

Annie Brydon Village Limited

Annual Report and Financial Statements

For the Year Ended 31 March 2025

Annie Brydon Village Limited
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For the Year Ended 31 March 2025

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Annie Brydon Village Limited
Company Directory
For the Year Ended 31 March 2025

Nature of Business	The principal activity of the Company during the year was the operation of a retirement village
Registered Office	Simpson Grierson Level 27, 88 Shortland Street Auckland Central Auckland 1010
Directors	Norah Kathleen Barlow Harm Peter Nijmeijer Brent Aaron Pattison (appointed on 20 January 2025)
Auditor	Ernst & Young
Banker	Bank of New Zealand Limited
Legal Advisor	Simpson Grierson

Annie Brydon Village Limited

Directors' Report

For the Year Ended 31 March 2025

The Directors present their Annual Report including the Financial Statements of the Company for the year ended 31 March 2025.

As required by Section 211 of the Companies Act 1993 we disclose the following information:

Nature of Business

The nature of the Company's business has not changed during the year ended 31 March 2025.

Results

The profit for the Company after taxation was \$1,391k (2024: Profit of \$862k).

Dividends

The Directors recommend that no dividend be paid (2024: None).

Audit Fees

The Company's auditor is Ernst & Young. Ernst & Young were appointed in August 2017 and have indicated their willingness to continue as the Company's auditor. The following payments were made to Ernst & Young during the year ended 31 March 2025:

Auditor Payments (\$'000)	31 March 2025	31 March 2024
Audit fees	7	6
	7	6

Directors

The Directors of the Company during the year ended 31 March 2025 were:

Norah Kathleen Barlow
Harm Peter Nijmeijer
Brent Aaron Pattison (appointed 20 January 2025)

Directors' Disclosures

The Directors have no additional disclosures for the year ended 31 March 2025 (2024: None).

Directors' Fees

The Directors were not paid any fees by the Company during the year ended 31 March 2025 (2024: None).

Donations

The Company made no donations during the year ended 31 March 2025 (2024: None).

Annie Brydon Village Limited
Directors' Report
For the Year Ended 31 March 2025

Employee Remuneration

There were no employees remunerated over \$100,000 by the Company during the year ended 31 March 2025 (2024: None).

For and on behalf of the Board of Directors:



Director

28 July 2025

Date:



Director

28 July 2025

Date:

Annie Brydon Village Limited
Statement of Comprehensive Income
For the Year Ended 31 March 2025

(\$'000)	Note	31 March 2025	31 March 2024
Total revenue	2	690	739
Administration costs		(34)	(24)
Depreciation	9	(279)	(278)
Direct costs		(14)	(12)
Employee costs	3	(143)	(147)
Management fees		(69)	(67)
Operating overheads		(319)	(255)
Operating profit/(loss) from villages	3	(168)	(44)
Change in fair value of investment property	10	2,004	1,316
Profit/(loss) before net finance costs		1,836	1,272
Finance income	4	6	7
Finance costs	4	(471)	(629)
Profit/(loss) before tax		1,371	650
Income tax (expense)/credit	5	20	212
Profit/(loss) after tax		1,391	862
Other Comprehensive Income		-	-
Total comprehensive income		1,391	862

The financial statements should be read in conjunction with the accompanying notes.

Annie Brydon Village Limited
Statement of Changes in Equity
For the Year Ended 31 March 2025

(\$'000)	Note	Retained Earnings	Revaluation Reserve	Share Capital	Total Equity
Balance as at 1 April 2023		4,706	3,261	1,250	9,217
Profit/(loss) for the year		862	-	-	862
Total comprehensive income		862	-	-	862
Balance as at 31 March 2024		5,568	3,261	1,250	10,079
Profit/(loss) for the year		1,391	-	-	1,391
Total comprehensive income		1,391	-	-	1,391
Balance as at 31 March 2025		6,959	3,261	1,250	11,470

The financial statements should be read in conjunction with the accompanying notes.

