Form RV2

Form version | August 2024

www.retirementvillages.govt.nz | 0800 268 269
Email your completed form to: retirementvillages@companies.govt.nz
or post to: Registrar of Retirement Villages, Private Bag 92061, Victoria Street West, Auckland 1142

Annual return and certificate of registered documents

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

Name of village

Arohaina Village

Registration number

2072834

Part 1 — Retirement village details

1. Street address of village

396 Aberdeen Road
Gisborne 4010

2. Address of registered office of village

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

Level 5, 25 Broadway
Newmarket
Auckland 1023

3. Address for service of village

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

396 Aberdeen Road
Gisborne 4010

4. Postal address of village

PO Box 56114, Dominion Road, Auckland 1446

5. Email address for village

[redacted]

6. Telephone number for village

[redacted]

7. Fax number for village (optional)

Name of village

Arohaina Village

Registration number

2072834

Part 2 — Operator details

NOTE — Where there is more than one operator continue on a separate sheet and attach all pages to this annual return.

1. Name of operator

Riversaint Villages Limited

2. Company or other registration number (if any)

8161200

3. New Zealand Business Number (if any)

9429049138832

4. Nature of operator e.g. company, natural person

Company

5. Address of registered office of operator

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

Level 5, 25 Broadway
Newmarket
Auckland 1023

6. Address for service of operator

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

Level 5, 25 Broadway
Newmarket
Auckland 1023

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

PO Box 56114, Dominion Road, Auckland 1446

8. Email address of operator

[redacted]

9. Telephone number of operator

[redacted]

10. Fax number of operator (optional)

Name of village

Arohaina Village

Registration number

2072834

Part 3 — Certificate of registered documents

Section 13(1) of the Retirement Villages Act 2003 requires the annual return for the village to be signed by the operator or by a solicitor or qualified statutory accountant (within the meaning of section 5(1) of the Financial Reporting Act 2013).

I, Riversaint Villages Limited

(Insert name of operator)

certify that

for: Arohaina Village

(Insert name of the retirement village)

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

- [ ] Documents to update the registered information are attached to the annual return form.
A change of circumstances form (RV3) must be completed for material changes including changes to —
  - retirement village name
  - operator details
  - registered document details
  - land details
  - change of statutory supervisor, and
  - any other material changes.

Signed: ....

Name of signatory: Grace Wang

Dated: 30 December 2024

Name of village

Arohaina Village

Registration number

2072834

Part 4 — Checklist

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

Have you completed?

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

Have you attached?

- [ ] A copy of the audited financial statements that comply with section 35B of the Retirement Villages Act 2003 (the Act) or, as referred to in section 35F of the Act, the audited financial statements that comply with subpart 3 of Part 7 of the Financial Markets Conduct Act 2013 or section 55 of the Financial Reporting Act 2013; **and**
- [x] A copy of the audited financial statements which comply with section 35C of the Retirement Villages Act 2003 (where applicable); **and**
- [x] A copy of the statutory supervisor's certification addressed to the Registrar (where applicable); **and**
- [ ] The documents supporting any information on the register that has changed (where applicable)

Contact details of person completing this form

Name: Grace Wang

Address:
Level 5, 25 Broadway
Newmarket
Auckland 1023

Email address: [redacted]

Telephone nu [redacted]

Fax number (optional):

16 December 2024

The Registrar of Retirement Villages
c/- Companies Office
Private Bag 92061
Victoria Street West
Auckland 114

Report of Statutory Supervisor in respect of Riversaint Villages Limited (Village)

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

The terms of our appointment as statutory supervisor are recorded in a Deed of Supervision with the operator of the Villages, being Riversaint Villages Limited (Operator), dated 29 June 2021.

The villages that under the ownership of the operator are:

Village name	Registration Number
St Barnabas Close	**2072830**
Arohaina Village	**2072834**
St Lukes Village	**2072832**
Dunblane Village	**2072256**
Rosehill Gardens	**2006538**
Rahiri Retirement Village	**2072231**

This report accompanies the Operator's 2024 annual return (Annual Return) and has been prepared by us in accordance with sections 13(3) (c) and 42(c) of the Act for the period the subject of the Annual Return only.

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

1. The Operator has supplied to us a copy of the audited financial statements for the year ended 30 June 2024. The financial statements of the Operator are the financial statements of the Village.

