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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

Aroha Care Centre for the Elderly

Registration number

2203231

Part 1 — Retirement village details

1. Street address of village:

6 Cooper St
Taita
Lower Hutt
5011

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.

6 Cooper St
Taita
Lower Hutt
5011

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.

6 Cooper St
Taita
Lower Hutt
5011

4. Postal address of village:

6 Cooper St
Taita
Lower Hutt
5011

5. Email address for village:

[Redacted]

6. Telephone number for village:

[Redacted]

7. Fax number for village (optional):

[Redacted]

Name of village

Registration number

Aroha Care Centre for the Elderly

2203231

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.

Taita Home Trust Board Incorporated

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

CC38819

3. New Zealand Business Number (if any):

4. Nature of operator:

For example — company, natural person

Trust

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.

6 Cooper St
Taita
Lower Hutt
5011

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.

6 Cooper St
Taita
Lower Hutt
5011

7. Postal address of operator to which communications from the Registrar may be sent:

6 Cooper St
Taita
Lower Hutt
5011

8. Email address of operator:

[Redacted]

9. Telephone number of operator:

[Redacted]

10. Fax number of operator (optional):

[Redacted]

Name of village

Registration number

Aroha Care Centre for the Elderly

2203231

Part 3 — Certificate of registered documents

Taita Home Trust Board Incorporated

(Insert name of operator)

certify that

for: Aroha Care Centre for the Elderly

(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:

Patrick Knowles

Name of signatory:

Patrick Knowles

Dated:

21/9/2021

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

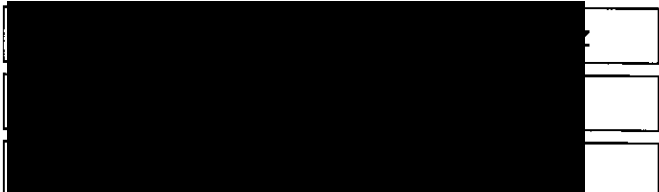
The documents supporting any information on the register that has changed; and

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

Contact details of person completing this form:

Name: Patrick Knowles

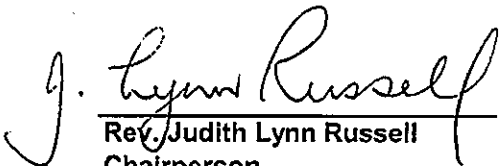
Address:
Taita
Lower Hutt
5011



Taita Home Trust Board Incorporated

Consolidated Financial Statements for the year ended 31 March 2021

The Trustees are pleased to present the 2021 Consolidated Annual Financial Statements


Rev Judith Lynn Russell
Chairperson


Andrew Gray Hughson
Trustee - Finance Committee Chair

For and on behalf of the Board of Trustees

Dated: 28 June 2021

Taita Home Trust Board Incorporated

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Taita Home Trust Board Incorporated

Consolidated Financial Statements Directory

Board of Trustees	Rev Judith Lynn Russell - Chairperson Ian Stewart Avison Graeme Andrew Beardsley Patricia Elizabeth Carter Andrew Gray Hughson Maureen Ruth Lamb Lorna Stuart Macann Brian Kenneth Shearer (resigned 20 November 2020) Richard Stevens Christopher Upton
Registered Office	6 Cooper Street Taita, Lower Hutt
Nature of business	Provision and maintenance of facilities, health services and residential care for the benefit of elderly persons
Charity Services - Department of Internal Affairs Charitable Registration Number:	CC38819
Independent Auditor	Grant Thornton New Zealand Audit Limited 215 Lambton Quay Wellington
Bankers	Bank of New Zealand (NZ) Limited

Taita Home Trust Board Incorporated

Consolidated Statement of Comprehensive Revenue and Expenses For the year ended 31 March 2021

	Notes	2021 \$	2020 \$
Revenue from non-exchange transactions			
Subsidies		3,132,475	3,161,816
Donations and grants		100	-
Total non exchange revenue		3,132,575	3,161,816
Revenue from exchange transactions			
Fees		2,064,409	2,058,640
Rental income	5	182,850	175,646
Interest and dividends		55,053	47,177
Levies		21,658	22,134
Management fees		27,358	19,178
Other income		182,592	72,629
Gain on revaluation of investment equities		79,459	-
Gain on revaluation of investment property		2,145,000	590,000
Total exchange revenue		4,758,379	2,985,404
Total revenue		7,890,954	6,147,220
Expenses			
Staff costs		3,572,594	3,407,026
Running costs		485,010	507,419
Food		219,807	233,608
Depreciation	12	320,137	330,425
Maintenance costs		158,299	164,654
Administration costs		67,776	80,627
Interest paid		-	-
Overhead costs, Including legal, Insurance		153,853	120,479
Loss on investments fair valuation		-	36,522
Loss on transfer of occupation right agreements		60,161	-
Total operating expenditure		5,037,637	4,882,449
Operating surplus for the year		2,853,318	1,266,400
Other comprehensive revenue and expenses			
Gain on revaluation of property, plant and equipment		1,871,967	-
Total other comprehensive revenue and expenses		1,871,967	-
Total comprehensive revenue and expenses for the year		4,725,285	1,266,400

These financial statements should be read in conjunction with the notes to the financial statements.

