



[www.retirementvillages.govt.nz](http://www.retirementvillages.govt.nz) | 0800 268 269

Post your completed form to: Registrar of Retirement Villages, Private Bag 92061, Victoria Street West, Auckland 1142

## Annual return and certificate of registered documents

Sections 13(2) and 16, Retirement Villages Act 2003

Name of village

Amberley Retirement Complex

Registration number

1983141

### Part 1 — Retirement village details

1. Street address of village

1 Hilton Drive  
Amberley  
North Canterbury

2. Address of registered office of village

*This address must be a physical address in New Zealand and must not be a post office box or private bag address.*

64 Belmont Avenue  
Rangiora 7400

3. Address for service of village

*This address must be a physical address in New Zealand and must not be a post office box or private bag address.*

64 Belmont Avenue  
Rangiora 7400

4. Postal address of village

1 Hilton Drive  
Amberley  
North Canterbury

5. Email address for village

6. Telephone number for village

7. Fax number for village (optional)

COMPANIES OFFICE

06 DEC 2021

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COMPANIES OFFICE

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2021

Name of village

Amberley Retirement Complex

Registration number

1983141

**Part 2 — Operator details****1. Name of operator***Where there is more than one operator continue on a separate sheet and attach all pages to this annual return.*

Amberlet Retirement Village 2013 Limited

**2. Company or other registration number (if any)**

4288598

**3. New Zealand Business Number (if any)****4. Nature of operator***For example — company, natural person*

Company

**5. Address of registered office of operator***This address must be a physical address in New Zealand and must not be a post office box or private bag address.*64 Belmont Avenue  
Rangiora 7400**6. Address for service of operator***This address must be a physical address in New Zealand and must not be a post office box or private bag address.*64 Belmont Avenue  
Rangiora 7400**7. Postal address of operator to which communications from the Registrar may be sent**64 Belmont Avenue  
Rangiora 7400**8. Email address of operator****9. Telephone number of operator:****10. Fax number of operator (optional)**

Name of village

Amberley Retirement Complex

Registration number

1983141

Part 3 — Certificate of registered documents

Tracey Dimmock-Rump, Director, Amberley Retirement Village 2013 Limited

(Insert name of operator)

certify that

for Amberly Retirement Complex

(Insert name of the retirement village)

Each registered document is correct, current, and not likely to mislead or deceive any resident, intending resident, or the public.

Documents to update the registered information are attached to the annual return form. (Form RV3 — Change of circumstances must be completed for material changes).

Signed:



Name of signatory

Tracey Dimmock-Rump

Dated

29/9/21

Part 4 — Checklist

To speed up registration, use this checklist to ensure you have included all of the information required.

Have you completed?

Parts 1, 2 and 3 and have you signed the form (attach extra pages if applicable)

Have you attached?

A copy of the audited financial statements that comply with section 35B of the Retirement Villages Act 2003 (the Act) or, as referred to in section 35F of the Act, the audited financial statements that comply with subpart 3 of Part 7 of the Financial Markets Conduct Act 2013 or section 55 of the Financial Reporting Act 2013; and

A copy of the audited financial statements which comply with section 35C of the Retirement Villages Act 2003 (where applicable); and

The documents supporting any information on the register that has changed; and

A copy of the statutory supervisor's certification addressed to the Registrar (where applicable).

Contact details of person completing this form

Name: Senerita Nuu

Address:

Ord Legal  
P O Box 10 909  
Wellington

Fax number (optional):



17 September 2021

The Registrar of Retirement Villages  
c/- Companies Office  
Ministry of Business, Innovation and Employment  
Private Bag 92061  
Victoria Street West  
**Auckland 1142**

### **Report of Statutory Supervisor in respect of Amberley Retirement Complex (Village)**

We confirm that we act as statutory supervisor of the Village.

The terms of our appointment as statutory supervisor are recorded in a Deed of Supervision with the operator of the Village, being Amberley Retirement Village 2013 Limited ("Operator"), dated 14 May 2007 and the Retirement Villages Act 2003 ("Act").

This report accompanies the Operator's 2021 annual return ("Annual Return") and has been prepared by us in accordance with sections 13(3)(c) and 42(c) of the Act for the period the subject of the Annual Return only.

In terms of section 13(3)(c) of the Act, we certify that:

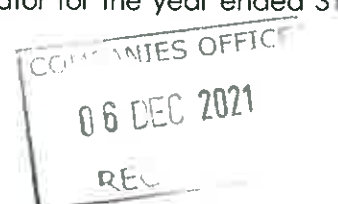
1. The Operator has supplied to us a copy of the Operator's audited financial statements for the year ended 31 March 2021. The financial statements of the Operator are the financial statements of the village.
2. The information contained in the Annual Return is, to the best of our knowledge and belief, accurate.

In terms of section 42(c) of the Act, we report as follows:

1. We have at all times performed our duties and discharged our obligations as statutory supervisor of the Village. In particular, we have:
  - (a) provided and maintained a stakeholder facility for all resident moneys and this facility has been subject to external audit;
  - (b) monitored the financial position of the Village;
  - (c) reported to the residents on the performance of our duties and the exercise of our powers; and
  - (d) discharged all other duties imposed on us by the Act, the regulations made under the Act and the Deed of Supervision.
2. The Operator has complied with all covenants, in particular all financial obligations and reporting requirements, contained in the Deed of Supervision.
3. We have reviewed all scheduled reports from the Operator for the year ended 31 March 2021.

Level 6, 191 Queen Street, Auckland, New Zealand  
PO Box 4243, Shortland Street, Auckland 1140, New Zealand  
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4. All occupation right agreements issued or terminated during the year ended 31 March 2021 were dealt with in accordance with the relevant provisions of the Act and Deed of Supervision.
5. We have not exercised any of the powers conferred on us as statutory supervisor of the Village pursuant to section 43 of the Act.