2. The information contained in the Annual Return is, to the best of our knowledge and belief, accurate.

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

1. We have at all times performed our duties and discharged our obligations as statutory supervisor of the Village. In particular, we have

    a. provided and maintained a stakeholder facility for all resident moneys and this facility has been subject to external audit;

    b. monitored the financial position of the Village;

    c. reported to the residents on the performance of our duties and the exercise of our powers; and

    d. discharged all other duties imposed on us by the Act, the regulations made under the Act and the Deed of Supervision.

2. The Operator has complied with all covenants, in particular all financial obligations and reporting requirements, contained in the Deed of Supervision;

3. We have reviewed all scheduled reports from the Operator for the period ended 30 June 2024;

4. All occupation right agreements issued or terminated during the period ended 30 June 2024 were dealt with in accordance with the relevant provisions of the Act and Deed of Supervision.

5. We have not exercised any of the powers conferred on us as statutory supervisor of the Village pursuant to section 43 of the Act.

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

Covenant Trustee Services Limited

Malcolm T Gray
Manager

Financial Statements

Riversaint Villages Limited
For the 15 month period ended 30 June 2024

Prepared by Drumm Nevatt & Associates Limited

Contents

General Information

Riversaint Villages Limited
For the 15 months ended 30 June 2024

Nature of Business

Retirement Village

Registered Office

Level 5, 25 Broadway
Newmarket, Auckland, 1023

Incorporation Date

15 March 2021

Incorporation Number

8161200

NZ Business Number

9429049138832

IRD Number

133-683-763

Share Capital

1 Ordinary Share Fully Subscribed

Shareholder

New Zealand Aged Care Services Limited

Directors

Peter Gerard Leathem
William Francis Abraham

Bankers

ASB Bank Limited

Solicitors

Minter Ellison Rudd Watts

Chartered Accountants

Drumm Nevatt & Associates Limited

Auditors

Grant Thornton New Zealand Audit Limited

Directors' Report

Riversaint Villages Limited
For the 15 months ended 30 June 2024

The Board of Directors presents their annual report including the Financial Statements of the Company for the 15 months ended 30 June 2024 and the independent auditor's report thereon.

The shareholders of the Company have exercised their right under section 211(3) of the Companies Act 1993, whereby pursuant to a decision of the shareholders of the company who together hold at least 95% of voting shares, they have agreed not to comply with paragraphs (a) and (e) to (j) of section 211 (1) of the Act.

Approved for and on behalf of the Board of Directors who authorised these Financial Statements on pages 5-24 for issue on 12 November 2024.

Peter Gerard Leathem

Date 12 November 2024

W F Abraham

William Francis Abraham

Date 12 November 2024

Statement of Comprehensive Income

Riversaint Villages Limited
For the 15 months ended 30 June 2024

	NOTES	APR 2023-JUN 2024	1 APR 2022 - 31 MAR 2023 RESTATED
Revenue			
Care fees and village services	1	994,262	734,935
Deferred management fees	1	642,811	384,954
Other income	1	296,974	246,686
Total Revenue		**1,934,047**	**1,366,575**
Increase / (decrease) in fair value of investment properties			
Fair value movement of investment property		9,389,038	(293,577)
Total Increase / (decrease) in fair value of investment properties		**9,389,038**	**(293,577)**
Expenses			
Operating expenses		1,303,423	778,913
Employee costs	2	262,401	246,766
Finance costs	3	738,955	956,927
Depreciation	6	76,683	65,609
Loss on sale of villages	8	87,646	-
Total Expenses		**2,469,109**	**2,048,216**
Profit before tax from continuing operations		**8,853,976**	**(975,218)**
Loss from discontinued operations			
Loss from discontinued operations	8	58,321	1,095,188
Total Loss from discontinued operations		**58,321**	**1,095,188**
Subvention			
Subvention payment	4	5,004	357,293
Total Subvention		**5,004**	**357,293**
Taxation			
Income tax (income) / expense			
Deferred tax income	5	(116,976)	(294,868)
Tax expense	5	-	15,615
Prior year tax adjustments		917	-
Total Income tax (income) / expense		**(116,059)**	**(279,253)**
Profit after tax		**8,906,711**	**(2,148,446)**
Other comprehensive income for the year			
Other comprehensive income		-	-
Total Other comprehensive income for the year		-	-
Total comprehensive income		**8,906,711**	**(2,148,446)**

The accompanying notes form part of these Financial Statements.