Taita Home Trust Board Incorporated

Consolidated Statement of Changes in Net Assets For the year ended 31 March 2021

	Note	Accumulated Revenue and Expense	Equity Reserves	Revaluation reserve	Total equity
Opening Balance 1 April 2019		11,279,367	346,113	2,981,743	14,607,223
Operating surplus		1,266,400	-	-	1,266,400
Funds Utilised		-	(3,330)	-	(3,330)
Equity Reserves		-	1,096	-	1,096
Transfers	4	(19,416)	19,416	-	-
Closing balance 31 March 2020		12,526,351	363,295	2,981,743	15,871,389
Operating surplus		2,853,318	-	-	2,853,318
Funds Utilised		-	(5,964)	-	(5,964)
Equity Reserves		-	1,850	-	1,850
Other reserve transfers	4	(16,236)	16,236	-	-
Revaluations		-	-	1,871,967	1,871,967
Closing balance 31 March 2021		15,363,432	375,417	4,853,710	20,592,559

Equity reserves include a Staff Reserve, a Hardship Reserve and the Retirement Village Reserve.

These financial statements should be read in conjunction with the notes to the financial statements.

Taita Home Trust Board Incorporated

Consolidated Statement of Financial Position As at 31 March 2021

		2021	2020
	Notes	\$	\$
Current assets			
Cash and cash equivalents	8	1,693,008	501,074
Term Deposits	8	1,033,113	1,714,622
Prepayments		33,055	27,245
Trade and other receivables - exchange	9	224,924	106,026
Trade and other receivables - non exchange	9	250,835	301,488
Inventory		574	640
		3,235,509	2,651,095
Non-current assets			
Investments	10	256,136	176,677
Investment property	11	6,505,000	4,360,000
Property, plant and equipment	12	13,167,298	10,640,366
Buildings Work in Progress		345,614	57,641
Intangible assets		1,050	1,050
		20,275,098	15,235,734
Total assets		23,510,607	17,886,828
Current liabilities			
Trade, payables and entitlements	13	652,328	683,987
Villa Occupation Rights Liability	14	2,218,500	1,296,250
Deferred management fees	15	47,220	35,203
		2,918,048	2,015,440
Total liabilities		2,918,048	2,015,440
Net assets		20,592,559	15,871,389
Equity			
Accumulated revenue and expenses		15,363,432	12,526,351
Property revaluation reserve		4,853,710	2,981,743
Equity reserves		375,417	363,295
Total equity		20,592,559	15,871,389

These financial statements should be read in conjunction with the notes to the financial statements.



Taita Home Trust Board Incorporated

Consolidated Statement of Cash Flows For the year ended 31 March 2021

	Notes	2021 \$	2020 \$
Cash flows from operating activities			
Fees and subsidies		5,219,518	5,240,912
Donation received / (paid)		100	(600)
Other income		426,141	270,509
Payments to suppliers		(4,698,523)	(4,319,769)
Net cash flows from operating activities		947,237	1,191,053
Cash flows from investing activities			
Purchase of Term deposits		(809,973)	(964,623)
Purchase of property, plant and equipment	12	(117,947)	(35,038)
Proceeds from investment sales and maturities		1,491,482	49,699
Proceeds from equity sales		(99,137)	-
Work in progress - Villa building		(287,971)	(30,453)
Interest and dividends received		68,243	23,745
Net cash flows from investing activities		244,697	(956,670)
Cash flows from financing activities			
Borrowings received / repaid		-	-
Net cash flows from financing activities		-	-
Net increase (decrease) in cash and cash equivalents		1,191,934	234,382
Cash and cash equivalents at the beginning of year		501,074	266,692
Cash and cash equivalents at the end of year	8	1,693,008	501,074

These financial statements should be read in conjunction with the notes to the financial statements.

Taita Home Trust Board Incorporated

Notes to the financial statements For the year ended 31 March 2021

1 Reporting entity

The reporting entity is the Taita Home Trust Board Incorporated (the "Trust"). The Trust is a charitable trust incorporated under the Charitable Trust Act 1957, and is registered as a charitable entity under the Charities Act 2005. The Trust is a public benefit entity for the purposes of financial reporting in accordance with the Financial Reporting Act 2013.