Annie Brydon Village Limited
Statement of Financial Position
As at 31 March 2025

(\$'000)	Note	31 March 2025	31 March 2024
Assets			
Cash and cash equivalents	6	1	-
Trade and other receivables	7	26	28
Related party advances	8	3,051	3,410
Property, plant and equipment	9	7,549	7,715
Investment property	10	20,887	18,730
Deferred tax asset	5	553	533
Total assets		32,067	30,416
Liabilities			
Trade and other payables	11	29	22
Employee entitlements	12	5	6
Residents' loans	14	12,378	12,038
Liabilities related to Sale and purchase Agreement		8,185	8,271
Total liabilities		20,597	20,337
Net assets		11,470	10,079
Equity			
Share capital	15	1,250	1,250
Reserves		3,261	3,261
Retained earnings		6,959	5,568
Total equity		11,470	10,079

For and on behalf of the Board of Directors, these financial statements were authorised for issue on 28 July 2025.



Director



Director

28 July 2025

Date

28 July 2025

Date

The financial statements should be read in conjunction with the accompanying notes.

Annie Brydon Village Limited
Statement of Cash Flows
For the Year Ended 31 March 2025

(\$'000)	Note	31 March 2025	31 March 2024
Cash Flows from Operating Activities			
Village services		546	757
Residents' loans – new Occupation Right Agreements		2,542	4,240
Residents' loans – resale of Occupation Right Agreements (net)		(2,057)	(2,982)
Payments to suppliers and employees		(573)	(516)
Net cash inflow/(outflow) from operating activities	16	458	1,499
Cash Flows from Investing Activities			
Purchase of property, plant and equipment		(113)	(3)
Purchase of investment property		(153)	(121)
Net cash (outflow)/inflow from investing activities		(266)	(124)
Cash Flows from Financing Activities			
Advances from/(payments to) related parties		(191)	(1,375)
Net cash (outflow)/inflow from financing activities		(191)	(1,375)
Net (decrease)/increase in cash and cash equivalents		1	-
Cash and cash equivalents at the beginning of the year		-	-
Cash and cash equivalents at the end of the year	6	1	-

The financial statements should be read in conjunction with the accompanying notes.

Annie Brydon Village Limited

Notes to the Financial Statements

For the Year Ended 31 March 2025

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES

Reporting Entity

Annie Brydon Village Limited (the “Company”) is a for-profit, limited liability company incorporated and domiciled in New Zealand. The Company is registered under the Companies Act 1993.

The financial statements presented for the year ended 31 March 2025 are for the Company.

The Company is in the business of owning and operating a retirement village for the elderly in New Zealand.

These financial statements have been authorised for issue by the Board of Directors on 28 July 2025.

Basis of Preparation

These financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (“NZ GAAP”) and comply with the New Zealand equivalents to International Financial Reporting Standards - Reduced Disclosure Regime (“NZ IFRS (RDR)”).

The Company is eligible to report in accordance with NZ IFRS (RDR) on the basis that it does not have public accountability and is not a large for-profit public sector entity. In applying NZ IFRS (RDR), the Company has applied a number of disclosure concessions.

These financial statements have been prepared under the going concern basis.

These financial statements have been prepared under the historical cost measurement basis, as modified by the revaluation of land and buildings used to provide aged care services, and investment properties held to earn rental income or for capital appreciation.

These financial statements have been presented in New Zealand dollars (\$), which is the functional currency of the Company. All values are rounded to the nearest thousand (\$'000) unless otherwise stated.

These financial statements have been presented with all amounts shown exclusive of goods and services tax (“GST”), except for trade receivables and trade payables, and except where the amount of GST incurred is not recoverable. When this occurs, GST is recognised as part of the cost of the asset or as an expense, as applicable.

Critical Accounting Estimates and Judgements

The preparation of these financial statements, in accordance with NZ IFRS (RDR), 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. Actual results may differ from those estimates.

Annie Brydon Village Limited

Notes to the Financial Statements

For the Year Ended 31 March 2025

Estimates and assumptions are regularly evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The principal areas of judgement in preparing these financial statements are described in the following notes:

Note 2	Deferred Management Fees
Note 5	Deferred Taxation
Note 7	Expected Credit Losses
Note 9	Useful Life of Property, Plant and Equipment
Note 10	Valuation of Investment Property

Accounting Policies

Accounting policies that summarise the measurement basis used and that are relevant to an understanding of these financial statements, are provided throughout the accompanying notes.

