
Yvette Williams Retirement Village Limited
Annual Report
For the year ended 31 March 2025

Approval by Directors

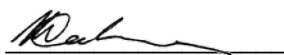
The directors are pleased to present the financial statements of Yvette Williams Retirement Village Limited for the year ended 31 March 2025 as set out on pages 3 - 42 of the Annual Report.

With the unanimous agreement of all shareholders, the Company has taken advantage of the reporting concessions available to it under section 211(3) of the Companies Act 1993 and agreed that this annual report need not comply with any of paragraphs (a) and (e) to (j) of section 211(1) of that Act.

The directors authorised the issue of these financial statements on 31 July 2025.



Robert Woodgate
Director



Marsha Cadman
Director

Directory

Yvette Williams Retirement Village Limited

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Registered Office

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YVETTE WILLIAMS RETIREMENT VILLAGE LIMITED

Statement of comprehensive income

For the year ended 31 March 2025

	Notes	2025 \$000	2024 (restated) \$000
Care and village fees		10,588	9,868
Deferred management fees (DMF)		213	552
Interest received		6	1
Imputed income on refundable accommodation deposits		47	38
Other income		4	121
Total revenue		10,858	10,580
Expenses			
Operating expenses	1	10,142	9,923
Depreciation expense	4	261	260
Imputed interest charge on refundable accommodation deposits		47	38
Total expenses		10,450	10,221
Profit before income tax and fair-value movements (PBTF)		408	359
Fair-value movement of investment properties	5	2,136	(527)
Profit/(loss) before income tax		2,544	(168)
Income tax expense	2	(411)	(761)
Profit/(loss) for the year after tax		2,133	(929)
Other comprehensive income/(loss)			
<i>Items that will not be later reclassified to profit or loss</i>			
Revaluation of property, plant and equipment, net of tax	4	(1,870)	(1,982)
Total comprehensive income/(loss)		263	(2,911)

All loss and total comprehensive loss is attributable to the shareholder and is derived from continuing operations.

Profit before income tax and fair-value movements (PBTF) is a non-GAAP measure which does not have a standardised meaning prescribed by GAAP (Generally Accepted Accounting Practice). This non-GAAP measure has been presented to assist investors in understanding the Group's performance. It may not be comparable to similar financial information presented by other entities.

* The prior period comparatives have been restated. These are detailed in note 15.

The accompanying notes form part of these financial statements.

YVETTE WILLIAMS RETIREMENT VILLAGE LIMITED

Statement of changes in equity For the year ended 31 March 2025

	Issued capital \$000	Asset revaluation reserve \$000	Retained earnings/ (accumulated losses) \$000	Total equity \$000
Balance at 1 April 2023 (reported)	500	9,517	15,440	25,457
Adjustment for prior period	-	(1,722)	(370)	(2,092)
Balance at 1 April 2023 (restated)	500	7,795	15,070	23,365
Loss for the year	-	-	(929)	(929)
Other comprehensive income/(loss) for the year	-	(1,982)	-	(1,982)
Balance at 31 March 2024 (restated)	500	5,813	14,141	20,454
Balance at 31 March 2024 (reported)	500	7,881	14,567	22,948
Adjustment for prior period	-	(2,068)	(426)	(2,494)
Balance at 31 March 2024 (restated)	500	5,813	14,141	20,454
Profit for the year	-	-	2,133	2,133
Other comprehensive income/(loss) for the year	-	(1,870)	-	(1,870)
Balance at 31 March 2025	500	3,943	16,274	20,717

* The prior period comparatives have been restated. These are detailed in note 15.

The accompanying notes form part of these financial statements.

YVETTE WILLIAMS RETIREMENT VILLAGE LIMITED

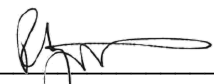
Statement of Financial Position

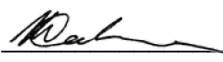
As at 31 March 2025

	Notes	2025 \$000	2024 (restated) \$000
Assets			
Cash and cash equivalents		-	-
Trade and other receivables	3	947	459
Property, plant and equipment	4	12,839	13,381
Investment properties	5	21,256	18,947
Advances to parent	10	2,978	1,846
Total assets		38,020	34,633
Equity			
Issued capital	9	500	500
Asset revaluation reserve	9	3,943	5,813
Retained earnings		16,274	14,141
Total equity		20,717	20,454
Liabilities			
Trade and other payables		346	198
Employee entitlements	6	975	914
Revenue in advance		197	161
Refundable accommodation deposits		670	631
Occupancy advances (non-interest bearing)	8	11,641	10,633
Deferred tax liability (net)	2	3,474	1,642
Total liabilities		17,303	14,179
Total equity and liabilities		38,020	34,633

* The prior period comparatives have been restated. These are detailed in note 15.

Authorised for issue on 31 July 2025 on behalf of the Board.


 Robert Woodgate
 Director


 Marsha Cadman
 Director

The accompanying notes form part of these financial statements.

YVETTE WILLIAMS RETIREMENT VILLAGE LIMITED

Statement of cash flows

For the year ended 31 March 2025

	2025	2024 (restated)
	\$000	\$000
Operating activities		
Receipts from residents		
Care and village fees	10,691	9,796
Net refundable accommodation deposits	39	53
New sale and resales of occupation rights	2,799	2,485
Payments to suppliers and employees	(10,139)	(9,831)
Repayment of occupation rights	(1,828)	(2,019)
Interest received	6	1
Interest paid	(93)	-
Net operating cash flows	1,475	485
Investing activities		
Development of property, plant and equipment	(170)	(165)
Development of investment properties	(173)	(433)
Net advances (to)/from parent	(1,132)	113
Net investing cash flows	(1,475)	(485)
Financing activities		
Net financing cash flows	-	-
Net increase in cash and cash equivalents	-	-
Cash and cash equivalents at the beginning of year	-	-
Cash and cash equivalents at the end of year	-	-

* The prior period comparatives have been restated. These are detailed in note 15.

The accompanying notes form part of these financial statements.

YVETTE WILLIAMS RETIREMENT VILLAGE LIMITED

Notes to the financial statements

For the year ended 31 March 2025

The financial statements presented are those of Yvette Williams Retirement Village Limited (the Company). Yvette Williams Retirement Village Limited is a wholly owned subsidiary of Ryman Healthcare Limited. The Ryman Group (the Group) consists of parent company Ryman Healthcare Limited and its subsidiaries. Yvette Williams Retirement Village Limited is a profit-oriented entity incorporated in New Zealand that developed, owns and operates an integrated retirement village, resthome and hospital for older people within New Zealand.

Basis of preparation

The financial statements have been prepared in accordance with Generally Accepted Accounting Principles in New Zealand (NZ GAAP) and the Retirement Villages Act 2003.

For the purposes of complying with NZ GAAP, the Company is a for-profit entity. The Company has elected to report in accordance with Tier 2 For-profit Accounting Standards (New Zealand equivalents to International Financial Reporting Standards Reduced Disclosure Regime (NZ IFRS RDR)). The Company is eligible to apply Tier 2 For-profit Accounting Standards on the basis that it does not have public accountability and it is not a large for-profit public-sector entity.

The accounting policies set out below have been consistently applied in preparing the financial statements for the year ended 31 March 2025. These policies have also been applied to the comparative information presented for the year ended 31 March 2024, refer to note 15 for changes in accounting policies and the impact on prior year comparatives.

The functional currency of the Company is New Zealand Dollars and information is presented in thousands of New Zealand Dollars.

Going concern

The parent company Ryman Healthcare Limited has provided a letter of support to provide continued financial support to the Company to ensure that it is able to pay its debts as they fall due for a period of 12 months from the date that these financial statements were approved.