These Group financial statements consolidate the Parent entity, being the Trust, and its subsidiary - Aroha Care Centre for the Elderly (the "Care Centre"). The Care Centre is a charitable entity under the Charities Act 2005 and these financial statements are presented for the year ended 31 March 2021.

The principal activities of the Group are to lease premises to the Aroha Care Centre for the Elderly and act as owner of the Aroha Retirement Village. The group provides a caring Christian environment for the Care Centres residents. We encourage the elderly to maintain their independence, being sensitive to cultural and spiritual beliefs.

2 Basis of preparation

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ("NZ GAAP"). They comply with Public Benefit Entity International Public Sector Accounting Standards ("PBE IPSAS") and other applicable financial reporting standards, as appropriate that have been authorised for use by the External Reporting Board for Not-For-Profit entities.

For the purpose of complying with NZ GAAP, the entity is a public benefit not-for-profit entity and is eligible to apply Tier 2 Not-For-Profit PBE IPSAS on the basis that it does not have public accountability and it is not defined as large. Being tier two, the entity has taken advantage of applicable Reduced Disclosure Regime ("RDR") disclosure concessions (if any).

(b) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Trust and all entities over which the Trust has the power to control the financial reporting and operating policies.

The purchase method is used to prepare consolidated financial statements, which involves adding together like terms of assets, liabilities, income and expenses on a line-by-line basis. All significant inter-group balances are eliminated on consolidation of the financial performance, position and cash flows of the Group.

The subsidiary has a 31 March 2021 balance date and consistent accounting policies have been applied.

(c) Changes in accounting policies

There have been no material changes in accounting policies during the year. All policies have been applied on bases consistent with those used in previous years.

Taita Home Trust Board Incorporated

Notes to the financial statements For the year ended 31 March 2021

(d) Basis of measurement

The financial statements have been prepared on a historical costs basis, except for land and buildings, investment properties and investments which have been measured at fair value.

(e) Presentation and functional currency

The financial statements are presented in New Zealand dollars, which is the Group's functional currency. They are presented to the nearest dollar.

(f) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Where material, information on significant judgements, estimates and assumptions is provided in the relevant accounting policy or provided in the relevant disclosure note.

The estimates and underlying assumptions are based on historical experience and various other factors believed to be reasonable under the circumstances. Estimates are subject to ongoing review and actual results may differ from these estimates. Revisions to accounting estimates are recognised in the year in which the estimate is revised and in future years affected.

Judgments made in applying accounting policies that have had the most significant effects on the amounts recognised in the Group's financial statements include deferred management fees, depreciation, valuation of property, plant and equipment, investment property and non listed investments.

3 Summary of significant accounting policies

The accounting policies set out below have been applied consistently to all years presented in these financial statements.

(a) Revenue

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Group and revenue can be reliably measured. Revenue is measured at the fair value of consideration received, excluding sales taxes. The Group assesses its revenue arrangements against specific criteria to determine if it is acting as the principal or agent in a revenue transaction. The following specific recognition criteria must be met before revenue is recognised:

Revenue from non-exchange transactions

Non-exchange transactions are those where the Group receives an inflow of resources but provides no (or nominal) direct consideration in return.

Subsidies

Residential Care Subsidies, and other District Health Board and service provider contract payments are linked to the provision of quantifiable units of service and revenue is recognised as the Care Centre provides the service.

Taita Home Trust Board Incorporated

Notes to the financial statements For the year ended 31 March 2021

Donations and Volunteers

Donations are recognised as revenue upon receipt. Donations can be received from the general public and can be for a specific purpose or service. Donations are recognised as revenue where possible, but may be held on the balance sheet if considered appropriate. Volunteer time has not been given a financial value in these financial statements.

Revenue from exchange transactions

Fees

Fees are private contributions made by residents. Fees are linked to the provision of quantifiable units of service and revenue is recognised as the Care Centre provides the service.

Interest income

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

Rental income

Rental income is recognised in surplus or deficit on a straight line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

Dividend income

Dividend income is recognised on the date that the Group's rights to receive payments are established.

Rendering of services

Revenue from services rendered is recognised in the surplus or deficit in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to proportion of time remaining under the original service agreement at the reporting date. Amounts received in advance for services to be provided in future periods are recognised as a liability until such time as the service is provided.

Other operating income

Other operating income comprises mainly of receipts from the supply of meals and recoveries of expenses. For meals supplied, the sale is recognised when the meal is supplied and expenses recovered are recognised when the money has been received. The income recorded is the gross amount.

(b) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern over which economic benefits from the leased assets are consumed.

Taita Home Trust Board Incorporated

Notes to the financial statements For the year ended 31 March 2021

(c) Borrowing costs

Borrowing costs relating to a qualifying asset are capitalised as part of the cost of that asset. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in surplus or deficit.