The accounting policies used have been applied consistently throughout the periods presented in these financial statements.

The Company adopted all mandatory new and amended NZ IFRS Standards and Interpretations.

New Standards and Interpretations Not Yet Adopted

In April 2024 the International Accounting Standards Board issued a new standard, IFRS 18: *Presentation and Disclosure in Financial Statements*. The objective of the standard is to set out the overall requirement for presentation and disclosures in the financial statements. The new standard introduces new requirements on presentation within statement of profit or loss by introducing new sub-categories. It also requires disclosure of management-defined performance measures and includes new requirements for aggregation and disaggregation of financial information on the face of the primary statements and in the supporting notes. The Group is current assessing the impact of the amendments will have on current practice.

The standard is effective for annual reporting periods beginning on or after 1 January 2027, with early adoption permitted. The Group has not adopted, and currently does not anticipate adopting, any standards prior to their effective dates.

There are no other standards or amendments that have been issued but are not yet effective that are expected to have a significant impact on the Group.

Annie Brydon Village Limited

Notes to the Financial Statements

For the Year Ended 31 March 2025

2. TOTAL REVENUE

Village fees associated with the provision of care services are recognised over the period in which the services are rendered.

Village fees include both deferred management fees and village services fees. Deferred management fees entitle residents to accommodation and the use of community facilities within the village. They are recognised on a straight-line basis over the period of service, being the greater of the expected period of tenure or the contractual right to revenue. Village services fees relate to the operating costs of the village. Revenue is recognised based on the monthly fees charged.

Rental income from investment property is recognised on a straight-line basis over the term of the lease. No rent is charged to related parties that utilise the care home assets included in property, plant and equipment.

Other income includes income derived from resident recoveries and other sundries for services provided to residents such as meals and cleaning, which are recognised in the period the service is rendered.

Total revenue includes the following:

Total Revenue (\$'000)	31 March 2025	31 March 2024
Village fees	690	739
	690	739

Key Judgements and Estimates

Deferred management fees are recognised as revenue on a straight-line basis. This requires management to estimate the period of occupancy for units. The expected occupancy periods are estimated for each village based on historical results and on the profile of current residents. Occupancy periods have been estimated at between 4.3 – 7.6 years (2024: 2.9 – 12.7 years) per note 10.

Annie Brydon Village Limited
Notes to the Financial Statements
For the Year Ended 31 March 2025

3. OPERATING PROFIT/(LOSS) FROM VILLAGES

Employment expenses relate to wages and salaries of employees which includes holiday pay and employee incentives. These expenses are recognised as the benefit accrues to the employee.

Property expenses relate to costs associated with running a retirement village such as rates, insurance, repairs and maintenance, purchases of consumables and power costs. These expenses are recognised as they are incurred.

Operating profit/(loss) from villages includes the following:

Costs (\$'000)	31 March 2025	31 March 2024
Employee benefit costs		
Salaries and wages	141	145
KiwiSaver contributions	1	2
	142	147
Auditor's remuneration and other fees paid to non-EY audit firms		
Audit or review of financial statements		
<i>Audit of the financial statements performed by EY</i>	7	6
Total audit or review of financial statements	7	6
Total fees for services provided by EY	7	6
Rental and operating lease costs	-	3

Annie Brydon Village Limited

Notes to the Financial Statements

For the Year Ended 31 March 2025

4. NET FINANCE COSTS

Finance costs include interest expense on borrowings and are recognised using the effective interest method. Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use.

Net finance costs include the following:

Total Finance Income (\$'000)	31 March 2025	31 March 2024
Interest income on loans and receivables	6	7
	6	7

Total Finance Expenses (\$'000)	31 March 2025	31 March 2024
Interest expense on financial liabilities measured at amortised cost	471	629
	471	629

5. INCOME TAX

Income tax expense includes current and deferred tax and is recognised in profit or loss except to the extent that it relates to items recognised directly in other comprehensive income, in which case it is recognised in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustments to tax payable in respect of previous years. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable). The applicable tax rate is 28% (2024: 28%).

Deferred tax is recognised in respect of temporary differences between the net book value of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- the initial recognition of goodwill
- the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Annie Brydon Village Limited

Notes to the Financial Statements

For the Year Ended 31 March 2025

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis. A deferred tax asset is recognised only to the extent that it is probable it will be utilised.