Our certification and report have been provided on the basis that, subject to the duties imposed on us as statutory supervisor of the Village by the Act, the regulations made under the Act and the Deed of Supervision, we have relied on the information, explanations and confirmations supplied to us by the Operator and the auditor of the Village and have not carried out an independent check of the same.

Yours faithfully  
for **Covenant Trustee Services Limited:**

Raylene McMeekan  
Relationship Manager

**AMBERLEY RETIREMENT VILLAGE 2013 LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2021**

**Amberley Retirement Village 2013 Limited**  
**Financial Statements**  
**As at 31 March 2021**

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**Amberley Retirement Village 2013 Limited**  
**Company Directory**  
**As at 31 March 2021**



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**IRD Number**  
111-513-058

**Issued Capital**  
80,100 Ordinary Shares

**Registered Office**  
64 Belmont Avenue, Rangiora

**Directors**  
Tracey Lee Dimmock-Rump  
Grantley Andrew Rump

**Company Number**  
4288598

**NZBN**  
9429030348004

**Auditors**  
PKF Goldsmith Fox Audit Limited

**Bankers**  
Bank of New Zealand

**Date of Formation**  
19 February 2013

**Nature of Business**  
Retirement Village Ownership

**Accountants**  
Rodgers & Co Ltd  
6E Pope Street, Addington, Christchurch 8011  
Telephone (03) 343 3068, Fax (03) 343 3067

**Location of Business**  
Amberley

**Solicitors**  
Ord Legal Lawyers, Wellington

**Statutory Supervisor**  
Covenant Trustee Services Limited

**Shareholders**

Tracey Lee Dimmock-Rump	40,050	Shares
Grantley Andrew Rump	40,050	Shares

**Amberley Retirement Village 2013 Limited**  
**Directors' Report**  
**For the Year Ended 31 March 2021**



The Directors have pleasure in presenting the Directors' Report, together with the Company's Financial Statements for the year ended 31 March 2021.

The Shareholders of the Company have exercised their right under Section 211 (3) of the Companies Act 1993 and unanimously agreed that this Annual Report need not comply with any of paragraphs (a) and (e) - (j) of Section 211 (1) of the Act.

As per Section 211 of the Act we disclose the following information:

**Principal Activity**

Retirement Village Ownership

**Company Affairs**

There have been no changes in the nature of business for the Company.

The results of the year and the state of the Company's affairs are considered satisfactory.

No guarantees were given for debts incurred by a Director, no indemnity was given to, or insurance given for, any Directors or employees of the Company, and no loans were made by the Company to any Director during the year.

**Auditors**

PKF Goldsmith Fox Audit Limited have been appointed the Company's auditors and it is proposed that they continue in office in accordance with Section 207T of the Companies Act 1993.

**Equity Position**

The Directors point out that the equity position as shown in the Balance Sheet complies with New Zealand equivalents to International Financial Reporting Standards Reduced Disclosure Regime (NZ IFRS RDR). The equity position net of NZ IFRS RDR adjustments as if the accounts were prepared fully under Old Generally Accepted Accounting Practice (Old GAAP) standards is as follows:

Equity as per Balance Sheet	\$694,845
Add back NZ IFRS RDR Adjustments made:	
Deferred Tax	(4,584)
<b>Adjusted Equity Position under Old GAAP</b>	<b>\$690,261</b>
(partial recognition approach to deferred tax)	

In addition the Shareholders have advanced \$694 which is recorded in the Balance Sheet under Current Liabilities.

For and on behalf of the Board

Director

Date: 31 August 2021

Director

Date: 31 August 2021

**Amberley Retirement Village 2013 Limited**  
**Statement of Comprehensive Income**  
**For the Year Ended 31 March 2021**

	Note	2021	2020
		\$	\$
Studio Fees Received		570,251	581,970
Village Contributions		105,956	89,478
Rent Received		<u>60,000</u>	<u>60,000</u>
<b>Total Revenue</b>		<b>736,207</b>	<b>731,448</b>
Interest Received		32	57
Fair Value Movement of Investment Property	(Note 5.2)	<u>89,515</u>	<u>65,000</u>
		<u>89,547</u>	<u>65,057</u>
<b>TOTAL INCOME</b>		<b>825,754</b>	<b>796,504</b>
<b>LESS EXPENSES</b>			
<b><u>Operating Expenses</u></b>			
Accountancy Fees		10,176	10,655
Audit of Financial Statements		5,450	6,200
Bank Charges		224	338
Legal Expenses		561	422
Management Fees		456,201	465,576
Repairs & Maintenance		500	4,177
Statutory Supervisor		7,870	7,422
Subscriptions		1,286	559
Valuation Expenses		<u>3,635</u>	-
		485,902	495,350
<b><u>Finance Expenses</u></b>			
Interest		39,269	49,764
Loan Fees		-	250
		39,269	50,014
<b><u>Other Expenses</u></b>			
Subvention Payment		<u>168,181</u>	<u>179,232</u>
<b>TOTAL EXPENSES</b>		<b><u>693,352</u></b>	<b><u>724,596</u></b>
<b>PROFIT/(LOSS) BEFORE DEPRECIATION AND TAXATION</b>		<b>132,402</b>	<b>71,908</b>
<b><u>Depreciation</u></b>			
Depreciation		<u>2,619</u>	<u>3,633</u>
<b>PROFIT/(LOSS) BEFORE TAXATION</b>		<b>129,783</b>	<b>68,275</b>
Income Tax	(Note 4.1)	<u>11,275</u>	<u>916</u>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b><u>\$118,508</u></b>	<b><u>\$67,359</u></b>

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NOTE. This Statement is to be read in conjunction with the Notes to the Financial Statements and the Audit Report.