(d) Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or are waived, or the Group has transferred its right to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or when the Group has transferred control of the asset. The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

Financial Assets

Financial assets within the scope of NFP PBE IPSAS 29 *Financial Instruments: Recognition and Measurement* are classified as fair value through surplus or deficit, loans and receivables, held to maturity investments, or available for sale financial assets. The classifications of the financial assets are determined at initial recognition.

The category determines subsequent measurement and whether any resulting income and expense is recognised in surplus or deficit or in other comprehensive revenue and expenses. The Group's financial assets are classified as financial assets at fair value through surplus or deficit, held to maturity or loans and receivables. The Group's financial assets include: cash and cash equivalents, short-term deposits, receivables from exchange and non-exchange transactions as well as investments in equities and mutual funds.

All financial assets except for those at fair value through surplus or deficit are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

Financial assets at fair value through surplus or deficit

Financial assets at fair value through surplus or deficit include financial assets that are either classified as held for trading or that meet certain conditions and are designated at fair value through surplus or deficit upon initial recognition. The Group's investments in mutual funds and other equities fall into this category of financial instruments.

Held to maturity financial assets

Held to maturity investments are investments with fixed or determinable payments and fixed maturities. Investments are classified as held-to-maturity if the Group has the intention and ability to hold them until maturity. Listed bonds fall into this category.

Taita Home Trust Board Incorporated

Notes to the financial statements For the year ended 31 March 2021

Held to maturity financial assets (continued)

Held to maturity investments are measured subsequently at amortised cost using the effective interest rate method. If there is objective evidence the investment is impaired, determined by reference to external credit ratings, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognised in the surplus or deficit reported.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less any impairment losses. The Group's cash and cash equivalents, receivables from exchange transactions and receivables from non exchange transactions fall into this category of financial instruments. Receivables with a short duration are not discounted.

Short term investments

Short term investments comprise term deposits which have a term of greater than three months and therefore do not fall into the category of cash and cash equivalents.

Impairment of financial assets

The Group assesses at the end of reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

For financial assets carried at amortised cost, if there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of a provision account. The amount of the loss is recognised in the surplus or deficit for the reporting period.

In determining whether there is any objective evidence of impairment, the Group first assesses whether there is objective evidence of impairment for financial assets that are individually significant, and individually or collectively significant for financial assets that are not individually significant.

If the Group determines that there is no objective evidence of impairment for an individually assessed financial asset, it includes the asset in a group of financial asset with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment for impairment.

Taita Home Trust Board Incorporated

Notes to the financial statements For the year ended 31 March 2021

Impairment of financial assets (continued)

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting the provision account. If the reversal results in the carrying amount exceeding its amortised cost, the amount of the reversal is recognised in surplus or deficit.

Cash and cash equivalents

Cash and cash equivalents represent highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. This includes cash on hand, deposits held on call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Receivables

Receivables from exchange and non exchange transactions are measured at their cost less any impairment losses. An allowance for impairment is established where there is objective evidence the Group will not be able to collect all amounts due according to the original terms of the receivable. Receivables with a short duration are not discounted.

Financial liabilities

The Group's financial liabilities include trade and other payables as well as borrowings. All financial liabilities are initially recognised at fair value (plus transaction cost for financial liabilities not at fair value through surplus or deficit) and are measured subsequently at amortised cost using the effective interest method except for financial liabilities at fair value through surplus or deficit.

Trade and other payables

Trade and other payables are measured at amortised cost using the effective interest method.

Borrowings

Borrowings are initially recorded at fair value net of transaction costs. After initial recognition all borrowings are measured at amortised cost. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

(e) Employee entitlements

Employee benefits that the Group expect to be settled within 12 months of reporting date are measured at nominal value based on accrued entitlements at current rate of pays. These include salaries and wages accrued up to the reporting date and annual leave earned, but not yet taken at the reporting date.

The Group recognises a liability and an expense for bonuses where they are contractually obliged or where there is a past practice that has created a constructive obligation.

Taita Home Trust Board Incorporated

Notes to the financial statements For the year ended 31 March 2021

(f) Provisions

A provision is recognised for a liability when the settlement amount or timing is uncertain; when there is a present legal or constructive obligation as a result of a past event; it is probable that expenditures will be required to settle the obligation.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

(g) Investment Property

Investment properties are properties held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, for supply of goods or services or for administrative purposes. Investment properties are measured initially at cost, including transaction costs.

Subsequent to initial recognition, investment properties are measured at fair value. Fair value is determined without any deductions for transaction costs it may incur on sale or other disposal. Any gain or losses arising from a change in the fair value of the investment property are recognised as a surplus or deficit in the period that it is incurred. When the investment property becomes an owner-occupied property, the cost for subsequent accounting is its fair value at the date of the change in use.