Statement of compliance

The financial statements comply with NZ IFRS RDR.

Key estimates and judgements in applying accounting policies

In applying the Company's accounting policies, management has made judgements, estimates and assumptions about the carrying value of assets and liabilities and the reported amounts of income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis, with the effect of any change in an accounting estimate recognised prospectively.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in the following notes:

- Revenue recognition, specifically relating to deferred management fees (policy (a))
- Deferred tax, specifically related to recognition of tax losses (policy (i) and note 2)
- Valuation of property, plant and equipment (policy (c) and note 4)
- Valuation of investment property (policy (e) and note 5)

Additionally, the matters described below affect multiple asset types and related notes.

Classification of property assets

The Company provides aged care and retirement living co-located within retirement villages. The classification of the property assets determines the accounting treatment and judgement is required. NZ IAS 40 – Investment Property requires an entity to develop criteria so that it can exercise that judgement consistently and to disclose the criteria when classification is difficult.

Business model or intention

- Property held for use in the production or supply of goods and services would be property, plant and equipment. Therefore, if the business model is the provision of care, the property should be classified as property, plant and equipment.
- Property held to earn rentals and/or for capital appreciation would be investment property. Therefore, if the business model is the provision of retirement accommodation, the property should be classified as investment property.

Level of ancillary service provided

- For a property to be classified as investment property, the services provided to the residents must be insignificant to the arrangement.
- Guideline of 20% of total revenue to determine whether the services provided are significant.

YVETTE WILLIAMS RETIREMENT VILLAGE LIMITED

Notes to the financial statements

For the year ended 31 March 2025

Property type and service description	Business model or intention	Level of ancillary services provided	Classification
Independent unit – Private accommodation with access to shared community facilities. No care or assistance is included beyond standard weekly fee services, but additional support can be arranged if required.	Held to earn rentals and/or for capital appreciation	Optional and below 20% guideline	Investment property (note 5)
Serviced apartment – Private accommodation offering additional services for assisted living, such as regular housekeeping, meals, and personal care support.	Held to earn rentals and/or for capital appreciation	Compulsory and below 20% guideline	Investment property (note 5)
Care bed – A room within a care facility where residents receive full-time care at rest home, hospital, or dementia care levels. Room options range from standard to premium.	Provision of care	Compulsory	Property, plant and equipment (note 4)
Care suite – As per care bed, but subject to an occupation right agreement with a deferred management fee. Typically, larger than standard care rooms, care suites may include higher-quality furnishings, a kitchenette, and other enhanced amenities.	Provision of care	Compulsory	Property, plant and equipment (note 4)

Climate change risk

The Company recognises that climate-related risks, if not appropriately managed, will impact the way the Company currently operates. Physical climate risks such as storms, flooding and heat have the potential to create significant impacts on the business and its operations. The Company continues to assess the impact of climate change on its assets and operations. Potential impacts of climate change include costs of regeneration and remediation of the Company's existing village because of an increase in susceptibility to physical risks such as flood, storm, and heat.

While there currently is no significant impact identified for asset valuations; this may change in the future. To date, the independent valuer has made no explicit adjustments to valuation of property, plant and equipment (note 4) and the valuation of investment property (note 5) in respect of climate change.

Seismic risk

The Group operates several villages in geographies that have a higher earthquake risk, particularly the villages located along the Hikurangi fault line in New Zealand. None of the Group's properties have been notified by a territorial authority in New Zealand as being potentially "earthquake prone" (being a New Building Standard (NBS) rating of less than 34%). If the buildings were to be formally classified as "earthquake prone", the maximum period of time for carrying out remedial works would be 15 years for buildings located in high-risk zones (such as Wellington), through to 35 years for buildings located in low-risk zones (such as Auckland).

The Group is currently undertaking seismic assessments across a number of buildings located in higher-risk seismic zones with the assistance of independent experts. These assessments are at varying stages of completion. Improvement works have already been carried out on a limited number of buildings. For other buildings where issues have been identified to date, the Group is actively exploring remediation options and estimates of the associated costs. Other assessments remain at preliminary stages and further investigation is required.

Independent experts have confirmed that there are no life safety concerns and no need to vacate any buildings.

New and amended standards and interpretations

The Company applied for the first time the amendments to FRS 44, as described below. Several other amendments are effective for the first time for the year ended 31 March 2025, that do not have any impact on the Company's financial statements.

Disclosure of Fees for Audit Firm's services - Amendments to FRS44

The amendments to FRS 44 New Zealand Additional Disclosures extend the requirement for disclosure of fees incurred for the services received from the Company's audit or review firm, including a description of each service, using specified categories. The additional information is disclosed in note 1. The amendment has no impact on the recognition and measurement amounts in the current year or comparative information.

This change did not have a material impact on the Company's financial statements.

Summary of material accounting policy information

The following material accounting policies have been adopted to prepare and present the financial statements of the Company.

(a) Revenue recognition

The Company recognises revenue and income from the following major sources.

- Care and village fees
- Deferred management fees
- Interest received
- Imputed income on refundable accommodation deposits
- Other income

Revenue and income are recognised and measured at the fair value of the consideration received or receivable.

Care and village fees

Care fees relate to the provision of accommodation, care and related services to aged care residents. Village fees relate to the provision of accommodation and related services to independent residents in the Company's retirement villages.

Care-facility and retirement-village service fees are linked to providing services on specific days (service dates). Revenue from care-facility and retirement-village service fees is recognised on completion of the service dates.

Deferred management fees

Residents of the Company's independent-living units and serviced apartments pay a deferred management fee for lifetime occupation (or a shorter period at the residents' discretion) and the right to share in the use of the community facilities. The deferred management fee is calculated as a percentage of the occupation-right agreement amount. The fee accrues monthly, for a set period, based on the terms of individual contracts. Deferred management fees are payable when residents exit their unit and are netted off the gross occupation advance which is returned to residents.

Revenue from deferred management fees is recognised on a straight-line basis over the period of service, which is determined as the greater of the expected period of tenure or the contractual right to receive deferred management fees. The timing of revenue recognition is an accounting estimate, with expected tenure based on historical experience across villages. These assumptions are reviewed periodically and may change to reflect evolving life expectancy. In the current year, more sophisticated methods were applied, incorporating actuarial tables and consideration of resident mix. For residents entering from 1 April 2024, the tenure estimate was revised. The impact of this change is disclosed in note 15.

In 2024 the Group began offering care suites under an occupation right agreement with a deferred management fee, instead of a daily accommodation premium or refundable accommodation deposit paid by residents. This room type is not yet available at all villages.

	2025	2024
Expected period of tenure, based on date of entry		
Independent unit residents	9 years	7 years
Serviced apartment residents	4.5 years	3 years
Care suites	2 years	-

Interest received

Interest income is recognised as it accrues, using the effective interest rate method.

Imputed interest income on refundable accommodation deposits

For residents who pay for accommodation using a refundable accommodation deposit, the Company has determined that these arrangements qualify as leases under NZ IFRS 16 – Leases, with the Company acting as the lessor. In accordance with NZ IFRS 16, the fair value of the non-cash consideration—represented by an interest-free loan from the resident—must be recognised as income, with a corresponding interest expense. There is no net impact on profit or loss. This only applies to refundable accommodation deposits and not where there is another form of payment for accommodation such as daily accommodation premiums or deferred management fees.

The implicit interest rate used to convert a room premium to a refundable accommodation deposit is used to calculate the imputed interest income. This is currently 6.06% (2024: 5.20%–6.06%).

Other income

Other income consists of other operational revenue such as rental income, café/shop and bar revenue.

