



**HBH** SENIOR  
LIVING  
Age well, live fully.

# 139 ON UNION LIMITED FINANCIAL REPORT

Financial Statements  
For the year ended 30 June 2025

# 139 ON UNION LIMITED FINANCIAL REPORT

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As at 30 June 2025

## Company Directory

**Address:** 139 Union Road, Howick PO Box 38093, Howick

**Phone Number:** 09-538 0800

**Email Address:** sachin.adkar@hbh.org.nz

## Directors

Charles Livingston Miller - Chairperson

Stephen John Parker - resigned on 29/10/2024

Elizabeth Ann Tremlett

Catherine Anne Donley - resigned on 26/11/24

Graeme John Owen

Keith Frederick Ardern

Scott Latif McLaren

Bradley Nicolson - appointed on 29/10/24

Elise Markwick - appointed on 25/02/2025

## **Chief Executive Officer**

Juliette Tuckey

## **Auditors**

PKF Goldsmith Fox Audit Limited

# STATEMENT OF SERVICE PERFORMANCE FOR 139 ON UNION LIMITED YEAR ENDING 30 JUNE 2025

AGE WELL

LIVE FULLY

## OUR VISION

To ensure older people have the knowledge, care and support they require to enjoy fuller lives, regardless of their circumstances.

## OUR MISSION

Guided by purpose, not profit, we aim to create opportunities for older people to age well and live fully, through our Four Pillars of Homes, Care, Community & Advocacy.

### HOMES FOR OLDER PEOPLE

We are committed to ensuring that more seniors have a safe, healthy and age-friendly place to live, wherever they choose to call home.

### BETTER CARE FOR SENIORS

We aim to provide all older people with access to high quality, aged care across the communities we serve, no matter what their circumstances.

### HEALTHY, CONNECTED COMMUNITIES

As a purpose-driven organisation, we look for innovative ways to help older people in the wider community to remain active, engaged and connected.

### ADVOCACY (BREAKING DOWN BARRIERS)

We advocate for a future where every senior has the resources and support needed to lead fulfilling lives as they age.

## OUR VALUES

### AROHA

(COMPASSION)

We put caring for people first

### KAITIAKITANGA

(STEWARDSHIP)

We manage resources to ensure service continuity and innovation

### MANĀKITANGA

We create an atmosphere of love, open hospitality, warmth and peace in every interaction

### WHAKAUTE

(RESPECT)

We treat others as we would like to be treated

### NGAKAU PONO

(INTEGRITY)

We do what we say we will

## OUR WORK AND IMPACT

HBH provides services for older people in need of support, with a focus on those who are frail or vulnerable due to their age, health or situation. Our work is motivated by the compassion, love and justice demonstrated in the life of Jesus Christ – and our person centred care is guided by the Eden Alternative and the Domains of Wellbeing.

**We're here to help older people to age well and live fully.**

**HOMES FOR OLDER PEOPLE.**

<b>Intermediate outcome</b>	<b>Access to affordable, healthy residential care and housing ensures seniors feel safe and secure.</b>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>• 139 on Union (Howick Views Apartments) offers 42 independent living units under ORA agreements, with additional support services available as needed.</li> <li>• The age profile across our independent living homes highlights the diverse needs and preferences of residents. Monitoring this data ensures services remain relevant, adaptable, and responsive to seniors as they age, including those living independently.</li> </ul>

**139 ON UNION - HOWICK VIEWS APARTMENT (INDEPENDENT LIVING)**

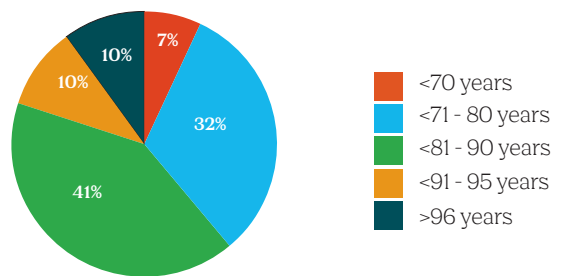
**Key Indicators**

**Age distribution of HVA Residents**

**20%**  
Residents aged 91+

**42**  
Number of units

**98%**  
Satisfaction Rate



Output	Indicator	Actual 2025	Target 2025	Actual 2024	Target 2024
<b>Impact</b>	Average Occupancy Rate Howick Views Apartment	90%	80%	87%	73%
<b>Resident Experience</b>	Overall Satisfaction rate at Howick Views Apartment	96%	90%	100%	90%

At Howick Views Apartments, sales have exceeded expectations since being brought in-house. Despite natural turnover as residents move into higher levels of care, occupancy and satisfaction remain strong.