**Amberley Retirement Village 2013 Limited**  
**Statement of Changes in Equity**  
**For the Year Ended 31 March 2021**

	Note	2021 \$	2020 \$
<b>EQUITY AT START OF PERIOD</b>			
Share Capital	(Note 9)	80,100	80,100
Retained Earnings	(Note 10.1)	<u>496,237</u>	<u>428,878</u>
<b>TOTAL EQUITY AT START OF PERIOD</b>		<b>576,337</b>	<b>508,978</b>
Profit for the Year	(Note 10.1)	<u>118,508</u>	<u>67,359</u>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>118,508</b>	<b>67,359</b>
<b>EQUITY AT END OF PERIOD</b>			
Share Capital	(Note 9)	80,100	80,100
Retained Earnings	(Note 10.1)	<u>614,745</u>	<u>496,237</u>
<b>TOTAL EQUITY</b>		<b><u>\$694,845</u></b>	<b><u>\$576,337</u></b>

NOTE: This Statement is to be read in conjunction with the Notes to the Financial Statements and the Audit Report.



**Amberley Retirement Village 2013 Limited**  
**Balance Sheet**  
**As at 31 March 2021**

	Note	2021 \$	2020 \$
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents		16,902	5,602
Tax Refund Due		-	53
Trade Receivables		10,367	6,242
Amberley Rest Home 2013 Limited	(Note 7.4)	<u>671,923</u>	<u>680,007</u>
<b>TOTAL CURRENT ASSETS</b>		<u>699,192</u>	<u>691,904</u>
<b>ASSETS HELD FOR SALE</b>			
Property, Plant and Equipment	(Note 11)	7,894	-
Investment Properties	(Note 11)	<u>2,054,515</u>	<u>-</u>
<b>TOTAL ASSETS HELD FOR SALE</b>		<u>2,062,409</u>	<u>-</u>
		2,761,601	691,904
<b>CURRENT LIABILITIES</b>			
GST Due for Payment		30,940	28,621
Provision for Taxation		4,924	-
Trade Payables		3,885	3,890
Accrued Expenses		5,650	5,700
Subvention Payment Payable	(Note 7.4)	186,000	179,232
Revenue Received in Advance		-	45,902
Occupation Right Agreements	(Note 8)	-	907,840
Current Portion of Loan - Dunroamin No. 1 Trust	(Note 6.2)	20,854	14,564
Current Portion of Bank Term Loans	(Note 6.1)	-	47,850
Shareholders' Current Accounts	(Note 6.3)	<u>694</u>	<u>694</u>
<b>TOTAL CURRENT LIABILITIES</b>		252,947	1,234,294
<b>LIABILITIES RELATED TO ASSETS HELD FOR SALE</b>			
Occupation Right Agreements	(Note 11)	944,140	-
Revenue Received in Advance	(Note 11)	24,043	-
Current Portion of Bank Term Loans	(Note 11)	45,107	-
Bank Term Loans	(Note 11)	<u>422,503</u>	<u>-</u>
<b>TOTAL LIABILITIES RELATED TO ASSETS HELD FOR SALE</b>		<u>1,435,793</u>	<u>-</u>
		1,072,861	(542,390)
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	(Note 5.1)	-	10,513
Investment Properties	(Note 5.2)	-	1,965,000
Deferred Tax	(Note 4.2)	<u>4,584</u>	<u>10,870</u>
<b>TOTAL NON-CURRENT ASSETS</b>		<u>4,584</u>	<u>1,986,383</u>
		1,077,445	1,443,993
<b>NON-CURRENT LIABILITIES</b>			
Loan - Dunroamin No. 1 Trust	(Note 6.2)	382,600	404,006
Bank Term Loans	(Note 6.1)	<u>0</u>	<u>463,650</u>
<b>TOTAL NON-CURRENT LIABILITIES</b>		382,600	867,656
<b>NET ASSETS/(LIABILITIES)</b>		<u>\$694,845</u>	<u>\$576,337</u>

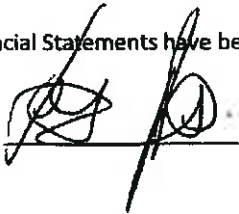
NOTE: This Statement is to be read in conjunction with the Notes to the Financial Statements and the Audit Report.


**Amberley Retirement Village 2013 Limited**  
**Balance Sheet**  
**As at 31 March 2021**



	Note	2021 \$	2020 \$
Represented by:			
<b>EQUITY</b>			
Share Capital	(Note 9)	80,100	80,100
Retained Earnings	(Note 10.1)	<u>614,745</u>	<u>496,237</u>
<b>TOTAL EQUITY</b>		<u><u>\$694,845</u></u>	<u><u>\$576,337</u></u>

The Financial Statements have been prepared for and signed on behalf of the Board :

Director 

Director 

Date 31 August 2021

NOTE: This Statement is to be read in conjunction with the Notes to the Financial Statements and the Audit Report.



**Amberley Retirement Village 2013 Limited**  
**Statement of Cash Flows**  
**For the Year Ended 31 March 2021**

	2021	2020
	\$	\$
<b>Cash flows from operating activities</b>		
Cash was provided from:		
Fees Received	634,574	653,488
Occupation Right Agreements Proceeds	419,000	297,000
Interest Received	32	57
	<u>1,053,606</u>	<u>950,545</u>
Cash was applied to:		
Taxation Paid	12	9
Payments to suppliers	95,886	138,445
Occupation Right Agreements Payouts	298,603	210,201
Interest Paid	39,269	50,014
	<u>433,770</u>	<u>398,669</u>
<b>Net cash inflow/(outflow) from operating activities</b>	<u><b>619,836</b></u>	<u><b>551,876</b></u>
<b>Cash flows from investing activities</b>		
(Acquisition)/Disposal of Property, Plant & Equipment/Investment Properties	-	(549)
<b>Net cash (outflow)/inflow from investing activities</b>	<u>-</u>	<u>(549)</u>
<b>Cash flows from financing activities</b>		
Cash was provided from:		
Term Loans	-	8,600
	<u>-</u>	<u>8,600</u>
Cash was applied to:		
Dunroamin Trust No. 1	15,116	15,388
Amberley Rest Home 2013 Limited	549,530	594,063
Term Loans	43,890	-
	<u>608,536</u>	<u>609,451</u>
<b>Net cash (outflow)/inflow from financing activities</b>	<u><b>(608,536)</b></u>	<u><b>(600,851)</b></u>
<b>NET INCREASE (DECREASE) IN CASH HELD</b>	<u><b>11,300</b></u>	<u><b>(49,524)</b></u>
Opening Cash Brought Forward	5,602	55,126
Ending Cash Carried Forward	<u><b>16,902</b></u>	<u><b>5,602</b></u>
Bank & Cash Balance as per Balance Sheet		
Cash & Cash Equivalents	<u><b>16,902</b></u>	<u><b>5,602</b></u>
	<u><b>16,902</b></u>	<u><b>5,602</b></u>