Income Tax Expense/(Credit)

	31 March 2025	31 March 2024
Total Income Tax Expense/(Credit) (\$'000)		
Deferred tax	(20)	(212)
	(20)	(212)

The prima facie income tax expense on pre-tax accounting profit from operations reconciles to the income tax expense in the financial statements as follows:

	31 March 2025	31 March 2024
Reconciliation to Profit/(Loss) Before Tax (\$'000)		
Profit/(loss) before tax	1,371	650
Taxation @ 28%	384	182
Tax effect of:		
Prior year over/(under) provision	131	(8)
Deferred tax on property, plant and equipment	26	(2)
Non-taxable income	(561)	(384)
	(20)	(212)

Imputation Credits

The imputation credit balance for the Company as at 31 March 2025 is Nil (2024: Nil).

Annie Brydon Village Limited

Notes to the Financial Statements

For the Year Ended 31 March 2025

Deferred Tax

Movement in the deferred tax (asset)/liability is as follows:

Total Deferred Taxation (\$'000)	Opening Balance	Charged/ (Credited) to Profit or Loss	Closing Balance
Deferred management fee revenue in advance	(148)	(31)	(179)
Property, plant and equipment	2,218	(77)	2,141
Liabilities related to Sale and purchase Agreement	(2,290)	(26)	(2,316)
Provisions and other accruals	6	(14)	(8)
Tax losses carried forward	(106)	(65)	(171)
Balance as at 31 March 2024	(320)	(213)	(533)
Deferred management fee revenue in advance	(179)	(80)	(259)
Property, plant and equipment	2,141	(49)	2,092
Liabilities related to Sale and purchase Agreement	(2,316)	24	(2,292)
Provisions and other accruals	(8)	(1)	(9)
Tax losses carried forward	(171)	86	(85)
Balance as at 31 March 2025	(533)	(20)	(553)

Key Judgements and Estimates

The Company has assumed that the net book value of investment property will be recovered through sale, and deferred tax has been calculated on that basis.

Annie Brydon Village Limited
Notes to the Financial Statements
For the Year Ended 31 March 2025

6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, deposits held at call with banks and bank overdrafts.

Total cash and cash equivalents include the following:

Total Cash and Cash Equivalents (\$'000)	31 March 2025	31 March 2024
Bank balances	1	-
	1	-

7. TRADE AND OTHER RECEIVABLES

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate, less an allowance for impairment.

Trade receivables generally have terms of 30 days and are interest free. Trade receivables of a short-term duration are not discounted.

Key Judgements and Estimates

The loss allowance (if any) is made up of expected credit losses based on an assessment of trade receivables debt at the individual level for impairment.

Total trade and other receivables include the following:

Total Trade and Other Receivables (\$'000)	31 March 2025	31 March 2024
Trade receivables	23	27
Other receivables	3	1
	26	28

Impairment

The Company assesses impairment of trade receivables based on the type of debtor as they possess shared credit risk characteristics. Any impairment is recognised in the income statement when it is incurred.

Annie Brydon Village Limited

Notes to the Financial Statements

For the Year Ended 31 March 2025

8. RELATED PARTY TRANSACTIONS

The Company's immediate parent company is Heritage Lifecare Limited. The ultimate holding company is HLL Holdco Limited, which prepares consolidated financial statement.

The Company had the following transactions with related parties during the year:

(\$'000)	Relationship	Services	Advances Owing From Movement	Nature of Transactions
Heritage Lifecare (BPA) Limited	Subsidiary	-	(1)	AP
Heritage Lifecare Limited	Parent	2	(961)	AP, AR, Interco Jnls
Heritage Lifecare Villages Limited	Subsidiary	-	601	Village Settlements

All related party transactions were conducted in the normal course of business.

The majority of the Company's transactions are processed through the bank account of its immediate parent, Heritage Lifecare Limited, with the exception of village unit settlement funds, which are received directly into the bank account of Heritage Lifecare Villages Limited, on behalf of all group villages except GHG Villages.