## Statement of Comprehensive Revenue and Expenses

For the year ended 30 June 2025

	NOTES	2025	2024
<b>REVENUE FROM EXCHANGE TRANSACTIONS</b>			
Outgoings Fee		296,911	280,301
Village/Deferred Management Fee		161,244	623,614
Other Revenue		63,277	24,279
<b>Total revenue from exchange transactions</b>		<b>521,432</b>	<b>928,194</b>
<b>TOTAL REVENUE</b>		<b>521,432</b>	<b>928,194</b>
<b>EXPENSES</b>			
Service delivery costs		143,077	67,486
Wages, salaries and other employee costs		124,076	84,654
Depreciation, amortisation and impairment expenses	7,11	534,747	518,205
Other overhead and administrative expenses	6	613,861	668,688
Doubtful Debt	21	5,776,318	0
<b>TOTAL EXPENSES</b>		<b>7,192,078</b>	<b>1,339,033</b>
Finance income	8	407	439
Finance costs	8	0	2,045
<b>NET SURPLUS/(DEFICIT) FROM FINANCE ACTIVITIES</b>		<b>407</b>	<b>(1,606)</b>
<b>DEFICIT FOR THE YEAR</b>		<b>(6,670,239)</b>	<b>(412,445)</b>
<i>Movement that will not be reclassified to surplus or deficit in subsequent periods:</i>			
Revaluation surplus of land and buildings	16	2,987,403	0
<b>Total other comprehensive revenue and expenses</b>		<b>2,987,403</b>	<b>0</b>
<b>TOTAL COMPREHENSIVE REVENUE AND EXPENSES FOR THE YEAR</b>		<b>(3,682,836)</b>	<b>(412,445)</b>

These financial statements have been authorised for issue by the Board on 04 November 2025.

  
 Chairperson

  
 Date

  
 Director

04/11/2025  
 Date

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

## Statement of Financial Position

As at 30 June 2025

	NOTES	2025	2024
<b>ASSETS</b>			
<b>Current</b>			
Cash and cash equivalents	9	2,643	4,523
Receivables from exchange transactions	10	118,130	118,785
Prepayments and accrued income	10	613,887	112,880
Advance to Howick Baptist Healthcare	12	11,552,636	9,704,480
Provision for doubtful debt	21	(5,776,318)	0
<b>Total current assets</b>		6,510,977	9,940,668
<b>Non-current</b>			
Property, plant and equipment	11	26,464,414	23,813,680
<b>Total non-current assets</b>		26,464,414	23,813,680
<b>TOTAL ASSETS</b>		32,975,392	33,754,348
<b>LIABILITIES</b>			
<b>Current</b>			
Payables under exchange transactions	13	56,929	115,806
Other current financial liabilities	22	16,902,592	14,574,917
Provisions	14	1,494,359	859,278
<b>Total current liabilities</b>		18,453,880	15,550,001
<b>TOTAL LIABILITIES</b>		18,453,880	15,550,001
<b>NET ASSETS</b>		14,521,511	18,204,347
<b>EQUITY</b>			
Share Capital	18	1,000,000	1,000,000
Accumulated funds		(8,513,450)	(1,843,211)
Other equity reserves	16	22,034,961	19,047,558
<b>TOTAL EQUITY</b>		14,521,511	18,204,347

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

## Statement of Changes in Net Assets

For the year ended 30 June 2025

	NOTES	SHARE CAPITAL	ACCUMULATED FUNDS	ASSET REVALUATION RESERVE	TOTAL EQUITY
Balance 1 July 2024	16,18	1,000,000	(1,843,211)	19,047,558	18,204,347
Deficit for the year		0	(6,670,239)	0	(6,670,239)
Other comprehensive revenue and expenses	11,16	0	0	2,987,403	2,987,403
<b>Total comprehensive revenue and expense</b>		0	(6,670,239)	2,987,403	(3,682,836)
<b>Balance 30 June 2025</b>		1,000,000	(8,513,450)	22,034,961	14,521,511
Balance 1 July 2023	16,18	1,000,000	(1,430,766)	19,047,558	18,616,793
Deficit for the year		0	(412,445)	0	(412,445)
Other comprehensive revenue and expenses	11,16	0	0	0	0
<b>Total comprehensive revenue and expense</b>		0	(412,445)	0	(412,445)
<b>Balance 30 June 2024</b>		1,000,000	(1,843,211)	19,047,558	18,204,347