NOTE: This Statement is to be read in conjunction with the Notes to the Financial Statements and the Audit Report.

**(1) Reporting Entity**

Amberley Retirement Village (2013) Limited (the "Company") owns and operates a Retirement Village in Amberley, New Zealand. The Company is incorporated and domiciled in New Zealand and is registered under the Companies Act 1993.

The Financial Statements for the year ended 31 March 2020 were authorised for issue by the directors on 31 August 2021. The entity's owner does not have the power to amend these financial statements once issued.

**(2) Basis of Preparation**

The Financial Statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP). The directors have elected for Tier 2 For-Profit Accounting Standards to apply on the basis that the Company complies with the Tier 2 criteria as it does not have public accountability and is not a large for-profit public sector entity.

The Financial Statements comply with New Zealand equivalents to International Financial Reporting Standards Reduced Disclosure Regime (Tier2) ("NZ IFRS RDR") and other applicable financial standards, as appropriate for profit-oriented entities. The Financial Statements have been prepared in accordance with the requirements of the Companies Act 1993 and the Financial Reporting Act 2013.

The Financial Statements have also been prepared under the historical cost convention except for:

- Investment property which is measured at fair value (see Note 5.2)
- Certain financial assets and liabilities at fair value as detailed in the accounting policies

The functional and presentation currency is New Zealand dollars. All amounts are rounded to the nearest dollar.

The preparation of Financial Statements in conformity with NZ IFRS RDR requires the use of certain critical accounting judgements, estimates and assumptions. The areas involving a higher degree of judgement and areas where assumptions and estimates are significant to the Financial Statements are detailed under Note 3.2.

**(3) Significant Accounting Policies**

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concept of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The following specific accounting policies which materially affect the measurement of these Financial Statements have been applied:

**(3.1.a) Revenue**

Studio Fees are recognised on an accruals basis.

Rental revenue from the Rest Home facility is accounted for on a straight-line basis in the Statement of Comprehensive Income over the year.

Village Contribution Income has been recognised in the Statement of Comprehensive Income on a straight line basis over the expected period of occupancy.

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

**(3.1.b) Consumables**

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

*(3.1.c) Interest Expenses*

Interest expense comprises interest payable on borrowings and is calculated using the effective interest rate method.

*(3.1.d) Repairs and Maintenance*

Repairs and maintenance costs are accounted for in the period they are incurred.

*(3.1.e) Property, Plant and Equipment*

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

Where an item of property, plant and equipment is disposed of or when no further economic benefits are expected from its use; the gain or loss (calculated as the difference between net sales price and the carrying amount of the asset) is recognised in the Statement of Comprehensive Income.

The assets residual values, useful lives and depreciation methods are reviewed annually and adjusted if appropriate at each financial year end.

*(3.1.f) Depreciation*

Depreciation was provided for in the Statement of Comprehensive Income on a diminishing value basis over the estimated useful life of each asset in line with the recommended rates of the Inland Revenue Department. The principal rates in use were:

Furniture and Fittings	20% to 40%
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*(3.1.g) Investment Properties*

Investment properties include land and buildings relating to the retirement village operation intended to be held long term to earn rental income and for capital appreciation. For details see Note 5.2.

Investment properties are initially recorded at cost and subsequently measured annually at fair value as determined by an independent registered valuer.

Gains or losses arising from changes in the fair values of investment properties are included in the Statement of Comprehensive Income in the year in which they arise.

Where an investment property is disposed of, the surplus or deficit recognised in the Statement of Comprehensive Income is the difference between the net sales price and carrying value of the property.

No depreciation is provided for on investment properties. For tax purposes depreciation is claimed and a deferred tax liability is recognised.

Income from investment property is accounted for as described in accounting policy 3.1.a.

*(3.1.h) Impairment*

**Impairment – non-financial assets**

Assets other than investment properties and deferred tax assets are reviewed at each balance date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

If the estimated recoverable amount of an asset is less than its carrying amount, the asset is written down to its estimated recoverable amount and an impairment loss is recognised in the Statement of Comprehensive Income unless the asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Any reversal of the impairment loss is recognised as income immediately unless the asset is carried at fair value in which case it would be treated as a revaluation increase.

**Impairment – financial assets**

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of estimated future cash flows. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its fair value.

All impairment losses are recognised in the Statement of Comprehensive Income. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. This reversal is recognised in the Statement of Comprehensive Income.

*(3.1.i) Financial Instruments*

Financial assets and financial liabilities are recognised in the Balance Sheet when the Company becomes 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 asset to another party without retaining control or substantially all risks and rewards of the asset. Financial liabilities are derecognised if the Company's obligations specified in the contract expire, are discharged or are cancelled.

The estimated fair values of the Company's financial assets and liabilities are considered to be materially the same as their carrying amounts as disclosed in the Balance Sheet.

Our financial instruments comprise:

**Cash and Cash equivalents**

Cash and cash equivalents comprise cash at bank and in hand, and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash. This includes all call borrowings such as bank overdrafts used as part of the day-to-day cash management.