Annie Brydon Village Limited
Notes to the Financial Statements
For the Year Ended 31 March 2025

The year-end balances with related parties are as follows:

(\$'000)	Services Paid	Advances Owing From	Advances Owing To
2024			
Cantabria Village Limited	-	3	-
Clutha Views Village Limited	-	2	-
Edith Cavell Village Limited	-	2	-
George Manning Village Limited	-	2	-
Heritage Lifecare (BPA) Limited	-	19	-
Heritage Lifecare Limited	67	2,469	-
Heritage Lifecare Villages Limited	-	908	-
Palms Retirement Village Limited	-	3	-
Roseneath Lifecare Village Limited	-	2	-
Balance as at 31 March 2024	67	3,410	-
2025			
Cantabria Village Limited	-	3	-
Clutha Views Village Limited	-	2	-
Edith Cavell Village Limited	-	2	-
George Manning Village Limited	-	2	-
Heritage Lifecare (BPA) Limited	-	18	-
Heritage Lifecare Limited	69	1,509	-
Heritage Lifecare Villages Limited	-	1,510	-
Palms Retirement Village Limited	-	3	-
Roseneath Lifecare Village Limited	-	2	-
Balance as at 31 March 2025	69	3,051	-

No interest is paid on advances from related parties and no security is provided. The advances are repayable on demand.

Impairment

No impairment losses have been recognised during the year ended 31 March 2025 (2024: None recognised).

Annie Brydon Village Limited

Notes to the Financial Statements

For the Year Ended 31 March 2025

9. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment includes care facilities and corporate assets held for administrative purposes.

Property, plant and equipment are initially recorded at cost. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent to initial recognition, land and buildings associated with the provision of aged care services are recorded at a revalued amount, which is the fair value at the date of revaluation less any subsequent accumulated depreciation on buildings and accumulated impairment losses, if any, since the assets were last revalued. Other items of plant and equipment are subsequently measured at cost less accumulated depreciation and accumulated impairment losses, if any.

If the net book value is increased as a result of a revaluation, the increase is recognised as other comprehensive income, however, the increase is recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss. Any decrease in net book value as a result of a revaluation is recognised in profit or loss unless it offsets a previous surplus of the same asset in other comprehensive income.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Company. Ongoing repairs and maintenance is expensed as incurred.

For plant and equipment, depreciation is based on the cost of an asset less its residual value. Where significant components of individual assets have a useful life that is different from the remainder of those assets, those components are depreciated separately.

Depreciation is recognised on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment, with the exception of land, which is not depreciated. Assets under construction are not subject to depreciation. Depreciation methods, useful lives and residual values are reviewed at reporting date and adjusted if appropriate.

During the 2022 financial year, the Company entered into a Sale and purchase Agreement with Centuria Capital Limited, resulting in the sale and leaseback of a core part of the Company's property portfolio. Settlement of the transaction was 19 April 2022. The care facilities' land and buildings included in this transaction are recognised under "Land & Buildings". The initial recognition of these care facilities' land and buildings is based on the proceeds of the transaction (\$8,287k). After the initial recognition, the assets associated with the provision of aged care services are recorded at fair value, less any subsequent accumulated depreciation and accumulated impairment losses. The Group determines the assets' fair value internally using a discounted cash flow valuation model. Depreciation on these assets is recognised on a straight-line basis over the term of the lease agreement of 30 years.

Annie Brydon Village Limited

Notes to the Financial Statements

For the Year Ended 31 March 2025

Key Judgements and Estimates

The estimated useful lives for the current and comparative years of significant items of property, plant and equipment are as follows:

Buildings	50 years
Land & Buildings related to Sale and purchase Agreement	30 years
Chattels & Furniture	2 – 10 years

Movement in property, plant and equipment is as follows:

Total Property, Plant and Equipment (\$'000)	Land & Buildings	Chattels	Total
Cost or Valuation			
Opening cost as at 1 April 2023	8,400	4	8,404
Additions	3	-	3
Total cost or valuation as at 31 March 2024	8,403	4	8,407
Accumulated Depreciation			
Opening accumulated depreciation as at 1 April 2023	(413)	(1)	(414)
Depreciation	(278)	-	(278)
Total accumulated depreciation as at 31 March 2024	(691)	(1)	(692)
Net book value as at 31 March 2024	7,712	3	7,715
Cost or Valuation			
Opening cost as at 1 April 2024	8,403	4	8,407
Additions	113	-	113
Total cost or valuation as at 31 March 2025	8,516	4	8,520
Accumulated Depreciation			
Opening accumulated depreciation as at 1 April 2024	(691)	(1)	(692)
Depreciation	(279)	-	(279)
Total accumulated depreciation as at 31 March 2025	(970)	(1)	(971)
Net book value as at 31 March 2025	7,546	3	7,549