(b) Loans and borrowing costs

Loans and borrowing costs (including advances from parent) directly attributable to acquisition, construction or production of qualifying assets (assets that take a substantial period of time to get ready for their intended use) are added to the cost of those assets, until the assets are substantially ready for use. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Capitalisation of interest commences when expenditure and borrowing costs are incurred and the activities necessary to prepare the asset for its intended use are in progress. The activities necessary to prepare the asset for its intended use encompass more than the physical construction of the asset and therefore the capitalisation of interest costs may commence before the physical construction of the properties.

If development activities are suspended for an extended period, capitalisation of the borrowing costs should also cease until such time as the activities are resumed. This does not apply where substantial technical and administrative work continues during a suspension in physical construction, or if it is a temporary delay that is a necessary part of the process of getting an asset ready for its intended use or sale. Capitalisation of interest costs continues until the assets are substantially ready for their intended use. For independent units, this occurs when occupation is permitted, and for main buildings, when the aged care facility is certified for use.

(c) Property, plant and equipment

Property, plant and equipment includes land, completed aged care facilities (land, buildings, plant and equipment, fixtures and fittings), care facilities under development, plant and equipment and motor vehicles.

All property, plant and equipment is initially recorded at cost. Cost includes cost of land, materials, wages and interest incurred during the period required to complete and prepare an asset for its intended use. It also includes centralised support services costs directly attributable to the construction of the aged care facilities. The Company has revised its capitalisation policy following an assessment of the eligibility of the underlying cost base, resulting in a lower level of capitalisation. This change was retrospectively applied.

Once an aged care facility reaches practical completion and is ready for use, land and buildings are carried at a revalued amount, which is the fair value at the date of the revaluation less any subsequent accumulated depreciation and accumulated impairment losses, if any, since the assets were last revalued. Furniture and fittings and plant and equipment for the aged care facility are carried at cost less accumulated depreciation and impairment. Independent valuations are performed with sufficient regularity to ensure that the carrying amount does not differ materially from the asset's fair value at the balance date. Previously, newly completed facilities that had not operated for a full financial year were held at cost and assessed to ensure no material difference from fair value.

For aged care facilities under development, land and buildings are carried at cost, with land initially recorded at its most recent valuation prior to construction. An assessment is made to determine whether carrying value materially differs from fair value, and impairment is recognised if required.

Revaluations to fair value are based on a valuation report prepared by an independent valuer at the reporting date in line with NZ IFRS 13 – Fair Value Measurement. Valuations are currently performed annually by CBRE Limited. The valuer is a registered valuer and industry specialist in valuing the aged care sector. Fair value is determined by reference to market-based evidence, which is the amount for which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction as at the valuation date.

The Company's aged care facilities were previously valued on a freehold going concern basis, which reflected the integrated value of land, buildings, furniture, plant and equipment, and goodwill associated with the facility, with the assumption that goodwill was immaterial. The Company has revised its approach to value only the land and buildings. This change was retrospectively applied.

Any revaluation surplus is recorded in other comprehensive income, unless it reverses a revaluation decrease of the same asset previously recognised in the statement of comprehensive income. In this case, the increase is credited to the statement of comprehensive income to the extent of the decrease previously charged. Any revaluation deficit is recognised in the statement of comprehensive income unless it directly offsets a previous surplus of the same asset in the asset revaluation reserve, in which case the revaluation deficit is recorded in other comprehensive income. Any accumulated depreciation at the revaluation date is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset.

All other plant and equipment is stated at historical cost less depreciation and impairment.

Where the Company enters into a long-term lease of land and obtains control over the land such that it can direct its use without significant restrictions, and the present value of lease payments substantially reflects the fair value of the land, the arrangement is assessed as being economically similar to a purchase of land. In these cases, the Company accounts for the land under NZ IAS 16 – Property, Plant and Equipment, rather than recognising a right-of-use asset under NZ IFRS 16 – Leases. This accounting reflects the substance of the transaction and the transfer of control and economic benefits to the Company. Leasehold land is included in the fair value of aged-care facilities, as determined by the independent valuer.

An item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected to arise from the continued use of the asset. On disposal, any resulting gain or loss is included in the statement of comprehensive income and any revaluation reserve relating to a particular asset being sold is transferred to retained earnings.

(d) Depreciation

Depreciation is provided on all property, plant and equipment, other than freehold land, at straight-line (SL) rates calculated to allocate the asset's cost or valuation, less estimated residual value, over their estimated useful lives, starting from the time the assets are ready for use, as follows.

• Buildings	2% SL
• Plant and equipment	4-25% SL
• Furniture and fittings	10-20% SL
• Motor vehicles	20% SL

The estimated useful lives, residual value and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

No depreciation is provided in respect of investment properties.

(e) Investment properties

Investment properties are intended to be held for the long term to earn rental income and for capital appreciation. It includes land and buildings (including long-term leases of land), equipment and furnishings relating to retirement village units and community facilities, including units and facilities under development. The Company has revised its accounting policy regarding the classification of land. Land acquired with the intention of constructing investment property or held for an undetermined future use is now classified as investment property from the date of acquisition. Previously, such land was included in property, plant, and equipment.

Investment property is initially measured at cost. Cost includes cost of land, materials, wages and interest incurred during the period required to complete and prepare an asset for its intended use. It also includes centralised support and services costs directly attributable to the construction of the investment property. The Company has revised its head office capitalisation policy following an assessment of the eligibility of the underlying cost base, resulting in a lower level of capitalisation.

Land purchases are recognised as assets when the Company obtains control of the land and it is probable that future economic benefits will flow to the Company, and the cost can be measured reliably. Control is typically evidenced by the transfer of legal title or an equivalent contractual right. Prior to settlement and transfer of title, deposits paid are recognised as other receivables. The remaining commitment is disclosed in the commitments note to the financial statements. The Company will often negotiate terms whereby the title is transferred with settlement deferred. In such instances, the land is recognised as an asset at the full purchase price upon transfer of title. A corresponding liability is recognised for the deferred settlement amount, measured at its present value, and the associated cash outflow is recognised accordingly.

Completed retirement village units and community facilities are subsequently measured at fair value.

The Company has revised its accounting policy and no longer holds units and community facilities under development at fair value, instead carrying them at cost. In prior years a proportion of units and community facilities which were nearing completion were valued.

Development land is land pending physical construction on site. There may be two components to development land: the land itself and capitalised WIP. The land is carried at fair value and the capitalised WIP is carried at cost until its fair value becomes reliably measurable or when the development is completed, whichever is earlier. It is subject to impairment testing and is monitored for any indicators of impairment, such as if the development doesn't have a sufficiently certain likelihood of commencing.

Any change in fair value is recognised in profit or loss. Investment properties are not depreciated.

Fair value is determined by an independent valuer, CBRE Limited, in line with NZ IFRS 13 – Fair Value Measurement. The valuer is a registered valuer and industry specialist in valuing the retirement living sector. These valuations consider the requirement of NZ IFRS 13 – Fair Value Measurement to assume that market participants act in their economic best interests. Previously multiple valuations were obtained for completed investment properties and a midpoint of the two valuations was applied to provide a more stable estimate of value. The Company has moved to a single valuation in the current year.

Development land is valued using the direct comparison approach and retirement villages are valued using a discounted cash flow approach.

As required by NZ IAS 40 – Investment Property, the fair value as determined by the independent registered valuer is adjusted for assets and liabilities already recognised on the statement of financial position which are also reflected in the discounted cash flow analysis.