#### **Trade and other receivables**

Trade receivables are held to collect contractual cash flows. 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 over the expected life of the debtor. Trade receivables are written off when there is no realistic chance of recovery. Other receivables include related party receivables as stated under Note 7.

Impairment provisions for receivables from related parties and loans to related parties are recognised based on a forward looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

#### **Trade and other payables**

Trade and other payables are measured at amortised cost. This is equivalent to the face (or nominal) value of the payables, which is assumed to approximate their fair value. The amounts are unsecured and are usually paid within 30 days of recognition.

#### **Interest Bearing Loans and Borrowing**

All loans and borrowings (Note 6) are initially recognised at cost, being the fair value of the consideration received plus directly attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method. Gains or losses are recognised in the Statement of Comprehensive Income when liabilities are derecognised as well as through the amortisation process.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

#### **Occupation Right Agreements**

Occupation Right Agreements confer the right of occupancy of the retirement village unit to the resident and are considered leases under NZ IFRS 16. There is no change to the recognition or measurement of Occupation Right Agreements and the associated Village Contribution income.

The Occupation Right Agreements in the Balance Sheet represent the capital repayment due to the residents. Village contributions have been amortised in accordance with the individual contract so that the recorded liability at balance date reflects the total refundable portion of the contributions. See Note 3.2 and Note 8.

Amounts payable under Occupation Right Agreements are non-interest bearing and are payable when an Occupation Right Agreement is terminated and there has been settlement of a new agreement for the same retirement village unit and the proceeds from the new settlement have been received.

#### **Leases**

The Company acts as a lessor for Occupation Rights Agreements with village residents. The assets leased by the Company as lessor are disclosed as Investment Property and the lease income generated is shown as Village Contribution income. The lease term is determined to be the greater of the expected period of occupancy or the contractual right to revenue.

The Company acts as lessor for the Care Facility building which is disclosed as Investment Property and the lease income generated is shown as Rent Received. The lease term is determined by the contractual right to income.

#### **Fair-value estimation**

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement, or for disclosure purposes.

The face (or nominal) value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values.

#### **(3.1.j) Revenue Received in Advance**

Revenue received in advance represents those amounts by which the Village Contributions recognised over the contractual period exceed the recognition of Village Contributions based on the anticipated period of occupancy (see Note 3.2).

#### **(3.1.k) Income Tax**

The income tax expense recognised for the year includes both the current year provision and the income tax effects of timing differences, being deferred income tax. Income tax is recognised in the Statement of Comprehensive Income except to the extent that it relates to items recognised directly under Other Comprehensive Income, in which case it is recognised under Other Comprehensive Income.

Current year provision is the expected tax payable on the taxable profit for the year based on tax rates enacted at balance date. Current tax for the year and prior periods is recognised as a liability or asset in the Balance Sheet to the extent that it is not yet paid or refunded.

Deferred tax is provided, using the comprehensive balance sheet liability method, providing for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Financial Statements as per NZ IAS 12. The deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction that at the time of the transaction affects neither accounting nor taxable profit. Deferred income tax is provided for using tax rates expected to apply in the period of settlement, based on tax rates enacted or substantively enacted at balance date.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities. In determining the expected manner of realisation of an investment property measured at fair value a rebuttable presumption exists that its carrying amount will be recovered through sale.

The carrying amount of deferred tax assets is reviewed at each reporting 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 income tax asset to be utilised.

#### **(3.1.l) Goods and Services Tax**

The Financial Statements have been prepared on a GST exclusive basis, except where a claim for recovery of the GST is not allowed by the Inland Revenue Department. In these cases and in respect of receivables and payables, the amounts are shown inclusive of GST.

*(3.1.m) Statement of Cash Flows*

Definitions of the terms used in the Statement of Cash Flows:

“Cash and cash equivalents” comprise cash at bank and in hand, and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash. This includes all call borrowings such as bank overdrafts used as part of the day-to-day cash management.

“Operating Activities” are the principal revenue-producing activities of the entity and other activities that are not investing or financing activities.

“Investing Activities” are those activities relating to the acquisition and disposal of investment property and any other non-current assets.

“Financing Activities” are those activities relating to changes in the size and composition of the capital and funding structure of the Company.

*(3.1.n) Comparative Figures*

The comparative figures shown are for the year ended 31 March 2020.

*(3.1.o) Assets and Liabilities Held for Sale*

The Investment Property and Property, Plant and Equipment, and Occupational Right Agreements (non-current assets and disposal groups) are classified as “held for sale” if their carrying amount is to be recovered principally through a sales transaction rather than through continuing use. The reclassification takes place when the assets are available for immediate sale and the sale is highly probable. Non-current assets held for sale and disposal groups are measured at the lower of carrying amount and fair value. The fair value of the investment property was originally determined by an independent registered valuer as described in Note 5.2, which was then adjusted to take into account the details on the Sale and Purchase Agreement.

The Directors entered into a conditional Agreement to sell the business and assets of the company, with confirmation expected on 3 September 2021 (Refer to Note 18).

*(3.2) Critical Accounting Estimates and Judgements*

The preparation of Financial Statements requires management to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from direct sources. These are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

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

In particular, information about areas of estimation uncertainty and critical judgements in applying accounting policies that have most significant impact on the amounts recognised in the Financial Statements are as follows:

**Fair Value of Investment Property**

The fair value of investment properties has been determined by an independent valuer, who has the appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. Given that a range of assumptions are used in determining the fair value of the investment property the subjectivity of these assumptions to changes could have significant impact on the profit and fair value (Refer to Note 5.2 for key assumptions made).



#### **Village Contribution Revenue Recognition**

Village Contributions are recognised as revenue on a straight-line basis. This requires management to estimate the period of occupancy for Studios.

The directors in conjunction with the valuer estimate that the average period of occupancy for Studios is 3 years (2020: 3 years), based on historical results and experience.