When an owner-occupied property changes its use to an investment property, the property is remeasured to fair value and any gains arising on remeasurement is recognised in surplus or deficit to the extent that it reverses a previous impairment loss on the specific property, with any remaining gain recognised in other comprehensive revenue and expense and presented in the asset revaluation reserve in equity.

(h) Property, plant and equipment

Property, plant and equipment is measured at cost or revaluation, less accumulated depreciation and any impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Additions

The cost of replacing part of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential will flow to the Group and the cost of the item can be measured reliably.

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value at the acquisition date.

Disposals

When an item of property, plant or equipment is disposed of, the gain or loss recognised in the surplus or deficit is calculated as the difference between the net sale proceeds and the carrying amount of the asset.

Taita Home Trust Board Incorporated

Notes to the financial statements

For the year ended 31 March 2021

Depreciation

Depreciation is charged on a straight line basis on all property, plant and equipment over the estimated useful life of the asset, except for land. Land is not depreciated. The following depreciation rates have been applied to each class of property, plant and equipment:

Buildings	30 - 60 years
Furniture and fittings	3 - 7 years
Plant and machinery	5 -15 years
Motor vehicles	5 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and are adjusted if there is a change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset.

Revaluation

All properties used at the rest home, hospital, day centre, rental properties, and villas are carried at revalued amounts and classified as property, plant and equipment. These properties are held primarily to deliver social services and to meet the wider charitable objectives of the Group. Rental income generated from these properties is considered incidental to this primary purpose. Following initial recognition at cost, land and buildings are carried at re-valued amounts, which is the fair value at the date of the revaluation less any accumulated impairment losses. Fair value is reported less any costs that would be necessary to sell the assets.

Fair value is determined by external professional valuers with sufficient experience with respect to both the location and the nature of the property, supported by market evidence. 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 reporting date.

Any revaluation surplus is recognised in other comprehensive income and credited to the property revaluation reserve in equity, unless the increase relates to a revaluation decrease of the same asset previously recognised in the surplus or deficit.

Any revaluation deficit is recognised in other comprehensive income and credited to the property revaluation reserve in equity to the extent of the revaluation reserve balance accumulated from previous year gains. When no revaluation reserve balance is available to offset a revaluation loss the revaluation deficit is reported within the surplus or deficit for the year. Property revaluations are carried out every 3 to 5 years.

Impairment

At each reporting date, the carrying amounts of tangible and any intangible assets are reviewed to determine whether there is any indication of impairment. If any such indication exists for an asset, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

Taita Home Trust Board Incorporated

Notes to the financial statements For the year ended 31 March 2021

Impairment (continued)

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses directly reduce the carrying amount of assets and are recognised in the reported surplus or deficit.

The estimated recoverable amount of an asset is the greater of their fair value less costs to sell and value in use. Value in use is determined by estimating future cash flows from the use and ultimate disposal of the asset and discounting to their present value using a discount rate that reflects current market rates and risks specific to the asset. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indicators exist, the Group estimates the asset's recoverable amount, to measure the reversal of any previous period impairment charges. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Reversals of impairment are recognised in the surplus or deficit.

(i) Occupation right agreement deposits

Occupation Right Agreements (ORAs) transfer to residents the right of occupancy of a retirement village unit for life, or until the resident terminates the agreement. The original purchase price paid (the "advance") under the ORA is repayable to the resident on termination of the ORA and is therefore recognised as a liability from receipt of the original purchase price, net of management fees. The ORA advance is interest free and payable on demand.

Amounts payable under ORAs are classified as financial instruments and are initially recognised at fair value. Subsequent to initial recognition ORAs are carried at fair value. The occupancy advance is non interest bearing. The resident shares in the capital gain on resale or termination of the ORA and therefore the ORA is carried at fair value, which is 85% of market value of the unit.

The advance is repayable following both termination of the ORA and settlement of a new ORA for the same retirement village unit (or a period of 9 calendar months following termination date, which ever is shorter).

The amount repayable under the ORAs is typically 85% of the market value of the unit on resale or termination by the resident (95% if terminated within one year of entering into the agreement). The ORA liability is recognised at 85% of the market value at the balance date. The remaining 15% is recognised as consideration paid for management of the unit by the Group, and is initially recognised as a liability, and recorded as deferred Villa management fees.

Management fees in respect of retirement village units are recognised on a straight line basis over the period of service, being the expected life of the ORA based on historical experience. Currently the estimated life of an ORA is 5 years based on industry averages.