Where the Company enters into a long-term lease of land and obtains control over the land such that it can direct its use without significant restrictions, and the present value of lease payments substantially reflects the fair value of the land, the arrangement is assessed as being economically similar to a purchase of land. In these cases, the Company accounts for the land under NZ IAS 40 – Investment Property, rather than recognising a right-of-use asset under NZ IFRS 16 – Leases. This accounting reflects the substance of the transaction and the transfer of control and economic benefits to the Company. Leasehold land is included in the fair value of investment property, as determined by the independent valuer.

Revenue associated with investment properties, being the management fee and retirement village service fees, is accounted for in line with policy (a).

(f) Revenue in advance

Revenue in advance represents those amounts by which the deferred management fees over the contractual period exceed recognition of the deferred management fee based on expected tenure.

(g) Financial instruments

Financial assets and financial liabilities are recognised on the Company's statement of financial position when the Company becomes party to the contractual provisions of the instrument. All financial instruments are initially recognised at the fair value of the consideration received/transferred, less (in the case of financial assets and liabilities not recorded at fair value through profit or loss) directly attributable transaction costs.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash in banks and on-demand deposits, and other short-term, highly liquid investments readily convertible to a known amount of cash and subject to an insignificant risk of changes in value. This includes all call borrowing, such as bank overdrafts, used by the Company as part of its day-to-day cash management.

Financial assets at amortised cost

Financial assets at amortised cost consist of trade and other receivables (note 3).

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method, and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired, as well as through the amortisation process. These are included within current assets, except for those with maturities greater than 12 months after balance date, which are classified as non-current.

A loss allowance is recognised based on the lifetime expected credit losses at each balance date. It is estimated based on the Company's historical credit loss experience and general economic conditions, and an assessment of each individual debtor.

Trade receivables are measured at amortised cost, less any impairment. This is equivalent to fair value, being the receivable face (or nominal) value, less appropriate allowances for estimated irrecoverable amounts. The allowance recognised is the lifetime expected credit losses based on an assessment of each individual debtor. It is estimated based on the Company's historical credit loss experience and general economic conditions. Expected credit loss represents the expected credit losses that will result from all possible default events in the expected life of a debtor. Trade receivables are written off when there is no realistic chance of recovery.

These debtors are non-interest bearing, although the Company has the right to charge interest on overdue settlements of occupancy advances or overdue care and village fees.

Care and village fees receivables are amounts due from residents and various government agencies in the ordinary course of business.

Occupancy advance receivable and liability is recognised at the point when the resident takes possession of the unit. Possession marks the point at which the resident will typically fully pay the occupancy advance. Previously this was when a legally binding contract was in place and the unit was either complete or considered to have met the threshold for inclusion in the investment property valuation.

The receivables balance relates to residents who have transferred within the village and whose units have not been cash-settled, as their equity is retained in their previous unit, or to residents who have been granted possession of a unit prior to cash receipt, primarily for health-related reasons. There is limited credit risk for this population as the previous equity balance or a deposit is retained which will likely cover any accrued DMF.

The refundable accommodation deposit balance has significantly decreased due to a change in business practices, whereby refundable accommodation deposit benefits are no longer provided until funds are received from internally transferring residents.

Financial liabilities at amortised cost

Financial liabilities at amortised cost consist of trade and other payables, refundable accommodation deposits, advance from parent (note 10) and occupancy advances (note 8).

An occupation agreement confers on a resident a right to occupy a retirement-village unit for life, or until the resident terminates the agreement. The occupancy advance, net of deferred management fee, is repayable following both the termination of the occupation agreement and the settlement of a new occupancy advance for the same retirement-village unit.

Refundable accommodation deposits relate to deposits held on behalf of residents who reside in rooms in the care centres in New Zealand. Refundable accommodation deposits confer to residents the right of occupancy of the rooms for life, or until the resident terminates the agreement. The deposit is repayable following the termination of the right to occupy.

Occupancy advances and refundable accommodation deposits are non-interest-bearing and recorded as a liability in the statement of financial position.

As a resident may terminate their occupancy with limited notice, and the occupancy advance or refundable accommodation deposit is non-interest bearing and has demand features, it is carried at face value, which is the original amount received.

A refundable accommodation deposit is repayable within 30 working days of a resident vacating their care room. The Company is liable to pay interest if it does not repay the deposit within that period.

The occupancy advance, net of deferred management fee, is repayable following both the termination of the occupation right agreement and the settlement of a new occupancy advance for the same retirement village unit. The Company is liable to pay interest if the occupancy advance has not been repaid within six months of the resident vacating the unit.

Trade and other payables are recognised when the Company becomes obliged to make future payments resulting from the purchase of goods and services. Trade payables are typically paid within 30 days of invoice date or on the 20th of the month following invoice date. The amounts are unsecured and are not discounted given their short term nature.

Financial liabilities at amortised cost are measured at amortised cost using the effective interest method. Gains or losses are recognised in profit or loss when the liability is derecognised as well as through the EIR amortisation process. Financial liabilities are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liabilities for at least 12 months after balance date.

(h) Employee entitlements

A liability for benefits accruing to employees for wages and salaries, annual leave and long-service leave is accrued and recognised in the statement of financial position when it is probable that settlement will be required and the liabilities are capable of being measured reliably. The liability is equal to the present value of the estimated future cash outflows as a result of employee services provided at balance date.

Contributions made on behalf of employees to defined contribution funds are recognised in the period they are incurred. The defined contribution funds receive fixed contributions from the Company, whose legal or constructive obligation is limited to those contributions only.

(i) Taxation

Tax expense comprises current and deferred tax. Tax expense is recognised in profit or loss except when it relates to items recognised in other comprehensive income or directly in equity. In this case, tax expense is recognised in other comprehensive income or in equity.

Deferred tax is provided for temporary differences between the carrying amount of assets and liabilities for financial reporting and the amounts used for taxation purposes. Deferred tax is not provided for on land and on temporary differences arising from the initial recognition of assets or liabilities that affect neither accounting profit nor taxable profit, and do not give rise to equal taxable and deductible temporary differences.

The amount of deferred tax provided is based on the way the carrying amount of assets and liabilities are expected to be realised and settled. The Company assesses deferred tax on investment properties on the basis that the asset value will be realised through use. The carrying value of the Company's investment properties is determined on a discounted cash flow basis and includes cash flows that are both taxable and non-taxable in the future. The Company recognises deferred tax on cash flows with a future tax consequence.

A deferred tax asset is recognised to the extent that the entity has sufficient taxable temporary differences or it is probable that future taxable profits will be available against which the asset can be used.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company intends to settle current tax assets and liabilities on a net basis.

(j) Consumables

Purchases of supplies by the village are expensed in the period they are incurred.

(k) Maintenance costs

Maintenance costs are accounted for in the period they are incurred.

(l) GST

Revenues, expenses, assets, liabilities and cash flows are recognised net of GST except when:

- the GST incurred is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of the asset or expense, as applicable.
- receivables and payables, which are stated with GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of the receivables or payables in the statement of financial position.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

YVETTE WILLIAMS RETIREMENT VILLAGE LIMITED

Notes to the financial statements (continued)

For the year ended 31 March 2025

1 Operating expenses

	2025	2024 (restated)
	\$000	\$000
Employee costs	8,084	7,811
Property-related expenses	680	647
Other operating costs	1,378	1,465
	<u>10,142</u>	<u>9,923</u>

Employee costs and other operating costs include:

Employee remuneration	7,744	7,432
Post-employment benefits (KiwiSaver)	185	176
Donations*	3	2

*No donations have been made to any political party (2024: \$Nil).

* The prior period comparatives have been restated. These are detailed in note 15.

Audit fees incurred for the audit of the financial statements by PricewaterhouseCoopers (2024: Deloitte) are incurred by the parent without recharge.