If actual occupancy periods differ significantly from the estimates, Village Contributions shown in the Financial Statements will be affected accordingly. However this is unlikely to cause a material adjustment.

#### **Deferred Tax**

Deferred tax assets and liabilities have been offset in accordance with NZ IAS 12 Income Taxes. Deferred tax assets are recognised for deductible temporary differences to the extent that management considers that it is probable that future taxable profits will be available to utilise those temporary differences. Deferred tax has been calculated on the assumption that there will be no change in tax law or circumstances of the Company that will result in tax losses not being available to the Company in the future. More information concerning this issue can be obtained from Note 4.2 to the Financial Statements.

#### **(3.3) New accounting standards and interpretations adopted**

##### ***(3.3.a) Changes in Accounting Policy and Disclosure***

The accounting policies adopted are consistent with those of the previous financial year.

##### ***(3.3.b) Adoption of new and revised Standards and Interpretations***

The Company adopted all mandatory new and amended standards and interpretations in the current year. None of the new and amended standards and interpretations had a material impact on the measurement of the Company's assets and liabilities.

##### ***(3.3.c) New Accounting standards and interpretations issued but not yet adopted***

At the date of authorisation of these Financial Statements, there are no new standards, amendments or interpretations that have been issued and which are not yet effective that are expected to have a material impact on the amounts recognised or disclosed in the financial statements.

**Amberley Retirement Village (2013) Limited**  
**Notes to the Financial Statements**  
**For the Year Ended 31 March 2021**

**(4) Taxation**

**(4.1) Income Tax**

	<b>2021</b>	<b>2020</b>
	\$	\$
Net Operating Profit/(Loss) Before Tax	129,783	68,275
Less Prior Year Subvention Payment Correction	(17,819)	-
Add/(Less) Non Taxable Timing Differences		
NZ IFRS Village Contribution Adjustment	(21,859)	(2,537)
Fair Value Movement of Investment Properties	(89,515)	(65,000)
Depreciation for Income Tax Purposes	(590)	(738)
Net Surplus/(Deficit) as per Tax Return	\$ -	\$ -
Current Year Provision at 28%	-	-
Deferred Income Tax Expense (Note 4.2)	6,286	916
Taxation Adjustment Prior Year	4,989	-
Total Income Tax Expense/(Benefit)	<u>\$ 11,275</u>	<u>\$ 916</u>

**(4.2) Deferred Taxation**

	<b>Investment Property</b>	<b>Impact of Revenue in Advance</b>	<b>2021 Deferred Tax Liability (Asset)</b>
	\$	\$	\$
<b>2021</b>			
At 1 April 2020	1,983	(12,853)	(10,870)
Charge for the Year	165	6,121	6,286
At 31 March 2021	<u>\$ 2,148</u>	<u>\$ (6,732)</u>	<u>\$ (4,584)</u>

	<b>Investment Property</b>	<b>Impact of Revenue in Advance</b>	<b>2020 Deferred Tax Liability (Asset)</b>
	\$	\$	\$
<b>2020</b>			
At 1 April 2019	1,777	(13,563)	(11,786)
Charge for the Year	206	710	916
At 31 March 2020	<u>\$ 1,983</u>	<u>\$ (12,853)</u>	<u>\$ (10,870)</u>

The tax charge in the Statement of Comprehensive Income reflects the movements in deferred tax through the profit and loss for the investment property and revenue in advance movements.

**(4.3) Imputation Credit Account**

	<b>2021</b>	<b>2020</b>
	\$	\$
Opening Balance	1,275	1,266
Resident Withholding Tax Paid	12	18
Tax paid	53	-
Refund Received	(53)	(8)
Closing Balance	<u>\$ 1,287</u>	<u>\$ 1,275</u>

**Amberley Retirement Village (2013) Limited**  
**Notes to the Financial Statements**  
**For the Year Ended 31 March 2021**

(5) **Non-Current Assets**

(5.1) **Property, Plant & Equipment**

<b>2021 Property, Plant and Equipment</b>	<b>Furniture &amp; Fittings</b>	<b>Total</b>
	\$	\$
<b>Gross carrying amount</b>		
Balance at 1 April 2020	43,684	43,684
Additions	-	-
Reclassify to Assets Held for Sale	(43,684)	(43,684)
<b>Balance at 31 March 2021</b>	-	-
<b>Accumulated Depreciation</b>		
Balance at 1 April 2020	(33,171)	(33,171)
Current year depreciation	(2,619)	(2,619)
Reclassify to Assets Held for Sale	35,790	35,790
<b>Balance at 31 March 2021</b>	-	-
<b>Total Book Value</b>	<b>\$ -</b>	<b>\$ -</b>

Property, Plant and Equipment has been reclassified to Assets Held for Sale as at 31 March 2021 (refer to Notes 3.1.o and 18).

<b>2020 Property, Plant and Equipment</b>	<b>Furniture &amp; Fittings</b>	<b>Total</b>
	\$	\$
<b>Gross carrying amount</b>		
Balance at 1 April 2019	43,135	43,135
Additions	549	549
Disposals at cost	-	-
<b>Balance at 31 March 2020</b>	43,684	43,684
<b>Accumulated Depreciation</b>		
Balance at 1 April 2019	(29,538)	(29,538)
Current year depreciation	(3,633)	(3,633)
Depreciation on disposals	-	-
<b>Balance at 31 March 2020</b>	(33,171)	(33,171)
<b>Total Book Value</b>	<b>\$ 10,513</b>	<b>\$ 10,513</b>

**Amberley Retirement Village (2013) Limited**  
**Notes to the Financial Statements**  
**For the Year Ended 31 March 2021**

(5.2) Investment Properties

	Total
At Fair Value	\$
Balance at 1 April 2019	1,870,000
Additions/(Disposals)	-
Net revaluation movement for the year	<u>95,000</u>
Balance at 31 March 2020	1,965,000
Additions/(Disposals)	-
Net revaluation movement for the year	89,515
Reclassify to Assets Held for Sale	<u>(2,054,515)</u>
Balance at 31 March 2021	<u>\$ -</u>

The Investment Property has been reclassified to Assets Held for Sale at 31 March 2021 as the directors, subsequent to balance date, have entered into a conditional Agreement to sell the business and assets of the company, with confirmation expected on 3 September 2021 (Refer to Note 18).

