period ended 31 March 2024</b>	
Opening net book amount	1,467
Additions	-
Depreciation expense	(25)
<b>Closing net book amount</b>	<b>1,442</b>
<b>As at 31 March 2024</b>	
Cost or valuation	1,590
Accumulated depreciation	(148)
<b>Net book amount</b>	<b>1,442</b>

Freehold land with a carrying value of \$400k (2024: \$400k) and freehold buildings with a carrying value of \$1,018k (2024: \$1,042k) are subject to a first charge mortgage for loans held by UCG Investments Limited. Land and buildings are rented to an intercompany related party to provide aged care services.

**3. INVESTMENT PROPERTIES**

	<b>2025</b>	<b>2024</b>
	<b>\$000</b>	<b>\$000</b>
Opening net book amount	3,055	2,747
Additions, at fair value	40	93
Fair value movement - unrealised	78	215
<b>Closing net book amount</b>	<b>3,173</b>	<b>3,055</b>

Investment properties are carried at fair value, based upon valuations performed by an independent valuer who holds a recognised and relevant professional qualification and has experience in valuing properties of this type. Valuations were performed at 31 March 2025 by CBRE Limited. The net fair value of the property was \$730k (2024: 900k) after allowing for refunds

Fair values are determined using a discounted cash flow method. In determining fair value, the expected net cash flows applicable to each property have been discounted to their present value using a market determined, risk adjusted discount rate applicable to the respective asset. Key assumptions used in the valuation are price growth rates, discount rates and income and expense flows. The discount rate used was 17.50% (2024: 17.50%).

The fair value of investment properties have been adjusted for the liabilities owed to residents under licences to occupy. The company's net interest in the value of retirement village assets has been grossed up at balance date for these liabilities by \$2,443k (2024: 2,115k).

A memorandum of encumbrance in favour of the statutory supervisor of the company is registered as a first charge over the company's investment property to protect the interests of residents.

The refunds to residents are based on the expected termination payments at the end of the lease in accordance with the terms of the Occupational Right Agreement.

**NOTES TO THE FINANCIAL STATEMENTS**  
**UCG Rose Lodge Limited**  
**For the Year Ended 31 March 2025**

**3. INVESTMENT PROPERTIES continued**

The investment property has been revalued pursuant to a valuation prepared by CBRE Limited ('CBRE'), Registered Valuers as at 31 March 2025. The valuer is independent of the Company having no pecuniary interest, financial or otherwise, that could conflict with a proper valuation of the property.

**4. DEPOSITS REFUNDABLE TO RESIDENTS**

Refunds payable comprise the net refunds payable to the holders of licences to occupy in the retirement village operations owned by the company. The net refund comprises the following balances:

	2025	2024
	\$000	\$000
Loans refundable to residents	2,701	2,402
Deferred management fee payable to the company	(258)	(247)
<b>Total refund payable</b>	<b>2,443</b>	<b>2,155</b>

**Administration Fee**

The administration fee is a charge contractually payable by an exiting resident following settlement of the sale of a unit, villa, or personal suite. This amount is unsecured. As the balance is able to be offset against the loans refundable to residents, the balances are offset for financial reporting purposes.

**Expected Maturity**

A new resident is charged a refundable security deposit on being issued a right to occupy one of the company's units. This is refundable to the resident on termination of the occupation right agreement (subject to a new occupation right agreement for the unit being issued to a new resident). In determining the fair value of the company's investment property CBRE Limited estimate the established length of stay to be 8.8 years (2024: 8.7 years). Therefore it is not expected that the full obligation to residents will fall due within one year. Based on historical turnover calculations the expected maturity of the total refundable obligation to residents is as follows:

	2025	2024
	\$000	\$000
Within 12 months	278	248
Beyond 12 months	2,165	1,907
	<b>2,443</b>	<b>2,155</b>

**5. EQUITY**

As at 31 March 2025 there were 1,175,000 ordinary shares authorised, issued and fully paid (2024: 1,175,000). All ordinary shares rank equally with one vote attached to each fully paid ordinary share.