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

## Statement of Cash Flows

For the year ended 30 June 2025

	NOTES	2025	2024
<b>Cash flow from operating activities</b>			
<i>Cash was provided from/(applied to):</i>			
Receipts from goods and services provided, exchange transactions		299,336	299,710
Receipts from refundable occupation rights deposits		3,725,000	2,584,000
Refundable occupation rights deposits repaid		(1,040,500)	(2,271,167)
Payments to suppliers		(815,814)	(647,567)
Payments to employees		(124,076)	(84,654)
<b>Net cash from/(used in) operating activities</b>		2,043,946	(119,678)
<b>Cash flow from investing activities</b>			
<i>Cash was provided from/(applied to):</i>			
Purchase of property, plant and equipment	11	(198,078)	(98,950)
<b>Net cash used in investing activities</b>		(198,078)	(98,950)
<b>Cash flow from financing activities</b>			
<i>Cash was provided from/(applied to):</i>			
Advance (to)/from Howick Baptist Healthcare Limited	21	(1,848,155)	211,879
Interest and dividends received	8	407	439
<b>Net cash (used in)/from financing activities</b>		(1,847,748)	212,319
Net increase/(decrease) in cash and cash equivalents		(1,881)	(6,308)
Cash and cash equivalents, beginning of the year	9	4,523	10,831
<b>Cash and cash equivalents at end of the year</b>	9	2,643	4,523

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

### 1 Reporting entity

139 on Union Limited is a charitable company which has 42 independent living apartments with some services provided on 139 Union Road, Howick, Auckland 2145.

The charitable company is incorporated and domiciled in New Zealand.

The ultimate parent of the charitable company is Howick Baptist Healthcare Limited.

These financial statements are for the year ended 30 June 2025. The company is designated as a Public Benefit Entity for financial reporting purposes.

The financial statements were authorised for issue by the Board of Directors on 04 November 2025.

### 2 Basis of preparation

#### (a) Statement of compliance

The 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 Reduced Disclosure Regime (NZ IPSAS with RDR) and other applicable Financial Reporting Standards as appropriate that have been authorised for use by the External Reporting Board (XRB) for Not-For-Profit entities.

For the purpose of complying with NZ GAAP, the Entity is eligible to report in accordance with Tier 2 PBE IPSAS on the basis that it does not have public accountability and it is defined as large in XRB A1. The Board of directors have elected for the Tier 2 Not-For-Profit Accounting Standards and in doing so has taken advantage of all applicable Reduced Disclosure Regime (RDR) disclosure concessions.

The Entity is deemed a public benefit entity for financial reporting purposes, as its primary objective is to provide services to the community for social benefit and it has been established with a view to supporting that primary objective rather than a financial return.

#### (b) Basis of measurement

The financial statements have been prepared on a historical costs basis modified for revaluation of certain assets and liabilities.

The accrual basis of accounting has been used unless otherwise stated and the financial statements have been prepared on a going concern basis.

#### (c) Presentation currency

The financial statements are presented in New Zealand dollars. All numbers are rounded to the nearest dollar, except when otherwise stated.

#### (d) Comparatives

The comparative shown are for the year ended 30 June 2024.

#### (e) New accounting standards and interpretations adopted

##### (i) Changes in Accounting Policy and Disclosure

The Entity have applied the amendments to PBE IPSAS 1 Presentation of Financial Statements, effective for reporting periods beginning on or after 1 January 2024. The amendments clarify the classification of liabilities and introduce additional disclosure requirements relating to covenants. The adoption of these amendments has not resulted in any material changes to the Entity's accounting policies, financial position, or performance.

##### (ii) New Accounting standards and interpretations adopted

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

#### (f) Going concern

The Entity's financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

### 3 Summary of significant accounting policies

The accounting policies of the Entity have been applied consistently to all years presented in these financial statements.

The significant accounting policies used in the preparation of these financial statements are summarised below:

#### (a) Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposits held on call with banks, with original term of less than or equal to 90 days.

#### (b) Debtors and other receivables

Trade debtors and other receivables are measured at their cost less any impairment losses.

An allowance for impairment is established where there is objective evidence that the Entity will not be able to collect all amounts due according to the original terms of the receivable.

#### (c) Creditors and other payables

Trade creditors and other payables are recorded at fair value. As the amounts are usually paid within 30 days of recognition, trade and other payables are carried at face value.

#### (d) Property, plant and equipment

Except for land and buildings, items of property, plant and equipment are measured at cost, less accumulated depreciation and any impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent to initial recognition, PPE is carried at cost less accumulated depreciation and any impairment losses, except for land and buildings held for social service, which may be revalued as disclosed separately.

PPE is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Any impairment loss is recognised in the surplus or deficit.

Gains or losses on disposal of PPE are recognised in the surplus or deficit.

### Depreciation

Depreciation is recognised as an expense in the reported surplus or deficit and measured on a straight line (SL) basis on all property, plant and equipment over the estimated useful life of the asset. The following depreciation rates have been applied at each class of property, plant and equipment:

Buildings	10 - 50 years
Computer equipment	3 - 5 years
Furniture and fittings	3 - 15 years
Plant and Equipment	3 - 15 years

The residual value, useful life, and depreciation methods of property, plant and equipment is reassessed annually.