YVETTE WILLIAMS RETIREMENT VILLAGE LIMITED

Notes to the financial statements (continued)

For the year ended 31 March 2025

2 Income tax

	2025	2024 (restated)
	\$000	\$000
(a) Income tax recognised in statement of comprehensive income		
Tax expense comprises:		
Current tax expense	-	-
Deferred tax expense:		
Origination and reversal of temporary differences	411	761
Total income tax expense	411	761

* The prior period comparatives have been restated. These are detailed in note 15.

The income tax expense on pre-tax accounting profit/(loss) from operations reconciles to the income-tax expense in the financial statements as follows.

	2025	2024 (restated)
	\$000	\$000
Profit/(loss) before income tax	2,544	(168)
Income tax expense calculated at 28% (2024: 28%)	712	(47)
Tax effect of:		
Fair value movement of investment property	(598)	147
Impairment	-	-
Buildings tax base adjustment	-	974
Property movements	501	(425)
Other	(204)	112
Total income tax expense	411	761

"Other" includes the transfer of tax losses (if any) to/from Ryman Healthcare Limited.

Total Company tax losses available amounted to \$Nil (2024: \$Nil). There are no unrecognised tax losses for the Company (2024: \$Nil).

YVETTE WILLIAMS RETIREMENT VILLAGE LIMITED

Notes to the financial statements (continued)

For the year ended 31 March 2025

Amounts charged or credited to other comprehensive income or equity	2025 \$000	2024 (restated) \$000
Tax effect of:		
Revaluation of property, plant and equipment	1,421	-
Total expense	1,421	-

(b) Taxable and deductible temporary differences arise from the following items

	Opening balance \$000	Recognised in income \$000	Recognised in equity \$000	Closing balance \$000
2025				
Property, plant and equipment	(1,299)	10	(1,421)	(2,710)
Investment properties	-	(579)	-	(579)
Deferred management fee	(528)	144	-	(384)
Other	185	14	-	199
Total deferred taxation	(1,642)	(411)	(1,421)	(3,474)
	Opening balance \$000	Recognised in income \$000	Recognised in equity \$000	Closing balance \$000
2024 (restated)				
Property, plant and equipment	(633)	(666)	-	(1,299)
Deferred management fee	(425)	(103)	-	(528)
Other	177	8	-	185
Total deferred taxation	(881)	(761)	-	(1,642)

3 Trade and other receivables

	2025 \$000	2024 (restated) \$000
Care and village fees receivables	452	459
Occupancy advance receivables	495	-
	947	459

* The prior period comparatives have been restated. These are detailed in note 15.

YVETTE WILLIAMS RETIREMENT VILLAGE LIMITED

Notes to the financial statements (continued)

For the year ended 31 March 2025

4 Property, plant and equipment

	Freehold land at valuation	Buildings at valuation	Plant and equipment at cost	Furniture and fittings at cost	Motor vehicles at cost	Total
	\$000	\$000	\$000	\$000	\$000	\$000
Gross carrying amount						
Balance at 31 March 2024 - reported	9,090	6,660	1,353	971	58	18,132
Adjustment for prior period	(7,590)	4,873	-	-	-	(2,717)
Balance at 31 March 2024 - restated	1,500	11,533	1,353	971	58	15,415
Additions	-	40	83	34	-	157
Transfers to investment property	-	-	11	-	-	11
Revaluation	-	(449)	-	-	-	(449)
Revaluation - Reversal of depreciation	-	(126)	-	-	-	(126)
Balance at 31 March 2025	1,500	10,998	1,447	1,005	58	15,008
Accumulated depreciation						
Balance at 31 March 2024 - reported	-	(391)	(1,069)	(911)	(54)	(2,425)
Adjustment for prior period	-	391	-	-	-	391
Balance at 31 March 2024 - restated	-	-	(1,069)	(911)	(54)	(2,034)
Depreciation	-	(126)	(108)	(24)	(3)	(261)
Revaluation - Reversal of depreciation	-	126	-	-	-	126
Balance at 31 March 2025	-	-	(1,177)	(935)	(57)	(2,169)
Total book value						
31 March 2025	1,500	10,998	270	70	1	12,839
31 March 2024 (restated)	1,500	11,533	284	60	4	13,381

Valuation methodology

The independent valuer determine the fair value of land and buildings using a capitalisation of notional annual rental income. In this context, 'rent' refers to the estimated amount a third-party operator would pay to lease the facility, assuming the Company were the landlord rather than the operator. This notional rent does not reflect the accommodation charges paid by current residents.

The predominant method used by the independent valuer to determine a market rental for land and buildings is the direct comparison approach on a dollars per bed basis, with some consideration given to the rental as a percentage of gross revenue. A value is then established for the land using market-based evidence reflecting highest and best use. The residual amount is attributed to buildings.

The independent valuer note that the aged care market is subject to government subsidies which regulate, and in many cases, cap the level of revenue a facility can generate. Therefore, unlike the general commercial market, regardless of quality, a facility will receive the same government fee rate per bed irrespective of location, room size, scale, age, and quality to the detriment of higher quality facilities. Aged care facilities are a specialised form of realty and market rental can be no greater than that able to be generated by an appropriately managed and marketed enterprise. In the independent valuer's opinion, premium charging is mostly attributable to the operator of an aged care facility, rather than the landlord, and included in the freehold going concern valuation of the business.

The independent valuer used a range of significant assumptions to value the care facilities as follows. Care suites under an occupation right agreement were valued as a care bed in the current year as their recent introduction means they represent an immaterial portion of the Company's asset base.

	2025 \$ per bed per week	2024 \$ per bed per week
Range by village / portfolio weighted average		
Range of market rental value	118-225	113-218
Average market rental value	180	174

A significant increase (decrease) in the market rental value may result in a higher (lower) fair value measurement.

Security

Some residents make interest-free advances (refundable accommodation deposits and occupancy advances) to the aged care facilities in exchange for the right to occupy a care room. Under the terms of the occupancy agreements, the refundable accommodation deposit and occupancy advance is secured by a registered first mortgage in favour of the Statutory Supervisor over the assets of the aged care facility.

5 Investment properties

	2025	2024 (restated)
	\$000	\$000
At fair value		
Balance at beginning of financial year	18,947	19,041
Additions	184	433
Transfer to property, plant and equipment	(11)	-
Fair-value movement	2,136	(527)
Net movement for the year	2,309	(94)
Balance at end of financial year	21,256	18,947

* The prior period comparatives have been restated. These are detailed in note 15.

The Company has revised several accounting policies and classifications, including:

- Updated cost capitalisation methodology: A lower proportion of centralised support services costs are now capitalised under the revised approach.

The comparative period has been restated, with further detail in note 15.

Valuation methodology

For retirement village assets, the predominant form of income is 'roll-over' income which typically occurs on the departure of village residents who have owned an occupation licence. The independent valuer uses a discounted cash flow methodology, which estimates the present value of future cash flows from occupation right agreements, deferred management fees, and village fees.

Development land is valued using the direct comparison approach, whereby recent sales of block land preferably of similar potential and characteristics in terms of size, average section realisation values and development costs have been compared to the relevant Company property. Consideration is then given to the individual characteristics of the Company's property including consent status.