	2025	2024
	\$000	\$000
<b>Issued and paid up capital</b>		
<b>Ordinary shares</b>		
Balance at the beginning of the year	1,175	1,175
<b>Balance at the end of the year</b>	<b>1,175</b>	<b>1,175</b>

**6. REVENUE**

	2025	2024
	\$000	\$000
<b>Operating revenue</b>		
Village service fees	81	71
Deferred management fees	108	53
Property rental - related party	24	24
Interest received	1	-
<b>Total operating revenue</b>	<b>214</b>	<b>148</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
**UCG Rose Lodge Limited**  
**For the Year Ended 31 March 2025**

**7. EXPENSES BY NATURE**

	2025	2024
	\$000	\$000
<b>Other expenses</b>		
Audit fees	10	9
Insurance	17	11
Legal fees	2	3
Marketing costs	9	6
Rates	10	9
Repairs and maintenance	14	11
Statutory and health industry compliance costs	16	14
Valuation fees	3	4
<b>Total other expenses</b>	<b>81</b>	<b>67</b>
<b>Depreciation</b>		
Depreciation on buildings	24	25
<b>Total depreciation</b>	<b>24</b>	<b>25</b>

**8. TAXATION**

	Notes	2025	2024
		\$000	\$000
<b>(a) Income tax</b>			
The major components of income tax charged for the year are:			
Current tax		(11)	2
Deferred tax			
Origination and reversal of temporary differences		(5)	(313)
<b>Income tax expense</b>		<b>(16)</b>	<b>(311)</b>
<b>(b) Reconciliation of tax charged in profit or loss</b>			
Profit before income tax		135	230
Prima facie taxation at 28% (2024: 28%)		(38)	(65)
Tax effect of:			
Non-taxable income		22	60
Deferred tax impact from reversal of depreciation on buildings	8 (c)	-	(306)
<b>Income tax expense</b>		<b>(16)</b>	<b>(311)</b>

**(c) Removal of tax depreciation on commercial buildings**

From the 2020/21 tax year, UCG Rose Lodge Limited has been depreciating its commercial buildings, classified as Property, Plant and Equipment, on a 2% diminishing value basis, following the reinstatement of tax depreciation for buildings with a useful life of 50 years or more as part of the government's COVID-19: Economic Response Package.

Effective from 1 April 2024, the tax depreciation rate reverted to 0%, impacting the tax value of commercial buildings held from the 2024/25 tax year onwards. The change in tax legislation eliminated the tax base of commercial buildings, thereby creating a temporary difference that led to a deferred tax liability.

**(d) Deferred tax**

The movement in deferred tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

	Notes	2025	2024
		\$000	\$000
<b>Deferred tax liability</b>			
Balance at the beginning of the year		321	9
Temporary differences on property, plant and equipment		(7)	(1)
Deferred tax impact from reversal of depreciation on buildings	8 (c)	-	306
Other temporary timing differences		12	7
<b>Balance at the end of the year</b>		<b>326</b>	<b>321</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
**UCG Rose Lodge Limited**  
**For the Year Ended 31 March 2025**

Deferred tax at the end of the year relates to the following:	2025	2024
	\$000	\$000
Deferred tax liability		
Property, plant and equipment	285	292
Investment property	41	29
<b>Total deferred tax</b>	<b>326</b>	<b>321</b>

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The deferred tax liability is not expected to be settled in full within 12 months of balance date.

**9. RELATED PARTY TRANSACTIONS**

UCG Investments Limited is the immediate parent company of UCG Rose Lodge Limited. UCG Investments Limited is incorporated in New Zealand and owns 100% of the share capital of UCG Rose Lodge Limited. The ultimate parent entity is Clime Group Limited, a company incorporated in New Zealand.