Annie Brydon Village Limited

Notes to the Financial Statements

For the Year Ended 31 March 2025

Security

As at 31 March 2025, land and buildings with a net book value of \$7,546k (2024: \$8,403k) are subject to a first mortgage to secure bank loans held by the immediate holding company, Heritage Lifecare Limited. The HLL Holdco Limited (the parent company) Group debt is also secured over the land and buildings held by the Company. The mortgage ranks behind the encumbrance over investment property held by the Statutory Supervisor (see Note 10).

10. INVESTMENT PROPERTY

Investment property is property (land or buildings) held to earn rental or for capital appreciation, rather than for use by the Company in the ordinary course of business or held for sale. They include land and buildings, equipment and furnishings relating to retirement village units and community facilities, including units and facilities under development.

All retirement village units that are contracted with an occupation right agreement are classified as investment property as the majority of the net operating cash flows generated are for the purpose of earning rental income and capital appreciation.

Investment property is initially recognised at cost and subsequently measured at fair value, with any change in fair value recognised in the profit or loss. Depreciation is not charged on investment property.

Movement in investment property is as follows:

Total Investment Property (\$'000)	31 March 2025	31 March 2024
Opening balance	18,730	17,293
Additions	153	121
Fair value movement	2,004	1,316
	20,887	18,730

Total investment property includes the following:

Total Investment Property (\$'000)	31 March 2025	31 March 2024
Manager's net interest	8,675	7,025
Liability for residents' loans	14,475	13,701
Revenue received in advance/(accrued income)	(2,264)	(1,996)
	20,887	18,730

Annie Brydon Village Limited

Notes to the Financial Statements

For the Year Ended 31 March 2025

Security

As at 31 March 2025, investment property with a fair value of \$20,887k (2024: \$18,730k) is subject to a first mortgage to secure bank loans held by the immediate holding company, Heritage Lifecare Limited. A memorandum of encumbrance in favour of the Statutory Supervisor of the Company is registered as a first mortgage over the Company's investment property to protect the interests of residents. The mortgage ranks behind the encumbrance over investment property held by the Statutory Supervisor.

Key Judgements and Estimates

Fair value of investment property is determined on an annual basis.

An independent valuation to determine the fair value of investment property was carried out as at 31 March 2025 by CBRE Limited, an independent registered valuer (2024: Valuation carried out by CBRE Limited). The method used was a discounted cash flow approach. In determining fair value, the expected net cash flows applicable to each property have been discounted to their present value using a market determined, risk adjusted discount rate applicable to the respective asset. The fair value as determined by the independent registered valuer is adjusted for assets and liabilities already recognised in the balance sheet which are also reflected in the cash flow analysis.

As the fair value of investment property is determined using inputs that are unobservable, the Company has categorised investment property as Level 3 under the fair value hierarchy in accordance with NZ IFRS 13 – Fair Value Measurement.

Significant unobservable inputs used in the most recent fair value measurement of the Company's portfolio of investment property are:

Assumption	Estimate Used
Unit Growth Rates	Between 0.5% – 2.5% (2024: 0.5% – 3.5%)
Discount Rates	16.0% (2024: 14.5% – 25.0%)
Occupancy Periods	Between 4.3 – 7.6 years (2024: 2.9 – 12.7 years)

The estimate of expected occupation periods for Occupation Rights Agreements affects the valuation of Investment Property and the period over which deferred management fees are deferred and recognised. Expected occupancy periods are estimated for each village based on historical results and on the profile of current residents.

A significant decrease/(increase) in the occupancy period of retirement units would result in a significantly higher/(lower) fair value measurement and a significant increase/(decrease) in the average entry age of residents would result in a significantly higher/(lower) fair value measurement.

11. TRADE AND OTHER PAYABLES

Trade and other payables are recognised initially at fair value, and subsequently measured at amortised cost using the effective interest method.