## Revaluations

Land and buildings held for social service are revalued at least every 3-5 years in accordance with PBE IPSAS 17, paragraph 49. Fair value is based on market valuations, with the Board reviewing assumptions for reasonableness. Revalued assets are carried at fair value less accumulated depreciation and impairment. Revaluation surpluses are recognised in other comprehensive revenue and expenses and credited to the asset revaluation reserve; deficits are recognised against the reserve to the extent available, with any excess charged to surplus or deficit.

### (e) Impairment of Non-Financial Assets

The Entity review non-financial assets for indicators of impairment at each reporting date. If an asset's carrying amount exceeds its recoverable service amount, an impairment loss is recognised in the surplus or deficit.

For assets previously revalued, any reversal of a prior revaluation surplus is recognised in other comprehensive revenue and expenses to the extent of the asset revaluation reserve; any excess is recognised in surplus or deficit.

### (f) Prepayments

Prepayments represent payments made in advance for goods or services to be received in future periods. They are initially recognised at cost and are subsequently expensed in the surplus or deficit over the periods in which the related goods or services are received.

### (g) Financial instruments

#### Classification

The Entity classify financial instruments as either:

- Financial assets measured at amortised cost, or
- Financial liabilities measured at amortised cost.

#### Recognition

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

- Financial assets are initially recorded at fair value plus any directly attributable transaction costs.
- Financial liabilities are initially recorded at fair value less any directly attributable transaction costs.

#### Subsequent Measurement

- Financial assets at amortised cost are measured using the effective interest method, less any impairment losses.
- Financial liabilities at amortised cost are measured at amortised cost using the effective interest method.

#### Impairment

The Entity apply an expected credit loss (ECL) model to financial assets measured at amortised cost. Impairment losses are recognised in the statement of comprehensive revenue and expense.

#### Derecognition

- Financial assets are derecognised when the rights to receive cash flows expire or are transferred.
- Financial liabilities are derecognised when the obligation is discharged, cancelled, or expires.

#### Offsetting

Financial assets and liabilities are offset only if there is a legally enforceable right to set off and the Entity intends to settle on a net basis or realise the asset and settle the liability simultaneously.

**(h) Provisions**

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. Provisions are discounted to their present values, where the time value of money is material. The increase in the provision due to the passage of time is recognised as an interest expense.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

**(i) Occupation Right Agreements**

Occupation Right Agreements (ORAs) confer the right of occupancy of a retirement village unit to the resident and are accounted for as leases in accordance with PBE IPSAS 13 Leases.

ORAs are recognised in the statement of financial position as the capital repayment due to residents. Village contributions are amortised over the term of the individual contract so that the recorded liability at the reporting date reflects the total refundable portion of contributions.

Amounts payable under ORAs are non-interest bearing and are settled when an ORA is terminated, a new agreement for the same unit has been entered into, and the proceeds from the new settlement have been received.

**(j) Revenue Received in Advance**

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

**(k) Revenue**

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the company and revenue can be reliably measured. Revenue is measured at the fair value of the consideration receivable.

**Revenue from exchange transactions****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 surveys of work performed. Under this method, revenue is recognised in the accounting periods in which the services are provided.

The management fee is payable in cash by the resident at the time of repayment (to the resident) of the refundable occupation right agreement amount due. The Company has the right to set-off the refundable occupation right agreement amount and the management fee receivable.

At year end, the management fee receivable that has yet to be recognised in the statement of comprehensive income as management fee revenue is recognised as a deferred management fee liability on the Statement of Financial Position.

When the contract outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

**Outgoing fee**

A weekly service fee is charged to cover outgoings relating to the apartments and common areas of the properties including rates, insurance, maintenance, electricity and a share of administration expenses. The service fee is charged and payable monthly in arrears and is recognised as revenue throughout the period of delivery of the service.

**Village/Deferred management fee**

Village/Deferred management fee is recognised on a straight line basis over the period of service, being the greater of expected period of tenure, or the contractual right to the revenue. The expected period of tenure, based on historical experience of the village is estimated to be 7.3 years for the year ended 30 June 2025 (5.5 years for FY2024).

**Finance income**

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

**Rental income**

Rental income arising from rental premises is accounted for on a straight-line basis over the lease term.

**Donated services**

The operations of the Entity are reliant on services provided by volunteers. Volunteer services received are not recognised as revenue or expenditure.

**(l) Income tax**

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

**(m) Goods and Services Tax (GST)**

All amounts in these financial statements are shown inclusive of GST, except for expense and revenue items which are incurred and on-charged to the residents.

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 except for the expense and revenue items mentioned above.

#### 4 Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with NZ IPSAS 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 note disclosure.

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.