Taita Home Trust Board Incorporated

Notes to the financial statements For the year ended 31 March 2021

(j) Income tax

Due to its charitable status, the Group is exempt from income tax.

(k) Goods and Services Tax (GST)

All amounts in these financial statements are shown exclusive of GST, except for receivables and payables that are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the Statement of Financial Position.

(l) Nature and Purpose of Reserves

Retirement Village Reserve

This equity fund is a maintenance reserve. It was set up to hold operating surpluses generated by the Retirement Village. Funds can be used to pay for refurbishment and maintenance costs relating to the Retirement Village.

Asset Revaluation Reserve

The asset revaluation reserve holds gains on revaluation of property, plant and equipment and investment property. Revaluation gains are recognised in the asset revaluation reserve unless if they reverse revaluation losses on the same asset that were previously recognised in the income statement. The reserve can be used to reverse subsequent revaluation losses for those assets whose revaluation gains were previously allocated to the reserve.

4 Aroha Retirement Village

The Trust owns the villas and flats which comprise the operations of the Aroha Retirement Village (the "village"). The Trust acts as the owner and operator of the Village and with the ownership of the land and buildings deals with the total management of the Village. All assets, liabilities, income and expenses related to the operations of the Village are reported within the Trust's financial statements.

Summary of village operating surplus for the year

	2021	2020
	\$	\$
<u>Income</u>		
Interest Income	1,570	-
Levies received	21,658	22,134
Villa Occupation fees	27,358	19,178
Villa rents	-	2,475
	<hr/>	<hr/>
	50,586	43,787
<u>Expenses</u>		
Administration & General	9,785	10,406
Insurance & Valuation	9,217	7,366
Maintenance	15,348	6,599
	<hr/>	<hr/>
	34,350	24,371
Village Operating surplus	<hr/> <hr/>	<hr/> <hr/>
	16,236	19,416

Taita Home Trust Board Incorporated

Notes to the financial statements For the year ended 31 March 2021

	2021	2020
	\$	\$
5 Rental income		
Molesworth Street rental income	182,850	173,171
Aroha Retirement Village Unit rentals	-	2,475
Total	<u>182,850</u>	<u>175,646</u>
6 Overheads and administrative expenses		
The following items made up part of the surplus/(deficit) for the year:		
Insurance	94,878	79,723
Rates	34,525	31,423
Auditors remuneration for audit of financial statements	28,750	29,316
7 Operating leases		
Non-cancellable operating lease payments due:		
Not later than one year	Nil	Nil
Later than one and not later than five years	Nil	Nil
Later than five years	Nil	Nil
8 Cash and term deposits		
Cash at bank and in hand	201,525	501,075
Call deposits	1,491,483	313
Term deposits	1,033,113	1,714,622
Total	<u>2,726,121</u>	<u>2,216,010</u>
Cash at bank earns varying interest rates based on daily deposit rates. Term deposits all mature within 12 months of balance date.		
The BNZ has an all obligations unlimited interlocking company guarantee between Aroha and Taita. No arrangements to have this guarantee discharged have been executed.		
9 Trade and other receivables		
Exchange		
Fees	101,920	73,916
Villa Receivables	104,070	-
Accrued interest	18,934	32,110
Total	<u>224,923</u>	<u>106,026</u>
Non exchange		
Subsidies and contract revenue	250,835	301,488
Total	<u>250,835</u>	<u>301,488</u>
10 Investments		
<i>Classified as: Current Assets</i>		
New Zealand Fixed Interest Bonds	62,200	52,900
Term Deposits	1,033,113	1,714,622
New Zealand Equity Investments	256,136	176,677
Total	<u>1,351,449</u>	<u>1,944,199</u>

Taita Home Trust Board Incorporated

Notes to the financial statements For the year ended 31 March 2021

11 Investment Property

Opening balance	4,360,000	3,770,000
Revaluation gain/(loss)	2,145,000	590,000
	6,505,000	4,360,000

Investment properties comprise of nine residential properties rented out to third parties, and one vacant section. Investment properties are carried at fair value, based on independent 2021 valuations performed by Nathan Stokes & Associates. (2020: Nathan Stokes & Associates). The valuations conform to New Zealand Valuation Standards, and was arrived at by reference to market sales evidence for similar properties.

The BNZ has a perfected security interest and registered mortgages over each property. There is no lending in place as all mortgages have been repaid. Arrangements to the mortgages discharged have not been executed.