The independent valuer has adopted several changes to their valuation methodology to reflect updated business practices and improve alignment with the Company's contractual arrangements and operational data. Key changes in the current period include:

- Adoption of the 30% deferred management fee model: Reflecting the Company's shift to a 30% DMF as the preferred contractual arrangement for new residents from 1 October 2024, the valuer has modelled this structure for all future incoming residents.
- Indexation of weekly fees: Adoption of the indexed weekly fee for future residents, following the introduction by the Company from 1 October 2024.
- Valuation based on possession date: Occupation right agreements are now valued based on the current contract in possession, consistent with the Company's recognition of unit 'sales' on possession rather than on application.
- Modelling of repaid resales stock: Units where the exiting resident has been repaid are no longer treated as occupied by the independent valuer. The incoming resident's cash inflow is now considered separately, using an "in one line" valuation approach that incorporates a discount for profit and risk.
- Inclusion of carparks: Carparks subject to a separate occupation right agreement are now included in the valuation.
- Modelling of bespoke contractual arrangements: Valuation assumptions now incorporate bespoke ORA terms where applicable, reverting standard terms on future rollovers.
- Internal transfers with deferred management fee cap implications: Internal transfers of existing residents, where impacted by deferred management fee caps or suspended capital contributions, are now modelled within the valuation framework. The independent valuer has confirmed that no explicit allowance has been made within the valuation for internal transfers on future rollovers.

The independent valuer used a range of significant assumptions to value the retirement villages as follows:

	2025 %	2024 %
Growth rate (nominal) – year 1 to 4	0.0-3.0	0.5-3.0
Growth rate (nominal) – year 5+	2.5-3.5	2.5-3.5
Discount rate	13.0-16.5	12.0-16.5

Other inputs used in the fair-value measurement of the investment property portfolio include the average age of residents and the stabilised departing occupancy periods. An increase in the average age of residents or decrease in the occupancy periods would result in a higher fair-value measurement. Conversely, a decrease in the average age of residents or increase in the occupancy periods would result in a lower fair-value measurement.

Range by village / portfolio weighted average*	2025	2024
Independent unit current average age	75-88	76-89
Serviced unit current average age	80-92	79-91
Independent unit stabilised departing occupancy period	6.6-8.6 / 8.0	6.9-8.7 / 8.1
Serviced unit stabilised departing occupancy period	3.9-4.7 / 4.2	4.0-4.6 / 4.4

*Weighted by value for metrics where data is available.

Market risk identified by the independent valuer

The independent valuer commented that the global and local economic outlook remains uncertain due to geopolitical tensions, trade fragmentation, and recent tariff announcements. The Official Cash Rate (OCR) was reduced to 3.50% in April 2025 with the valuer noting that there was an expectation of further cuts to come. Mortgage rates are not expected to move materially below current levels as further cuts have already been priced in. Market sentiment in the commercial property sector is gradually improving after the historical lows experienced in 2024. The valuer reiterates that its conclusions are based on data and market sentiment as at the date of valuation. For the avoidance of doubt, this does not constitute a 'material valuation uncertainty'.

Work in progress

Investment property includes investment property work in progress of \$Nil (2024: \$Nil), which has been valued at cost. The Directors have determined that for work in progress, cost represents fair value. No independent valuation of investment property work in progress is obtained.

Security

Residents make interest-free advances (occupancy advances) to the Company in exchange for the right to occupy retirement village units. Under the terms of the majority of occupancy agreements, the occupancy advance is secured by a registered first mortgage in favour of the Statutory Supervisor over the assets of the retirement village. There are a relatively small number of older occupancy agreements where the residents instead received a life interest in their unit, with the Company holding the reversionary interest. These residents' occupancy advances are secured by a registered first mortgage over that residual interest.

6 Employee entitlements***Holidays Act remediation***

The Group has identified that past and present New Zealand employees of the Company may have received incorrect payments dating back to 2010 due to the complexity of the Holidays Act 2003 and the nature of our dynamic workforce. The issues relate to entitlements under the Holidays Act 2003, and how a range of allowances and entitlements have been interpreted and calculated. External consultants supported management in 2024 to propose a remediation strategy to the Ministry of Business, Innovation and Employment (MBIE). This remains under review by MBIE at balance date and the provision is held in the Group until the methodology is agreed.

7 Borrowings

Ryman Healthcare Limited, as the parent company, holds bank loans and retail bonds that are secured by a General Security Deed over itself and its subsidiaries (including the Company), with additional security provided by mortgages over freehold land and buildings and a General Security Agreement (GSA).

The GSA and mortgages are first ranking, other than when subordinated to the statutory supervisor who holds registered mortgages for the benefit of residents over:

- The aged care facilities, as security for residents' refundable accommodation deposits and occupancy advances (see note 3); and
- The retirement village (excluding aged care facilities), as security for residents' occupancy advances (see note 8).



YVETTE WILLIAMS RETIREMENT VILLAGE LIMITED

Notes to the financial statements (continued)

For the year ended 31 March 2025

8 Occupancy advances (non-interest bearing)

	2025	2024 (restated)
	\$000	\$000
Gross occupancy advances	14,013	12,798
Less deferred management fees and suspended contributions	(2,372)	(2,165)
Closing balance	11,641	10,633

Gross occupancy advances are non-interest bearing.

* The prior period comparatives have been restated. These are detailed in note 15.

Following termination of the agreement, in New Zealand the occupancy advance is repaid at the earlier of:

- receipt of the new occupancy advance from the incoming resident
- at the end of 3 years.

The Company is liable to pay interest if it does not repay the occupancy advance within 6 months from the date of residents vacating their unit.

A refundable accommodation deposit is repayable within 30 working days of a resident vacating their care room. The Company is liable to pay interest if it does not repay the deposit within that period.

9 Equity

Issued capital

Issued and paid-up capital consists of 500,000 fully paid ordinary shares (2024: 500,000). Ordinary shares have no par value, and each share entitles the holder to one vote, and to an equal share of distributions and of any surplus on winding up of the Company.

Asset revaluation reserve

Asset revaluation reserve reflects unrealised gains from the upward revaluation of aged care facilities, recognised directly in equity rather than through profit or loss.

10 Related party transactions

Parent company

The Company is a wholly-owned subsidiary of Ryman Healthcare Limited, which is also the ultimate parent company.

	2025	2024 (restated)
	\$000	\$000
Transactions involving the parent entity		
Balances owing by		
Parent to Company	(2,978)	(1,846)

Management and other services were provided by Ryman Healthcare Limited for no charge in 2025 (2024: \$Nil).

Ryman Healthcare Limited provides funding on an unsecured basis to the Company which is on-call and repayable on demand. Advances owing by the Company relate to the parent company providing funding for the development of new villages, recharge of Group costs by the parent company, and dividends declared but unpaid by the Company. Interest was charged at rates of 0 percent – 6.65 percent at the discretion of Ryman Healthcare Limited (2024: 0 percent – 6.65). In instances where the Company provides funding to the parent no interest is charged. No related party debts have been written off or forgiven during the year (2024: \$Nil).

11 Key management personnel compensation

Yvette Williams Retirement Village Limited is a fully owned subsidiary of Ryman Healthcare Limited. Key strategic decisions regarding the planning, direction, control and activities of Yvette Williams Retirement Village Limited are undertaken by the board and key management personnel of Ryman Healthcare Limited based on the Group's strategies, as the parent and ultimate controlling entity. Disclosures regarding key management personnel compensation for Ryman Healthcare Limited can be found in the group's annual report for the year ended 31 March 2025.

12 Commitments

Capital expenditure commitments

At balance date there were no commitments relating to construction contracts (2024: \$Nil).

The Company has an ongoing commitment for maintaining the land and buildings of the integrated retirement village, resthome and hospital.

13 Contingent liabilities

There were no contingent liabilities at balance date.

14 Subsequent events

There have been no events subsequent to 31 March 2025 that materially impact on the results reported.

15 Changes in financial reporting

Accounting policies are selected and applied in a way that seeks to ensure the resulting financial information satisfies the concepts of relevance and reliability, and the substance of the underlying transactions or other events is reported.