Statement of Changes In Equity

Riversaint Villages Limited
For the 15 months ended 30 June 2024

$	Retained Earnings	Long-term maintenance reserves	Share Capital	Total
Balance at 1 April 2023, restated	11,593,355	283,025	3	11,876,383
Balance assumed from acquisition	-	-	-	-
Profit for the period	8,906,711	-	-	8,906,711
Other comprehensive income	-	-	-	-
Total Comprehensive Income	**8,906,711**	-	**-**	8,906,711
Long-term maintenance reserves used	82,286	(82,286)	-	-
Balance at 30 June 2024	**20,582,352**	**200,739**	**3**	**20,783,094**

$	Retained Earnings	Long-term maintenance reserves	Share Capital	Total
Balance at 1 April 2022, restated	13,700,966	323,860	3	14,024,829
Balance assumed from acquisition	-	-	-	-
Loss for the period	(2,148,446)	-	-	(2,148,446)
Other comprehensive income	-	-	-	-
Total Comprehensive Income	**(2,148,446)**	-	**-**	**(2,148,446)**
Long-term maintenance reserves used	40,835	(40,835)	-	-
Balance at 31 March 2023, restated	**11,593,355**	**283,025**	**3**	**11,876,383**

The accompanying notes form part of these Financial Statements.

Statement of Financial Position

Riversaint Villages Limited
As at 30 June 2024

	NOTES	30 JUN 2024	31 MAR 2023 RESTATED
ASSETS			
Cash and Cash Equivalents		409,957	375,024
Trade Receivables and Accrued Income		77,204	167,826
Work in Progress		20,741	17,999
Deferred Tax	5	567,409	450,432
Property, Plant and Equipment	6	748,018	742,626
Investment Property	7	59,129,923	48,292,177
Assets Held for Sale	8	-	30,172,509
Intangibles		328,644	328,644
TOTAL ASSETS		**61,281,895**	**80,547,238**
LIABILITIES			
Trade and Other Payables		143,551	607,673
Employee Entitlements		5,639	20,091
Income Tax Payable		-	48,060
Provisions		20,052	38,858
Liabilities on Assets Held for Sale	8	-	18,740,009
Residents' Loan	10	28,829,918	25,311,096
Related Party Payables	13	11,499,641	23,905,069
Total LIABILITIES		**40,498,801**	**68,670,855**
Net Assets		**20,783,094**	**11,876,383**
EQUITY			
Share Capital		3	3
Retained Earnings		20,582,352	11,593,355
Reserves		200,739	283,026
Total EQUITY		**20,783,094**	**11,876,383**

The accompanying notes form part of these Financial Statements.

Statement of Cash Flows

Riversaint Villages Limited
For the 15 months ended 30 June 2024

	APR 2023-JUN 2024	*RESTATED* APR 2022-MAR 2023
Cash flows		
Operating Activities		
Receipts from customers	1,009,021	1,106,647
Receipts from investment properties	289,993	22,433
Receipts from grants	-	1,800
Interest received	1,520	112
Payments to suppliers and employees	(1,706,426)	(1,248,225)
Finance costs	(3,957)	(403)
Income tax refunded/ (paid)	(48,976)	(194,440)
Cash receipts from other operating activities	5,337	20,729
Cash receipts from long term maintenance reserves	(82,286)	(15,108)
Receipts of residents' loan	(14,724,853)	1,432,534
Total Operating Activities	**(15,260,627)**	**1,126,079**
Investing Activities		
Payment for property, plant and equipment	(22,440)	(15,442)
Proceeds from sale of investment properties	30,084,863	-
Payment for refurbishment of investment properties	(212,110)	(73,509)
Payment for investment properties	(1,079,723)	(20,568)
Other cash items from investing activities	(2,742)	-
Total Investing Activities	**28,767,848**	**(109,519)**
Financing Activities		
Advances received from related parties	1,557,283	260,914
Repayments to related parties	(15,029,571)	(1,973,361)
Total Financing Activities	**(13,472,288)**	**(1,712,447)**
Net Cash Flows	**34,933**	**(695,887)**

	APR 2023-JUN 2024	APR 2022-MAR 2023
Cash and Cash Equivalents		
Cash and cash equivalents at beginning of period	375,025	1,070,912
Net change in cash for period	34,933	(695,887)
Cash and cash equivalents at end of period	**409,958**	**375,025**

The accompanying notes form part of these Financial statements.