12 Property, Plant and Equipment

Movements for each class of property, plant and equipment is as follows:

	Furniture and fittings	Plant and machinery	Motor vehicles
Cost or valuation	\$	\$	\$
Balance 1 April 2019	426,178	165,787	63,803
Additions	35,038	-	-
Balance 31 March 2020	461,216	165,787	63,803
Additions	15,784	42,934	-
Balance 31 March 2021	477,000	208,721	63,803
Accumulated depreciation and impairment			
Balance 1 April 2019	370,665	91,631	62,718
Depreciation	33,250	10,361	1,085
Balance 31 March 2020	403,915	101,992	63,803
Current year depreciation	23,546	10,971	-
Balance 31 March 2021	427,461	112,963	63,803
Balance at 31 March 2020	57,301	63,795	-
Balance at 31 March 2021	49,539	95,758	-

Taita Home Trust Board Incorporated

Notes to the financial statements For the year ended 31 March 2021

Property, Plant and Equipment (continued)

	Land	Buildings and Improvements	Total
Cost & Valuation			
Balance 1 April 2019	1,833,000	12,013,458	14,502,226
Additions	-	-	35,038
Balance 31 March 2020	1,833,000	12,013,458	14,537,264
Additions	-	59,232	117,948
Revaluation	874,000	1,855,123	2,729,123
Balance 31 March 2021	2,707,000	13,927,813	17,384,335
Accumulated depreciation and impairment			
Balance 1 April 2019	-	3,041,457	3,566,471
Depreciation	-	285,730	330,426
Balance 31 March 2020	-	3,327,187	3,896,897
Current year depreciation	-	285,620	320,137
Balance 31 March 2021	-	3,612,807	4,217,034
Net book value 31 March 2020	1,833,000	8,686,270	10,640,366
Net book value 31 March 2021	2,707,000	10,315,006	13,167,298

Land and building improvements are carried at fair value, which has been based on valuations performed by Paul Smith ANZIV, SPINZ as at 31 March 2021. Valuations are performed every three years. The valuation, which conforms to New Zealand Valuation Standards, was arrived at by reference to market evidence of recent transactions for similar properties.

Ultimate ownership of the Retirement Village villas and flats are subject to Occupation Right Agreements. Ownership remains with the Trust at all times, so the ability to immediately sell the land and buildings is restricted until the Occupation Right Agreement is terminated.

All owned properties subject to lease agreements are leased out under operating leases and are all cancellable by the tenant or the Trust within 12 months (2020: 12 months).

13 Trade and other payables	2021	2020
	\$	\$
Trade payables from exchange transactions	135,058	262,720
Employee entitlements	464,037	377,033
GST	53,233	44,233
Total	652,328	683,986

Trade and other payables are non-interest bearing and normally settled on 30 day terms; therefore their carrying amount approximates their fair value.

Taita Home Trust Board Incorporated

Notes to the financial statements For the year ended 31 March 2021

14 Occupation right agreement deposits

Occupation Right Agreements (ORAs) transfer to residents the right of occupancy of a retirement village unit for life, or until the resident terminates the agreement.

The original purchase price paid (advance) under the ORA is repayable to the resident on termination of the ORA and is therefore recognised as a liability from receipt of the original purchase price, net of management fees. The ORA advance is interest free and payable on demand.

	2021	2020
	\$	\$
Opening balance	1,296,250	1,296,250
New ORA liabilities during the year	223,125	-
Fair valuation increase	857,154	-
Terminated ORA's during the year	(158,029)	-
Closing balance	2,218,500	1,296,250

15 Deferred management fees

The Villa management fees are included in the original purchase price of the occupation right agreement and these fees are deducted from the amount payable by the Group to the resident upon termination of the agreement (being 85% of the fair value at the termination date). On initial receipt of consideration paid by the resident, a portion of the amount paid is allocated to villa deferred management fees. This balance is then recognised as income over the average estimated life of current occupation right agreements.

Opening balance	35,203	54,380
Management fee taken to revenue	12,017	(19,177)
Closing balance	47,220	35,203

16 Categories of financial assets and liabilities

Financial assets	2021	2020
	\$	\$
Cash and cash equivalents	1,693,008	501,388
Term Deposits	1,033,113	1,714,622
Receivables from exchange transactions	224,923	106,026
Receivables from non exchange transactions	250,835	301,488
	3,201,880	2,623,524

Financial assets at fair value through surplus or deficit

Investments	1,351,449	176,677
	1,351,449	176,677

Financial liabilities

At amortised cost

Trade and other payables	599,095	639,754
Occupation right agreement deposits	2,218,500	1,296,250
	2,817,595	1,936,004

Taita Home Trust Board Incorporated
Notes to the financial statements
For the year ended 31 March 2021

17 Capital commitments

There were no capital commitments at the end of the year (2020: nil).

18 Contingent assets and liabilities

There are no contingent assets at the reporting date (2020: Nil).