The Group disclosed at 31 March 2024 that it had made changes to accounting estimates with the effect of any change recognised prospectively. These changes related to investment property and property, plant and equipment, including the removal of the directors range assumption (market participant assumption), no longer including an allowance for value provided by the aged care facility to independent residents and inclusion of completed unsold investment property in the valuation. Refer to the 31 March 2024 financial statements for more information.

The Group has continued its extensive review of its financial reporting with the goal of enhancing the transparency of its results and ensuring greater comparability with others in the sector. As a result, there have been further accounting estimate changes and corrections to the Group's financial reporting, policies which have impacted the financial statements of the Company. The financial statements for the period ended 31 March 2024 and opening statement of financial position at 1 April 2023 have been restated, where applicable.

The accounting estimate changes (note 15(c)) and corrections (notes 15(a)–15(b) and notes 15(d)–15(e)) have been summarised below, with the impact of these on the comparative periods reported in the following tables.

(a) Investment properties – discounting accrued deferred management fees

The carrying value of completed investment property and investment property under development, where fair value is able to be reliably measured, is based on the independent valuers' reports and also includes occupancy advances liability, adjusted for accrued deferred management fees and revenue in advance. As required by NZ IAS 40 – Investment Property, the fair value was adjusted for assets and liabilities already recognised on the statement of financial position which are also reflected in the discounted cash flow approach. This includes occupancy advances for retirement village units which are recognised as a liability net of deferred management fees and suspended contributions (resident loans). The Group had previously discounted the deferred management fees when adjusting investment property.

The Group has reviewed this treatment and has determined that it would be more appropriate to remove the adjustment to discount the accrued deferred management fees. The occupancy advance liability is not discounted in the same way, and this creates a divergence in assumptions. Both the occupancy advance and accrued deferred management fees are recorded at face value on the statement of financial position, as they are technically repayable when due, despite their expected long-term nature. The removal of the discounting of accrued deferred management fees results in a reduction in the fair value of investment property and has flow on impacts to the deferred tax expense and asset/(liability). This change allows for enhanced comparability of the Company's financial statements. This change has been retrospectively applied and the comparatives have been restated.

(b) Recognition of occupancy advance receivable and liability

The Group previously recognised a receivable for an occupancy advance when a legally binding contract with a resident was in place, and the retirement village unit was either complete or considered to have met the threshold for inclusion in the investment property valuation. At the same time, the corresponding occupancy advance liability was recognised. Occupancy advance receivables were typically cash-settled by residents on occupation of a retirement village unit.

Following a review of this treatment, the Group has determined that recognising the occupancy advance receivable and liability at the point when the resident takes possession of the unit provides more reliable and relevant information to the users of the financial statements. Possession marks the point at which the resident will typically have fully paid the occupancy advance and begun occupying the unit, as well as the point at which deferred management fees begin to accrue and weekly fees become payable. This change allows for enhanced comparability of the Company's financial statements. This change has been retrospectively applied and has resulted in a restatement of occupancy advance receivables and liabilities.

The remaining occupancy advance receivable (included in trade and other receivables) relates to residents who have transferred within the village and whose units have not been cash-settled, as their equity is retained in their previous unit, or to residents who have been granted possession of a unit prior to cash receipt, primarily for health-related reasons.

The Company has assessed the impact of this change on the fair value of its investment property and determined it is immaterial. This assessment is supported by independent valuers' views and sample testing of the Group valuations as at 31 March 2024, using the revised population of unit contracts. The effect of the change is limited to adjustments within the investment property reconciliation, as shown in note 5).

The previous practice of earlier recognition of the occupancy advance receivable and liability led to a population of units under development being included in the valuation, where it was determined that the fair value could be reliably measured. Following this change, the Company now only includes units in the investment property valuation which are complete. The population of units included in the valuation will be adjusted on a go-forward basis.

(c) Revenue recognition of deferred management fees

Deferred management fees are recognised on a straight-line basis over the periods of service. The period of service is determined as being the greater of the expected period of tenure and the contractual right to deferred management fees. Previously the expected periods of tenure, based on historical experience across our villages, was estimated to be seven years for independent units and three years for serviced units.

Following a review of the existing modelling methodology, the Group applied alternative techniques, including the use of actuarial tables and analysis of customer mix trends. This resulted in a revised estimate of nine years for independent units and 4.5 years for serviced units. The internal modelling underwent an independent external review to ensure it was fit for purpose.

The timing of deferred management fee recognition is an accounting estimate, and as such, adjustments must be made prospectively. Accounting standards require that all existing contracts with remaining deferred management fee income have the income spread over the revised tenure periods. This adjustment would result in a lower deferred management fee in the current and future periods for those contracts.

However, after consultation with the Group's data specialists and the external software provider, it was determined that it is impracticable to apply the change as required by accounting standards due to system limitations and data integrity risk. Instead, the change has been applied only to contracts where residents have first occupied the unit since 1 April 2024. Given the change has been applied in the underlying systems, it is not possible to quantify the impact to the full financial year.

The expected periods of tenure will be reviewed annually and adjusted as necessary in the event of a material change.

Where applicable, a historical overstatement of deferred management fee revenue has been corrected in the current period. This related to uncapped internal transfers and incorrect inclusion of GST. The GST treatment created a timing difference in the financial statements, although tax obligations were correctly reported. The adjustment is not material to the Company financial statements and has not been retrospectively restated.

(d) Support and services capitalisation

The Group has operated a shared services model with resources centralised in the head office entities in New Zealand. These resources support the operation of the village entities, asset management of existing villages, development of new villages and general administration and compliance activities for the business as a whole. The cost of a development (whether investment property or plant, property and equipment) includes directly attributable costs of constructing the development for it to be capable of operating in the manner intended by the Group. Since the majority of shared services resources support multiple development projects, an allocation methodology must be applied.

The Group has reviewed this allocation methodology and revised its policy, with the change retrospectively applied. Where completed investment property and property, plant and equipment are held at fair value, any changes to the historical cost base of assets which had previously been valued, will not impact the carrying value. The revised policy reduces the cost base of assets, reduces capitalised costs and increases reported expenses, and increases the fair-value movement (investment properties) or asset revaluation reserve movement (property, plant and equipment). To the extent that property, plant and equipment was impaired in previous periods, this policy change will reverse the impairment before uplifting the asset revaluation reserve. There will also be consequential reductions in the annual depreciation expenses for property plant and equipment. Given the quantum of the development activity in recent years, this is a complex change to the financial results.

(e) Aged care facility valuation

The Group has historically engaged independent valuers to provide a valuation of completed care facilities. The valuation was performed on a freehold going concern basis which incorporated land, buildings, furniture, plant and equipment, and goodwill. In the absence of a detailed component breakdown, fair-value movements were previously allocated to land first, followed by buildings as needed.

The Group has revised its valuation instructions to require an explicit apportionment of value among land, buildings, furniture, plant and equipment, and goodwill. Goodwill is now excluded from the reported asset value, as it is internally generated and cannot be recognised as an asset. This change has been applied retrospectively. Furniture, plant and equipment continues to be held at cost less accumulated depreciation and impairment.

The independent valuer has provided the required apportionment for comparative periods, resulting in an overall reduction in the carrying value of aged care facilities and either a reduction in the asset revaluation reserve or recognition of an impairment expense where there was either no reserve or the reserve has been fully utilised. The property, plant, and equipment note has also been updated to reflect the revised valuation methodology.

In addition, the aged care facility freehold going concern valuation previously included a gross-up for refundable accommodation deposits. This gross-up was to reflect that the valuation of the freehold going concern included a deduction for the value lost from an absence of premium charging on rooms subject to refundable accommodation deposits. As the Group is the only provider offering refundable accommodation deposits for aged-care in New Zealand, this gross-up is not captured by the New Zealand valuer, and was historically incorporated by the Group. Following the change to value only land and buildings, this gross-up is no longer required.