Trade payables generally have terms of 30 days and are interest free. Trade payables of a short-term duration are not discounted.

Annie Brydon Village Limited
Notes to the Financial Statements
For the Year Ended 31 March 2025

Total trade and other payables include the following:

Total Trade and Other Payables (\$'000)	31 March 2025	31 March 2024
Other payables and accruals	29	22
	29	22

12. EMPLOYEE ENTITLEMENTS

A provision is made for benefits accruing to employees in respect of wages, salaries, annual leave and short-term incentives when it is probable that settlement will be required, and the amount can be estimated reliably.

Total employee entitlements include the following:

Total Employee Entitlements (\$'000)	31 March 2025	31 March 2024
Annual leave liability	5	6
	5	6

13. FINANCIAL INSTRUMENTS

Exposure to credit, liquidity and market risk arises in the normal course of the Company's business. The Board of Directors review and agree on policies for managing each of these risks as summarised below.

Categories of Financial Instruments

A financial instrument is recognised if 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 of substantially all the risks and rewards of the asset. Financial liabilities are derecognised if the Company's obligations specified in the contract expire or are discharged or cancelled.

The Company's principal financial instruments comprise residents' loans and cash and short-term deposits. The main purpose of these financial instruments is to raise finance for the Company's operations.

The Company also holds other financial assets and liabilities such as trade receivables and trade payables, which arise directly from operations.

Annie Brydon Village Limited

Notes to the Financial Statements

For the Year Ended 31 March 2025

Financial Assets

Financial assets are initially recorded at fair values less any transaction costs. After initial recognition, these are measured at amortised cost using the effective interest method less an allowance for impairment.

The Company assesses at each reporting date whether a financial asset or a group of financial assets is impaired, by doing an assessment on the expected credit losses on a forward-looking basis. The Company makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance as lifetime expected credit losses. Lifetime expected credit losses are the expected shortfalls in contractual cash flows, taking into account the potential for default at any point during the life of the financial instrument.

Financial Liabilities

Financial liabilities are classified as liabilities at amortised cost. The liability arising from the Sale and purchase Agreement with Centuria has been also recognised based on the proceeds of the transaction at the time of settlement in April 2022 (\$8,287k) and subsequently amortised over the term of the lease of 30 years. Any subsequent increase in lease payments will be recognised in the revaluation of the liability.

14. RESIDENTS' LOANS

Residents' loans are amounts payable to the Company under occupation right agreements. An occupation right agreement confers a right of occupancy to a retirement village unit for life, or until the agreement is terminated. The consideration received on the grant of an occupation right agreement is allocated to the resident's loan in full.

These loans are non-interest-bearing and are repayable to the exiting resident, net of any amount owing to the Company, when a new occupation right agreement for the unit is issued to an incoming resident. Residents' loans are initially recognised at fair value and subsequently measured at amortised cost.

The Company holds a contractual right to set-off the deferred management fee receivable on termination of an agreement against the resident's loan to be repaid. Residents' loans are therefore recognised net of the deferred management fee receivable on the balance sheet. The fair value of the residents' loans is equal to the face value, being the amount that can be demanded for repayment.

Deferred management fees are payable by residents in consideration for the supply of accommodation and the right to share in the use of community facilities. Deferred management fees are paid in arrears, with the amount payable calculated as a percentage of the resident's loan amount as per the resident's occupation right agreement. Deferred management fees receivable is calculated and recorded based on the current tenure of the resident and the contractual right to deferred management fees earned at balance date.

Under certain occupation right agreements, residents are entitled to receive some or all of the capital gain which has occurred from the increase in value of the unit. The resident's entitlement to the capital gain is included in the resident's loan repayable. The capital gain payable to residents and the operator is shown at fair value, calculated by CBRE Limited in the valuation of the investment property. Refer to Note 2 for further detail on recognition of deferred management fee revenue.

Annie Brydon Village Limited

Notes to the Financial Statements

For the Year Ended 31 March 2025

Certain village residents receive aged care services in their village units. For the period that this service is received, the Group accrues a credit for that part of the aged care fee that relates to property costs already covered by the accrued deferred management fee. The accommodation credit accrued is included in the resident's loan balance.