The following are significant management judgements in applying the accounting policies of the Entity that have a significant effect on the financial statements:

##### Impairment of investments in subsidiaries

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows management makes assumptions about future operating results. These assumptions relate to future events and circumstances.

##### Fair Value of property

Land and buildings are not restated each reporting period as the Board has decided under PBE IPSAS 17, paragraph 49, to revalue the land and buildings at least every 3 to 5 years.

The fair value of property is determined based on market conditions at the reporting date and involves management judgements and estimates. The determination of fair value requires assumptions about future market conditions, including prices, demand, and location-specific factors, which may not be directly observable.

Where active market data is not available, management uses valuation techniques such as the income approach, discounted cash flow models, or comparable market transactions. These techniques require estimates of key inputs, including discount rates, rental yields, vacancy rates, and growth rates.

Changes in these assumptions could significantly affect the carrying value of property. The fair value assessments are reviewed regularly and updated where necessary to reflect current market conditions.

The fair value of properties for the year ended 30 June 2025 has been determined by an independent valuer, who has the appropriate recognised professional qualifications and recent experience in the location and category of the property being valued.

The fair value is based on discounted cash flow model applied to the expected future cash flows generated by the independent living apartments. The major assumptions used in the discounted cash flow analysis are growth rate 1.5%-3.5%, discount rate of 14.5% and the average period of occupancy is 7.26 years. The period of discounted cash flow is 20 years.

##### Useful lives and residual values

The useful lives and residual values of assets are assessed annually based on the following indicators of impairment:

- The condition of the asset based on the assessment of experts employed by the Entity
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- The nature of the processes in which the asset is deployed
- Availability of funding to replace the asset
- Changes in the market in relation to the asset

Adjustments to useful life are made when considered necessary.

##### Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 14. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

## 5 Capital Management Policy

The Entity capital is its equity, being the net assets represented by retained earnings and other equity reserves. The primary objectives of the Entity's capital management policy is to ensure adequate capital reserves are maintained in order to support its activities. The Entity manages its capital structure and makes adjustment to it, in light of changes to funding requirements. To maintain or adjust the capital structure, budgetary discretionary expenditure is reduced to avoid the need for additional external borrowings by the parent of the group.

## 6 Other overhead and administrative expenses

<i>The following amounts were expensed in the surplus/(deficit) for the year:</i>	2025	2024
Audit fees	12,146	9,500

## 7 Depreciation, amortisation and impairment expenses

	2025	2024
Depreciation of property, plant and equipment	534,747	518,205
<b>Total</b>	<b>534,747</b>	<b>518,205</b>

## 8 Finance income and costs

	2025	2024
<b>Financing income</b>		
Interest income on bank deposits	407	439
<b>Total finance income</b>	<b>407</b>	<b>439</b>
<b>Financing expenditure</b>		
Interest expense	0	2,045
<b>Total finance costs</b>	<b>0</b>	<b>2,045</b>

## 9 Cash and cash equivalents

	2025	2024
Cash at bank and in hand	2,643	4,523
<b>Total cash and cash equivalents</b>	<b>2,643</b>	<b>4,523</b>

The carrying amount of cash and cash equivalents approximates their fair value.

Cash at bank earns interest at floating rates on daily deposit balances.

At 30 June 2025, the Entity had no committed borrowing facilities.(2024-Nil)

The cash and cash equivalents balance of the Entity does not include any amount that relates to unspent grant funds that are subject to restrictions.

## 10 Receivables from exchange transactions

	2025	2024
Trade debtors	118,130	118,785
Other receivables	613,887	112,880
<b>Total</b>	<b>732,017</b>	<b>231,665</b>

Trade debtors are interest bearing and other receivables are non-interest bearing and receipt is normally by 20th of the next month. Other receivables include accrued income for deferred management fee receivable from the residents who have terminated their Occupation Right Agreements but not been resold as at the year end.

As at 30 June 2025, all overdue receivables have been assessed for impairment and appropriate allowances made. All receivables are subject to credit risk exposure.