A dispute involving substandard asphalt repairs began in September 2020. An expert's formal report supports managements view that poor workmanship must be rectified . Taita's lawyers have been instructed to use the expert's report to negotiate a reduced fee including legal costs, or have the driveway repaired. Taita has not paid the contractor, but has accrued the total invoice for \$27k incl GST as at 31 March 2021. (2020: nil)

19 Related party transactions

The Group has a related party relationship with its Board Members, subsidiaries and other key management personnel. The Taita Home Trust Board Governing Body is the ultimate controlling party of the Group.

Transactions with related parties

The Trust has a related party relationship with the Aroha Care Centre for the Elderly (the "Care Centre"), a subsidiary of the Trust for financial reporting purposes. The Trust maintains an oversight of the operation of the Care Centre and has the power to appoint all the Trustees to the Care Centre Trust Board. The Taita Trust Board has given a letter of comfort that it would meet obligations to relating to Care Centre excess of liabilities over assets. Transactions and balances between the Trust and the Care Centre are eliminated on consolidation.

ARL Lawyers act as solicitors for the Trust. The Trust has a related party relationship with ARL Lawyers as one of the Board members is also a Partner in the legal firm.

Transactions		2021	2020
Related Party	Nature of transaction	\$	\$
ARL Lawyers	Legal fees	12,320	1,660

Key management personnel

The key management personnel, as defined by PBE IPSAS 20 Related Party Disclosures, are the members of the governing body which is comprised of the Board of Trustees, the Principal Nurse Manager, the Clinical Nurse Manager and the Finance Manager. No remuneration is paid to members of the Board of Trustees, and no direct remuneration is paid to the management team by Taita. An inter entity administration fee is paid by Taita to Aroha for management services. The aggregate remuneration of key management personnel and the number of individuals, determined on a full-time equivalent basis, receiving remuneration in Taita's wholly owned subsidiary The Aroha Care Centre for the Elderly is as follows:

	2021	2020
	\$	\$
Key management personnel compensation		
Total remuneration	381,641	349,057
Number of persons	3	3

Except as disclosed above there are no other related party transactions.

20 Events after the reporting date

Taita is negotiating a property purchase and if successful, would cost approximately \$700k; Previous Year 2020; a dispute involving substandard asphalt repairs began in September 2019. During the year, Taita paid a negotiated reduced fee to the liquidator, as the company had entered liquidation.



21 Covid 19 Impact

The Covid19 pandemic has impacted the usual daily operations of Aroha, a wholly owned subsidiary of the Taita Home Trust Board. During level 3 and 4 residents were in lockdown and families and friends were not allowed to visit.

The financial impact has been low. WINZ has paid Aroha a Covid19 Essential Workers subsidy. This was used to pay up to twelve (of 85) staff members who were on vulnerable workers leave.

The Day Care centre has been closed periodically and the day care staff re-assigned to Aroha duties.

There have been delays in new resident admissions during April to September 2020 resulting in a revenue reduction for April and May 2020. Some additional expenses on personal protective equipment has been offset by a \$55k Covid19 expenses payment from the DHB. Management believe there are no financial issues regarding financial viability, and all operations and entities continue to operate as a going concern.

Independent Auditor's Report

Grant Thornton New Zealand Audit Limited
L15, Grant Thornton House
215 Lambton Quay
PO Box 10712
Wellington 6143
T +64 4 474 8500
F +64 4 474 8509
www.granthornton.co.nz

To the Taita Home Trust Board Incorporated

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Taita Home Trust Board Incorporated (the "Group") on pages 3 to 22 which comprise the consolidated statement of financial position as at 31 March 2021, and the consolidated statement of comprehensive revenue and expenses, consolidated statement of changes in net assets and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 March 2021 and of its financial performance and cash flows for the year then ended in accordance with Public Benefit Entity International Public Sector Accounting Standards (Not For Profit) Reduced Disclosure Regime issued by the New Zealand Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the consolidated Financial Statements* section of our report. We are independent of the Group in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, the Group.

Trustee's Responsibilities for the consolidated Financial Statements

The Trustees are responsible on behalf of the Group for the preparation and fair presentation of these consolidated financial statements in accordance with Public Benefit Entity International Public Sector Accounting Standards (Not for Profit) Reduced Disclosure Regime issued by the New Zealand Accounting Standards Board, and for such internal control as those charged with governance determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Trustees on behalf of the Group are responsible for assessing the Group'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 Trustees either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the Audit of the consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the External Reporting Board's website at: <https://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-7/>

Restriction on use of our report

This report is made solely to the Group's Trustees. Our audit work has been undertaken so that we might state to the Group's Trustees, 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 Group's shareholders, as a body for our audit work, for this report or for the opinion we have formed.

Grant Thornton New Zealand Audit Limited

Grant Thornton

Sara Moonlight

Partner

Wellington

28 June 2021