Movement in residents' loans are as follows:

Total Residents' Loans (\$'000)	31 March 2025	31 March 2024
Opening balance	12,038	10,755
Accommodation credits payable (current year movement)	13	25
Accommodation credits repaid (current year movement)	(159)	-
Deferred management fees (current year movement)	320	634
Deferred management fees credited to profit or loss	(588)	(609)
Residents' loans (current year movement)	2,542	4,240
Residents' loans repaid	(1,788)	(3,007)
	12,378	12,038

Total residents' loans include the following:

Total Residents' Loans (\$'000)	31 March 2025	31 March 2024
Accommodation credits payable	166	312
Deferred management fees	(3,191)	(2,636)
Income in advance	927	640
Residents' loans	14,475	13,722
	12,378	12,038

Annie Brydon Village Limited
Notes to the Financial Statements
For the Year Ended 31 March 2025

15. SHARE CAPITAL

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity.

As at 31 March 2025, there were 1,250,100 ordinary shares on issue (2024: 1,250,100). All ordinary shares are authorised, fully paid and have no par value. All ordinary shares rank equally with one vote attached to each fully paid ordinary share.

Total Share Capital (\$'000)	Ordinary Shares	Total
Total balance as at 1 April 2023	1,250	1,250
Total balance as at 31 March 2024	1,250	1,250
Total balance as at 31 March 2025	1,250	1,250

16. RECONCILIATION OF OPERATING RESULTS AND OPERATING CASH FLOWS

(\$'000)	31 March 2025	31 March 2024
Profit/(loss) after tax	1,391	862
Adjustments for:		
Amounts paid by related parties	464	622
Changes in accommodation credits	(146)	25
Changes in fair value of investment property	(2,004)	(1,316)
Deferred management fees credited to profit or loss	(588)	(609)
Deferred tax expense	(20)	(212)
Depreciation	279	278
	(2,015)	(1,212)
Movements in working capital:		
Increase/(decrease) in employee entitlements	(1)	-
Increase/(decrease) in residents' loans	1,074	1,866
Increase/(decrease) in trade and other payables	7	(10)
Decrease/(increase) in trade and other receivables	2	(7)
	1,082	1,849
Net cash flow from operating activities	458	1,499

Cash comprises cash at bank, bank overdrafts, cash on hand and call deposit facilities with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

Annie Brydon Village Limited

Notes to the Financial Statements

For the Year Ended 31 March 2025

Operating activities include all transactions and other events that are not investing or financing activities.

Investing activities are those activities relating to the acquisition, holding and disposal of property, plant and equipment, investment property, and other investments. Investments can include securities not falling within the definition of cash.

Financing activities are those activities which result in changes to the size and composition of the capital and funding structure of the Company.

17. CAPITAL COMMITMENTS

As at 31 March 2025, there are no known capital commitments (2024: None).

18. CONTINGENT LIABILITIES

As at 31 March 2025, the assets of the Company are subject to a first mortgage to secure bank loans held by the immediate parent company, Heritage Lifecare Limited. The Company has signed an agreement, in association with other subsidiaries, to provide a limited guarantee of the bank loan facilities owed by Heritage Healthcare Limited (2024: The assets of the Company are subject to a first mortgage to secure bank loans held by the immediate parent company, Heritage Lifecare Limited).

19. SUBSEQUENT EVENTS

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

20. GOING CONCERN

As at 31 March 2025, the Company had a negative working capital position of \$9,516k (2024: Negative working capital position of \$8,786k). The Company is dependent on the support of the immediate parent company, Heritage Lifecare Limited, to meet its liabilities as they fall due. Heritage Lifecare Limited has confirmed its commitment to continue funding the Company.

The ability of the Company to continue to pay its liabilities as they fall due, whilst being in a negative working capital position, has been considered by the Directors in the adoption of the going concern basis for preparing these financial statements.



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Independent auditor's report to the shareholder of Annie Brydon Village Limited

Opinion

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

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

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

Basis for opinion

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

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

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

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

Information other than the financial statements and auditor's report

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

If, based upon the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



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Directors' responsibilities for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

The Ernst & Young logo is written in a black, cursive script font.

Chartered Accountants
Wellington
1 August 2025