## 11 Property, plant and equipment

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

2025	BUILDINGS HELD FOR SOCIAL SERVICES	COMPUTER EQUIPMENT AND SOFTWARE	FURNITURE AND FITTINGS	EQUIPMENT	TOTAL
<b>Gross carrying amount</b>					
Opening balance	25,723,628	2,015	287,161	42,286	26,055,089
Additions	(2,377,604)	0	12,208	15,969	(2,349,427)
Disposals	0	0	0	0	0
Transferred to revaluation reserve	2,987,403	0	0	0	2,987,403
<b>Closing balance</b>	<b>26,333,427</b>	<b>2,015</b>	<b>299,369</b>	<b>58,255</b>	<b>26,693,065</b>
<b>Accumulated depreciation and impairment</b>					
Opening balance	2,034,622	1,287	180,368	25,133	2,241,409
Current year depreciation	512,883	672	16,670	4,522	534,747
Depreciation written back on revaluation	(2,547,505)	0	0	0	(2,547,505)
<b>Closing balance</b>	<b>0</b>	<b>1,959</b>	<b>197,038</b>	<b>29,655</b>	<b>228,651</b>
<b>Carrying amount 30 June 2025</b>	<b>26,333,427</b>	<b>56</b>	<b>102,331</b>	<b>28,600</b>	<b>26,464,414</b>
2024	BUILDINGS HELD FOR SOCIAL SERVICES	COMPUTER EQUIPMENTS AND SOFTWARE	FURNITURE AND FITTINGS	EQUIPMENTS	TOTAL
<b>Gross carrying amount</b>					
Opening balance	25,723,628	2,015	230,008	39,087	25,994,737
Additions	0	0	95,750	3,200	98,950
Disposals	0	0	(38,597)	0	(38,597)
<b>Closing balance</b>	<b>25,723,628</b>	<b>2,015</b>	<b>287,161</b>	<b>42,286</b>	<b>26,055,089</b>
<b>Accumulated depreciation and impairment</b>					
Opening balance	1,525,965	616	213,966	21,255	1,761,801
Current year depreciation	508,656	672	5,000	3,878	518,205
Depreciation written back on disposal	0	0	(38,597)	0	(38,597)
<b>Closing balance</b>	<b>2,034,622</b>	<b>1,287</b>	<b>180,368</b>	<b>25,133</b>	<b>2,241,409</b>
<b>Carrying amount 30 June 2024</b>	<b>23,689,006</b>	<b>727</b>	<b>106,793</b>	<b>17,154</b>	<b>23,813,680</b>

### Bank security

No bank security has been pledged as there are no "loans and borrowings".

### Capital commitments

The entity has no contractual commitment payable in 2025 financial year. (2024-Nil)

### Impairment

There is no impairment loss during the 2025 financial year (2024-Nil)

**12 Other financial assets**

	2025	2024
<b>Non-current assets</b>		
Advance made to Howick Baptist Healthcare Limited-refer note 21	11,552,636	9,704,480
Provision for doubtful debt-refer to note 21	(5,776,318)	0
<b>Total non-current other financial assets</b>	5,776,318	9,704,480

**13 Payables under exchange transactions**

	2025	2024
<b>Current</b>		
Trade creditors	27,188	98,852
Wage Accrual	2,796	2,150
Other payables and accrued expenses	25,870	13,166
GST payable	1,076	1,638
<b>Total current</b>	56,929	115,806
<b>Total payables under exchange transactions</b>	56,929	115,806

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

**14 Provision for deferred management fee**

	2025	
	RESTORATION	TOTAL
Opening balance	859,278	859,278
Additional provision during the year	635,081	635,081
<b>Closing balance</b>	1,494,359	1,494,359
Current	1,494,359	1,494,359
<b>Total</b>	1,494,359	1,494,359

	2024	
	RESTORATION	TOTAL
Opening balance	795,623	795,623
Additional provision during the year	63,655	63,655
<b>Closing balance</b>	859,278	859,278
Current	859,278	859,278
<b>Total</b>	859,278	859,278

As mentioned above in the accounting policy re Village/Deferred Management fee, provision for deferred management fee is adjusted on the basis of "expected tenure" of existing residents as at the end of the year.

## 15 Operating leases

The annual lease expenses are recognised in the Statement of Comprehensive Revenue and Expenses. Below is the total cost for all the service contracts with the minimum notice period of more than 60 days before termination.

The company has the following commitments with non-cancellable operating leases and service contract agreements:-

	2025	2024
<b>Non-cancellable operating leases are payable as follows:</b>		
Less than one year	18,473	17,639
Between one and five years	0	0
More than five years	0	0
<b>Total</b>	<b>18,473</b>	<b>17,639</b>

## 16 Other equity reserves

	2025	2024
Land and Buildings Asset Revaluation Reserve	22,034,961	19,047,558
<b>Total</b>	<b>22,034,961</b>	<b>19,047,558</b>

### (a) Asset revaluation reserve

The asset revaluation reserve is used to record increases and decreases in the fair value of land and buildings only to the extent that they offset each other (i.e. the reserve cannot fall into deficit).

	2025	2024
Opening balance	19,047,558	19,047,558
Revaluation surplus of land and buildings	2,987,403	0
<b>Closing balance</b>	<b>22,034,961</b>	<b>19,047,558</b>

## 17 Financial instruments

### (a) Carrying value of financial instruments

The carrying amount of all material financial position assets and liabilities are considered to be equivalent to fair value.