(6) Liabilities

(6.1) Bank of New Zealand

At Balance Date \$467,610 was outstanding (2020: \$511,500) of which \$45,107 is due within the next twelve months.

Closing Balance:	\$467,610
Maturity date:	28 June 2024
Repayments:	Principal and Interest Monthly Payments of \$5,309
Interest Rate:	4.16%

There were no defaults on either principal or interest for any loan undertaken with any party during the current financial year.

Security:

Registered first mortgage over property situated at 1 Hilton Drive, Amberley, Certificate of Title Number CB41A/997.

Guarantee for the amount of \$700,000, plus interest and costs in terms of the Banks standard guarantee form from Grantley Andrew Rump and Tracey Lee Dimmock-Rump.

Guarantee for the amount of \$700,000, plus interest and costs in terms of the Banks standard guarantee form from The Dunroamin No. 1 Trust.

Perfect Security interest in all present and after acquired property of Amberley Retirement Village 2013 Limited.

All obligations unlimited interlocking company guarantee between Amberley Rest Home 2013 Limited and Amberley Retirement Village 2013 Limited.

(6.2) Dunroamin No. 1 Trust Loan

At Balance Date, \$403,454 was outstanding to the Dunroamin No. 1 Trust (2020: \$418,570), of which \$20,854 is due with twelve months. The loan is unsecured with a maturity date of 30 May 2039. Interest is charged at the Bank of New Zealand's floating interest rates, with principal and interest monthly payments of \$3,068.

**Amberley Retirement Village (2013) Limited**  
**Notes to the Financial Statements**  
**For the Year Ended 31 March 2021**

(6.3) Shareholder Loans

	2021	2020
	\$	\$
Tracey Lee Dimmock Rump	347	347
Grantley Andrew Rump	347	347
	\$ 694	\$ 694

The advances are unsecured, interest free and repayable at a notice of six months.

(7) Related Party Transactions

(7.1) Rent Agreement

The Company entered into a rent agreement with Amberley Rest Home 2013 Limited. The amount received was \$60,000, for the year ended 31 March 2021 (2020: \$60,000).

(7.2) Management Agreement

The Company has entered into a management agreement with Amberley Rest Home 2013 Limited. This covers the management of all aspects of the operation of the retirement village complex. The amount paid was \$456,201 for the year ended 31 March 2021 (2020: \$465,576).

(7.3) Guarantees

Guarantees from related parties were provided on bank borrowings. See Note 6.1.

(7.4) Other Related Party Transactions

The Company has made an advance of \$671,923 to Amberley Rest Home 2013 Limited (2020: \$680,007). The companies are related by common ownership and control. This amount is unsecured, interest free and repayable at a notice of nine months. However, it is not expected to be called on for repayment before 31 March 2022.

The Company has borrowed \$403,454 from the Dunroamin No. 1 Trust (2020: \$418,570). The directors are Trustees of the Trust. See Note 6.2.

A subvention payment of \$186,000 to Amberley Rest Home 2013 Limited is payable as at 31 March 2021 (2020: \$179,232). A correction of \$17,819 was made during the year relating to the year ended 31 March 2020. This has resulted in a net subvention amount of \$168,181 being recorded in the Statement of Comprehensive Income (\$186,000 less \$17,819 correction for 2020 year). Refer to Note 4.1.

No related party debts have been written off or forgiven during the year.

**Amberley Retirement Village (2013) Limited**  
**Notes to the Financial Statements**  
**For the Year Ended 31 March 2021**

**(8) Occupation Right Agreements**

	2021	2020
	\$	\$
Occupation Right Agreements	944,140	907,840
Less: Reclassify as Liabilities Held for Sale	(944,140)	-
Net Liability to Residents	<u>\$ -</u>	<u>\$ 907,840</u>

The Occupation Right Agreements Liability is classified as current as the Company does not have an unconditional right to defer settlement. Settlement occurs when both a terminating event has occurred and there has been a subsequent resale of the license. In many cases this may be more than 12 months.

**Security:**

Residents make interest free advances under their Occupation Right Agreements ("Occupancy Advances") to the retirement village in exchange for the right of occupancy to retirement village units. Under the terms of the Occupancy Agreement, an encumbrance is recorded over the land title by the statutory supervisor to secure the Company's obligation to the occupation license holders. The encumbrance ranks first ahead of any bank securities.

The Occupation Right Agreements have been reclassified to Liabilities Held for Sale as at balance date as the directors entered into a conditional Agreement to sell the business and assets of the company (refer to Notes 3.1.0 and 18).

**(9) Share Capital**

	2021	2020
	\$	\$
80,100 Ordinary Shares (2020: 80,100 Ordinary Shares)	<u>\$ 80,100</u>	<u>\$ 80,100</u>

The shares were issued at \$1 each and are fully paid up. The shares have no par value. All shares have equal voting rights and share equally in any dividends and surplus on winding up.

**(10) Reserves**

**(10.1) Retained Earnings**

	2021	2020
	\$	\$
Opening Balance of Retained Earnings	496,237	428,878
Add: Total Comprehensive Income	118,508	67,359
Closing Retained Earnings	<u>\$ 614,745</u>	<u>\$ 496,237</u>

**Amberley Retirement Village (2013) Limited**  
**Notes to the Financial Statements**  
**For the Year Ended 31 March 2021**

**(11) Assets and Liabilities Held for Sale**

The directors have signed a conditional agreement to sell the business, Property, Plant and Equipment and Investment Property less the Occupation Right Liability, which is expected to confirm on 3 September 2021. The assets and liabilities that are included in the Sale Agreement, and the ANZ Loan, have been reclassified as Assets and Liabilities Held for Sale in the Statement of Financial Position.