(f) Opening statement of financial position significant estimates

The opening statement of financial position at 1 April 2024 has been presented to reflect the restatements referenced above. Significant accounting estimates were included in the opening statement of financial position that are no longer applied in the current or comparative reporting periods. This disclosure provides context for the values presented in the opening statement of financial position.

Allowance for value provided by aged care facility

The March 2023 land and building valuation, included within property, plant and equipment, incorporated an allowance for the value attributed to the aged care facility supporting independent and serviced apartment residents. This allowance was determined as a portion of the deferred management fees (DMF) paid by those residents and was excluded from the investment property valuation.

In March 2024, prompted by changes in economic conditions, financial returns, and strategic plans, the Group reassessed the appropriateness of this estimate. As a result, the allocation was reduced from 25% to zero and has not been reinstated. The removal of this allowance in March 2024 resulted in a \$1.4million decrease in property, plant and equipment and an increase of \$1.3 million in investment property.

Directors range assumption within the investment property valuation

In March 2023, the Directors exercised judgement in determining the adopted fair value of investment property by using a range of inputs, including both 20% and 30% DMF rates. This approach benchmarked Group's DMF structure against broader industry practices, resulting in the application of a 30% assumption on future rollovers.

In March 2024, these assumptions were reviewed. Independent registered valuers advised that Group's actual contractual DMF terms—primarily 20% at the time—are appropriate for determining the fair value of the operator's interest. Although this differs from the sector's maximum DMF rates, the valuers considered other valuation inputs, such as the discount rate, to sufficiently reflect potential variability.

Consequently, the March 2024 investment property valuation was based solely on the independent valuation.

YVETTE WILLIAMS RETIREMENT VILLAGE LIMITED

Notes to the financial statements (continued)

For the year ended 31 March 2025

Period impact - Statement of financial position

	Notes	2024 \$000	2023 \$000
Assets			
Trade and other receivables – reported		954	2,210
Adjustment – occupancy advance recognition	15(b)	(495)	(1,970)
Trade and other receivables – restated		459	240
Property, plant and equipment – reported		15,707	17,430
Adjustment – capitalised cost	15(d)	(258)	(251)
Adjustment – valuation adjustments for capitalised cost	15(d)	258	251
Adjustment – aged care facility valuation	15(e)	(1,695)	(1,395)
Adjustment – removal of RAD gross-up	15(e)	(631)	(578)
Property, plant and equipment – restated		13,381	15,457
Investment properties – reported		19,354	19,405
Adjustment – discount of accrued DMF	15(a)	(407)	(364)
Adjustment – capitalised cost	15(d)	(289)	(280)
Adjustment – valuation adjustments for capitalised cost	15(d)	289	280
Investment properties – restated		18,947	19,041
Liabilities			
Net occupancy advances – reported		11,128	12,662
Adjustment – occupancy advance recognition	15(b)	(495)	(1,970)
Net occupancy advances – restated		10,633	10,692
Deferred tax liability – reported		1,881	1,126
Adjustment – discount of accrued DMF	15(a)	(95)	(103)
Adjustment – capitalised costs	15(d)	(144)	(142)
Deferred tax liability – restated		1,642	881
Equity			
Reserves – reported		7,881	9,517
Adjustment – aged care facility valuation	15(e)	(1,695)	(1,395)
Adjustment – removal of RAD gross-up	15(e)	(631)	(578)
Adjustment – valuation adjustments for capitalised cost	15(d)	258	251
Reserves – restated		5,813	7,795

The accompanying notes form part of these financial statements.

YVETTE WILLIAMS RETIREMENT VILLAGE LIMITED

Notes to the financial statements (continued)

For the year ended 31 March 2025

	Notes	2024 \$000	2023 \$000
Retained earnings/(accumulated losses) – reported		14,567	15,440
Adjustment – capitalised costs (IP)	15(d)	(289)	(280)
Adjustment – capitalised costs (PPE)	15(d)	(258)	(251)
Adjustment – valuation adjustments for capitalised cost	15(d)	289	280
Adjustment – discount of accrued DMF (deferred tax)	15(a)	95	103
Adjustment – discount of accrued DMF	15(a)	(407)	(364)
Adjustment – capitalised costs (deferred tax)	15(d)	144	142
Retained earnings/(accumulated losses) – restated		14,141	15,070

The accompanying notes form part of these financial statements.

YVETTE WILLIAMS RETIREMENT VILLAGE LIMITED

Notes to the financial statements (continued)

For the year ended 31 March 2025

Period impact - Income statement

	Notes	2024 \$000
Expenses		
Operating expenses – reported		9,907
Adjustment – capitalised costs	15(d)	16
Operating expenses – restated		<u>9,923</u>
Fair-value movement		
Fair-value movement of investment properties – reported		(492)
Adjustment – discount of accrued DMF	15(a)	(43)
Adjustment – capitalised costs	15(d)	8
Fair-value movement of investment properties – restated		<u>(527)</u>
Income tax		
Income-tax expense/(credit) – reported		755
Adjustment – discount of accrued DMF	15(a)	8
Adjustment – capitalised costs	15(d)	(2)
Income-tax expense/(credit) – restated		<u>761</u>

The accompanying notes form part of these financial statements.

YVETTE WILLIAMS RETIREMENT VILLAGE LIMITED

Notes to the financial statements (continued)

For the year ended 31 March 2025

Period impact - Statement of cash flow

	Notes	2024 \$000
Operating activities		
Payments to suppliers and employees – reported		(9,816)
Reclassification – capitalised costs	15(d)	(15)
Payments to suppliers and employees – restated		(9,831)
Investing activities		
Development of property, plant and equipment – reported		(172)
Reclassification – capitalised costs	15(d)	7
Development of property, plant and equipment – restated		(165)
Development of investment property – reported		(441)
Reclassification – capitalised costs	15(d)	8
Development of investment property – restated		(433)

The accompanying notes form part of these financial statements.



Independent auditor's report

To the shareholder of Yvette Williams Retirement Village Limited

Our opinion

In our opinion, the accompanying financial statements of Yvette Williams Retirement Village Limited (the Company), present fairly, in all material respects, the financial position of the Company as at 31 March 2025, its financial performance, and its cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards Reduced Disclosure Regime (NZ IFRS RDR).

What we have audited

The Company's financial statements comprise:

- the statement of financial position as at 31 March 2025;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and International Standards on Auditing (ISAs). 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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)* (PES 1) issued by the New Zealand Auditing and Assurance Standards Board and the *International Code of Ethics for Professional Accountants (including International Independence Standards)* issued by the International Ethics Standards Board for Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Certain partners and employees of our firm may deal with the Company on normal terms within the ordinary course of trading activities of the business. The firm has no relationship with, or interests in, the Company.

Other information

The Directors are responsible for the other information. The other information comprises the information included in 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 audit opinion or 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 financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, 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.

Other matter

The financial statements of Yvette Williams Retirement Village Limited for the year ended 31 March 2024 were audited by another auditor who expressed an unmodified opinion on those statements on 12 July 2024.

Responsibilities of the Directors 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 NZ IFRS RDR, 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 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 to 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 ISAs (NZ) and ISAs 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's website at:

<https://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-8/>

This description forms part of our auditor's report.

Who we report to

This report is made solely to the Company's shareholder. Our audit work has been undertaken so that we might state those matters which 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.

The engagement partner on the audit resulting in this independent auditor's report is Samuel Shuttleworth.

For and on behalf of



PricewaterhouseCoopers
31 July 2025

Auckland