Fair value is the amount for which an item could be exchanged, or a liability settled, between knowledgeable and willing parties in an arm's length transaction.

### (b) Classification of financial instruments

All financial assets held by the entity classified as "loans and receivables" are carried at amortised cost.

All financial liabilities held by the Company are carried at amortised cost using the effective interest rate method.

#### Classification of financial instruments

The carrying amounts presented in the statement of financial position relate to the following categories of financial assets and liabilities.

2025	NOTES	LOANS AND RECEIVABLES AT AMORTISED COST	FINANCIAL LIABILITIES AT AMORTISED COST	TOTAL
<b>Financial assets</b>				
Cash and cash equivalents	9	2,643	0	2,643
Trade debtors and other receivables	10	118,130	0	118,130
Other financial assets	12	11,552,636	0	11,552,636
Provision for doubtful debt	21	(5,776,318)	0	(5,776,318)
<b>Total</b>		<b>5,897,090</b>	<b>0</b>	<b>5,897,090</b>
<b>Financial liabilities</b>				
Trade creditors and other payables	13	0	27,188	27,188
Refundable Occupation Rights	22	0	16,902,592	16,902,592
<b>Total</b>		<b>0</b>	<b>16,929,779</b>	<b>16,929,779</b>

2024	NOTES	LOANS AND RECEIVABLES AT AMORTISED COST	FINANCIAL LIABILITIES AT AMORTISED COST	TOTAL
Financial assets				
Cash and cash equivalents	9	4,523	0	4,523
Trade debtors and other receivables	10	118,785	0	118,785
Other financial assets	12	9,704,480	0	9,704,480
<b>Total</b>		<b>9,827,788</b>	<b>0</b>	<b>9,827,788</b>
Financial liabilities				
Trade creditors and other payables	13	0	98,852	98,852
Refundable Occupation Rights	22	0	14,574,917	14,574,917
<b>Total</b>		<b>0</b>	<b>14,673,769</b>	<b>14,673,769</b>

## 18 Share capital

	2025	2024
Ordinary Shares	1,000,000	1,000,000
Balance as at 30 June 2025 and 30 June 2024	1,000,000	1,000,000

### Share Capital

At 30 June 2025 share capital comprised 1,000,000 fully paid preference shares (2024: 1,000,000). The holders of ordinary shares have equal voting rights and share equally in dividends and any surplus on winding up.

As at 30th June 2025, the share capital comprised 1,000,000 preference shares @ \$1 per share issued to Howick Baptist Healthcare Limited.

On 30th September 2009, \$1 million of redeemable preference shares were issued by 139 on Union Limited to Howick Baptist Healthcare Limited which was satisfied by way of reduction of the advance from Howick Baptist Healthcare Limited.

The shares have no par value.

## 19 Contingent assets and contingent liabilities

The Entity has no contingent assets or contingent liabilities (2024: None).

## 20 Events after the reporting period

There are no major events after the reporting period to affect the results shown in these financial statements.

## 21 Related party transactions

Related party transactions arise when an entity or person(s) has the ability to significantly influence the financial and operating policies of the entity.

139 on Union Ltd is the immediate subsidiary of Howick Baptist Healthcare Ltd and the ultimate controlling party of the Group is The Baptist Union of New Zealand.

The entity has a related party relationship only with Howick Baptist Healthcare Limited.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier relationship on terms and conditions no more or less favourable than those that it is reasonable to expect the entity would have adopted in dealing with the party at arm's length in the same circumstances.

**Transactions with related parties**

The following transactions were carried out with related parties:

a.) Purchase of goods and services	2025	2024
Management Fees paid to Howick Baptist Healthcare Limited	180,000	156,000
<b>Total</b>	180,000	156,000

b.) Year end receivable/ (payable) with related parties	2025	2024
<i>Receivable from related parties:</i>		
Howick Baptist Healthcare Limited	11,552,636	9,704,480
Provision for Doubtful Debt	(5,776,318)	0
<b>Total</b>	5,776,318	9,704,480

The repayment of the intercompany loan is not expected in the foreseeable future and will not be called upon until the entity has sufficient funds to repay it. We do not believe there is any financial reason that would require recalling the loan in the near future, and therefore, we do not believe this impacts the going concern assumption of the entity. All loans within the group are intercompany, and as a whole, the group has positive equity. The entity also has the ability to obtain funding from other entities within the group if needed. A 50% allowance has been recognised to reflect the potential doubtful recoverability of the loans.

**22 Refundable occupation right agreements**

Occupation Right Agreements confer on residents the right of occupancy of the serviced apartment for life, or until the resident terminates the agreement.