	2021	2020
<b>Assets Held for Sale:</b>	\$	\$
Property, Plant and Equipment	7,894	-
Investment Property	2,054,515	-
	<b>\$ 2,062,409</b>	<b>\$ -</b>
<b>Liabilities Related to Assets Held for Sale:</b>		
Occupation Right Agreements	944,140	-
Revenue Received in Advance	24,043	-
Current Portion of Bank Term Loan	45,107	-
Bank Term Loan	422,503	-
	<b>\$ 1,435,793</b>	<b>\$ -</b>

**(12) Valuation – Investment Properties**

Date of Valuation:	2 June 2021 (As at 31 March 2021)
Name and Qualification of Valuer:	CVAS (CHC) Limited (trading as Colliers)
	W. J. Glassey
	Registered Valuer – FNZIV, FPINZ, AREINZ
	Samantha Stark
	Registered Valuer – BBUS PROP (VAL), MPINZ

**Basis of Valuation:**

The valuation was prepared by the above independent valuers in accordance with NZ IAS 40 Investment Properties and NZ IFRS 13 Fair Value Measurement. Colliers is appropriately qualified and experienced in valuing retirement village properties in New Zealand.

The methodologies employed in the valuation of Amberley Retirement Village 2013 Limited are market based assessments of rental and returns in respect of the care facility and are fully supported by market sales evidence. The individual Occupation Right Agreement values for the studios also reflect market values derived from consideration of individual Occupation Right Agreement transactions within the village and from competitor establishments.

Fair values have been determined using a two-step approach. The value of the care facility complex is determined based on income capitalisation of the market rent adopting an 8.5% yield (2020: 9.5%).

The Studios are valued using the discounted cash flow approach. The major assumptions used in the discounted cash flow analysis are a discount rate of 17% (2020: 17.25%), growth rates in unit values which range from 1% to 2.5% per annum (2020: -1% to 2.5%) over the term of the cash flow, and a deduction for expenses such as refurbishment costs, marketing and capital expenditure. Occupation Right Agreement contracts were reviewed and the valuation adjusted for residents' share, if any, of any capital gains when determining the market value to the proprietor. Other assumptions used by the valuer include the average age of entry of residents and average occupancy periods of units. The period of the discounted cash flow is 25 years. Principal assumptions are unchanged from the prior year.

The above inputs calculate the proprietor's interest in Amberley Retirement Village 2013 Limited which is then adjusted to take into account the residents Occupation Right Agreement liability as recorded in the Balance Sheet to determine the overall land and improvement value.

Colliers have reviewed market conditions in relation to the Covid-19 global pandemic impact upon value. With the level of uncertainty and unknown impacts decreasing, and markets becoming more used to operating under Covid-19 conditions, the specific adjustments made to discount rates and near term growth rates for Covid-19 in prior year valuations have been critically analysed and adjusted when determining value at 31 March 2021. Their view is that the longer-term economic impact of Covid-19 on the New Zealand aged care sector remains difficult to accurately predict, with only limited comparable transactions and market evidence since the outbreak to give guidance. They advise that because of these factors a higher degree of caution should be exercised when relying on valuations.

Colliers' valuation amount was \$2,320,000. However, the Investment Property is recorded at a lower amount than Colliers' valuation, to reflect the conditional Agreement sale price accepted by the Directors less commission payable.

**(13) Going Concern**

Although the company made a profit for the year ended 31 March 2021 it is still dependent upon the continued support of related parties and financiers. Due to this support the directors consider it appropriate to prepare the Financial Statements on a going concern basis.

**(14) Exceptional Operating Risks**

The Company does not have any exceptional operating risks (2020: \$Nil).

**(15) Dividends**

There were no dividends paid or declared by the Company during the year ending 31 March 2021 (2020: \$Nil).

**(16) Capital Commitments**

As at 31 March 2021 the Company has \$Nil capital commitments (2020: \$Nil).

**(17) Contingent Liabilities**

As at 31 March 2021 there are no known contingent liabilities (2020: \$Nil).

**(18) Significant Events after Balance Date**

The directors signed a conditional Agreement in June 2021 to sell the business and assets of the company, which is expected to confirm and go unconditional on 3 September 2021, with a settlement date of 30 September 2021.

There have not been any other significant events since balance date to affect the results shown in these statements.

## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Amberley Retirement Village 2013 Limited

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Amberley Retirement Village 2013 Limited, which comprise the balance sheet as at 31 March 2021, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the company as at 31 March 2021, and its financial performance and its cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Framework Reduced Disclosure Regime.

This report is made solely to the directors, as a body. Our audit work has been undertaken so that we might state to the directors those matters which we are required to state to them in the 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 directors, as a body, for our review procedures, for this report, or for the conclusion we have formed.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)). 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 Amberley Retirement Village 2013 Limited in accordance with Professional and Ethical Standard 1 (Revised) *Code of Ethics for Assurance Practitioners* 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 interests in, Amberley Retirement Village 2013 Limited.

#### Directors' Responsibilities for the Financial Statements

The directors are responsible on behalf of Amberley Retirement Village 2013 Limited for the preparation and fair presentation of the financial statements in accordance with New Zealand Equivalents to International Financial Reporting Framework 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, on behalf of Amberley Retirement Village 2013 Limited, for assessing its 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 or cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the financial reporting process.

#### 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) 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.

As part of an audit in accordance with ISAs (NZ), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Amberley Retirement Village 2013 Limited ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Amberley Retirement Village 2013 Limited to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

*PKF Goldsmith Fox Audit.*

**PKF Goldsmith Fox Audit Limited**  
**Christchurch, New Zealand**

31 August 2021