The following table provides the total value of transactions with related parties.

Intercompany Related Party	2025	2024
	\$000	\$000
<b>Parent Entity</b>		
<u>UCG Investments Limited</u>		
Loans receivable at beginning of year	-	280
Net cash repayment	-	(280)
Loans receivable at end of year	-	-
<u>UCG Management Services Limited</u>		
Loans receivable/(payable) at beginning of year	79	(306)
Net cash advance/repayment	410	430
Net non-cash recharges	(80)	(45)
- <i>Management fee</i>	(52)	(41)
- <i>Rental income</i>	24	24
- <i>Other recharges</i>	(52)	(28)
Loans receivable at end of year	<b>409</b>	<b>79</b>

All loans are interest free and have no security. Loans are repayable on demand and have been classified as current liabilities.

**Directors' interest**

Mr Benjamin Paul Unger is a director of UCG Rose Lodge Limited and the immediate parent company, UCG Investments Limited and its wholly owned subsidiaries. He is also a director of the intermediate parent company, Windhaven Care Holdings Limited. He had no interest in the shares of the company as at 31 March 2025.

Mr Robert Arthur Owens is a director of UCG Rose Lodge Limited and a number of fellow subsidiaries. He had no interest in the shares of the company at 31 March 2025.

No provision for doubtful debts or doubtful debts expense was accounted for in the year ended 31 March 2025 relating to debts from related parties.

**10. CLASSIFICATION OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES**

Carrying amounts of financial assets and financial liabilities at the balance date are as follows:	2025	2024
	\$000	\$000
<b>Financial assets at amortised cost</b>		
Cash and cash equivalents	42	54
Receivables	-	4
Loans to related parties	409	79
<b>Financial liabilities at amortised cost</b>		
Payables	2,446	2,179

**NOTES TO THE FINANCIAL STATEMENTS**  
**UCG Rose Lodge Limited**  
**For the Year Ended 31 March 2025**

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**11. CONTINGENT ASSETS AND LIABILITIES**

UCG Rose Lodge Limited has no contingent assets or liabilities (2024: \$Nil).

**12. COMMITMENTS**

There were no capital commitments at the balance date (2024: \$Nil).

**13. EVENTS OCCURRING AFTER BALANCE DATE**

There were no events occurring after the balance date that need to be disclosed.



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## **Independent auditor's report to the Shareholder of UCG Rose Lodge Limited**

### **Opinion**

We have audited the financial statements of UCG Rose Lodge Limited ("the Company"), which comprise the statement of financial position of the Company as at 31 March 2025, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended of the Company, and the notes to the financial statements including material accounting policy information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2025 and its financial performance and cash flows for the year then ended in accordance with New Zealand equivalents to International Financial Reporting Standards Reduced Disclosure Regime.

This report is made solely to the Company's shareholder. Our audit has been undertaken so that we might state to the Company's shareholder those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholder, for our audit work, for this report, or for the opinions we have formed.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (New Zealand). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We are independent of the Company in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards)* (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Other than in our capacity as auditor we have no relationship with, or interest in, the Company. Partners and employees of our firm may deal with the Company on normal terms within the ordinary course of trading activities of the business of the Company.

### **Information other than the financial statements and auditor's report**

The directors of the Company are responsible for the other information. The other information comprises of the annual report but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the



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financial statements, or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

If, based upon the work we have performed, 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.

### **Directors' responsibilities for the financial statements**

The directors are responsible, on behalf of the Company, for the preparation and fair presentation of the financial statements in accordance with New Zealand equivalents to International Financial Reporting Standards Reduced Disclosure Regime, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing on behalf of the entity the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (New Zealand) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the External Reporting Board website: <https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-8/>. This description forms part of our auditor's report.

The Ernst &amp; Young logo is written in a cursive, handwritten-style font.

Chartered Accountants  
Auckland  
30 July 2025