The "Refundable Occupation Rights" recorded under other current & non-current financial liabilities in the Statement of Financial Position represent the initial capital sum paid by the residents. A portion is refundable when the resident leaves the apartment and it is re-occupied. The non-refundable portion of the initial capital sum deducted out of this account is recognised as income in the Statement of Comprehensive Revenue and Expenses in accordance with the accounting policy.

	2025	2024
Opening balance of Refundable Occupation Rights	14,574,917	15,345,165
Add: Total "Refundable Occupation Rights" received	3,725,000	2,584,000
Less: Refunded during the year	(1,040,500)	(2,271,167)
Less: Amortised as income during the year	(356,825)	(1,083,081)
Current Refundable Occupation Rights - also refer note 17	16,902,592	14,574,917

The best estimate of maturity for "Refundable Occupation Rights" is based on the estimated tenure of stay for each apartment resident.

2025	2024
12 months or less: 4 apartments (\$1,279,790)	12 months or less: 6 apartments (\$1,686,000)
2-5 Years: 21 apartments (\$8,811,869)	2-5 Years: 19 apartments (\$7,563,342)
More than 5 years: 12 apartments (\$4,720,933)	More than 5 years: 12 apartments (\$4,905,575)
Un-occupied: 5 apartments (\$2,090,000)	Un-occupied: 1 apartment (\$420,000)

Occupation Rights Agreements do not entitle the holder to a registerable interest in the land and are not registered as a charge on land.

On termination of the Occupation Rights Agreement the original amount received by the Entity will be refundable to the resident less a deduction for the Village/Deferred Management fee in accordance with the Occupation Right Agreements.

The Entity has an obligation to repay the amounts due under the Occupational Rights Agreements within 5 working days after the date at which a licence to the apartment is issued to a new resident.

Under the terms of the Occupancy Agreement, an encumbrance is recorded over the land title by the statutory supervisor to secure the Entity's obligation to the occupation license holders. The encumbrance ranks first ahead of any bank securities.



## INDEPENDENT AUDITOR'S REPORT

To the Shareholder of 139 on Union Limited

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of 139 on Union Limited (the 'Company'), which comprise the financial statements on pages 4 to 18 and the statement of service performance on pages 2 to 3. The complete set of financial statements comprise the statement of financial position as at 30 June 2025 and the statement of comprehensive revenue and expenses, the statement of changes in net assets and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial report presents fairly, in all material respects:

- The financial position of the Company as at 30 June 2025, and its financial performance and its cash flows for the year then ended; and
- The statement of service performance for the year ended 30 June 2025 in that the statement of service performance is appropriate and meaningful and prepared in accordance with the Company's measurement bases or evaluation methods in accordance with Public Benefit Standards Reduced Disclosure Regime ('PBE Standards RDR') issued by the New Zealand Accounting Standards Board.

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

#### Basis for Opinion

We conducted our audit of the financial statements in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)), and the audit of the statement of service performance in accordance with the ISAs and New Zealand Auditing Standard (NZ AS) 1 (Revised) *The Audit of Statement of Service Performance*. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* 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 interests in the Company.

#### Directors' Responsibilities for the Financial Report

The Directors are responsible on behalf of the Company for:

- a) The preparation and fair presentation of the financial report in accordance with PBE Standards RDR;
- b) The selection and elements/aspects of service performance, performance measures and/or descriptions and measurement bases or evaluation methods that present service performance information that is appropriate and meaningful in accordance with PBE Standards RDR;



- c) The preparation and fair presentation of the statement of service performance in accordance with the Company's measurement bases or evaluation methods in accordance with PBE Standards RDR;
- d) The overall presentation, structure and content of the statement of service performance in accordance with PBE Standards RDR; and
- e) Such internal control as the Directors determine is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

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

#### **Auditor's Responsibilities for the Audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) and NZ AS 1 (Revised) 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 this financial report.

As part of an audit in accordance with ISAs (NZ) and NZ AS 1 (Revised), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit of the report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and the Directors;
- Obtain an understanding of the process applied by the Company to select its elements/aspects of service performance, performance measures and/or descriptions and the measurement bases or evaluation methods;
- Evaluate whether the selection of elements/aspects of service performance, performance measure and/or descriptions and measurement bases or evaluation methods present an appropriate and meaningful assessment of the Company's service performance in accordance with PBE Standards RDR;
- Evaluate whether the statement of service performance is prepared in accordance with the Company's measurement bases or evaluation methods, in accordance with PBE Standards RDR;
- Conclude on the appropriateness of the use of the going concern basis of accounting by the Directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and



- Evaluate the overall presentation, structure, content of the financial report and whether the financial report represents the underlying transactions and events and elements/aspects of service performance in accordance with PBE Standards RDR in a manner that achieves fair presentation.

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

*PKF Goldsmith Fox Audit.*

**PKF Goldsmith Fox Audit Limited**

**Christchurch, New Zealand**

4 November 2025