Notes to the Financial Statements

Riversaint Villages Limited
For the 15 months ended 30 June 2024

Reporting Entity

Riversaint Villages Limited (the "Company") is a company incorporated under the Companies Act 1993, domiciled and registered in New Zealand. It is a for-profit entity for the purposes of the Financial Reporting Act 2013 and the Retirement Villages Act 2003 and its financial statements comply with these Acts. It is a wholly owned subsidiary of New Zealand Aged Care Services Limited, an entity also domiciled in New Zealand. These financial statements are for Riversaint Villages Limited as a stand-alone entity.

Dunblane Village Limited, Rahiri Village Limited, Rosehill Gardens Limited and Riversaint Villages Limited were amalgamated to become Riversaint Villages Limited on 1 June 2024. All of these entities are wholly owned by New Zealand Aged Care Services Limited.

Riversaint Villages Limited owns and operates the retirement village facilities at 24 Hall Road, Ngongotaha, Rotorua; 396 Aberdeen Road, Gisborne; 196 Vigor Brown Street, Napier South, 23 Elm Street, Avondale, Auckland, 178 Rutene Road, Kaiti, Gisborne, and 348 High Street, Dannevirke, Manawatu.

The company changed its annual reporting date to 30 June, and as a result of the change, the current year financial statements are for the 15 months period ended 30 June 2024. The comparative amounts are for the period from 1 April 2022 to 31 March 2023.

Statement of Accounting Policies

Basis of Preparation

These financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP") and comply the New Zealand equivalents to International Financial Reporting Standards Reduced Disclosure Regime ("NZ IFRS RDR") as appropriate for a for-profit entity. The Company reports under NZ IFRS – Reduced Disclosure Regime of the New Zealand Accounting Standards Board as the Company is a for-profit Tier 2 entity for financial reporting purposes on the basis that it does not have public accountability and is not a large for-profit public sector entity.

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties. The financial statements are presented in New Zealand dollars (NZ$) and all values are rounded to the nearest NZ$, except when otherwise indicated.

Amalgamation policies

Dunblane Village Limited, Rahiri Village Limited, Rosehill Gardens Limited and Riversaint Villages Limited are wholly owned by New Zealand Aged Care Services Limited. Predecessor value method has been applied for common control business combination. All assets and liabilities were recognised at carrying value and there was no goodwill recognised. Consolidated Statement of Comprehensive Income includes results of the combining companies for the full financial year. Comparative amounts are restated at the beginning of the comparative period.

New Standards and Interpretations

New Standards and Interpretations not yet Adopted

There are no new standards, amendments or interpretations that have been issued and are not yet effective, that are expected to have a significant impact on the Group.

Disclosure of Accounting Policies - Amendment to IAS 1 and IFRS Practice Statement 2

The amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments have had an impact on the Group's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Group's financial statements.

Revenue Recognition

Care Fees and Village Services

Care fees and village services fees are recognised over the period in which the service is rendered.

Deferred Management Fees

Deferred management fees entitle residents to accommodation and the use of the community facilities within the village. They are recognised over the period of service, being the greater of the expected period of tenure or the contractual right to the revenue.

Other Income

Other income included 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.

Rent income is recognised in the period that it is received.

Interest received is recognised as interest accrues, gross of refundable tax credits received.

Property, Plant and Equipment

Property, plant and equipment are stated at historical cost less any accumulated depreciation and impairment losses. Historical cost includes expenditure directly attributable to the acquisition of assets, and includes the cost of replacements that are eligible for capitalisation when these are incurred.

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

Depreciation is charged to the income statement over the estimated useful lives of each asset class as follows:

Depreciation

Account	Method	Rate
Land	Not depreciated	N/A
Buildings	Straight Line	2%
Furniture & Fittings	Straight Line	17.5% - 25%
Office Equipment	Full Depreciation at Purchase	N/A
Office Equipment	Straight Line	8% - 67%
Plant & Equipment	Straight Line	10.5% - 20%

Investment Property

Investment properties are held to earn rental income and for capital appreciation. The Company's investment properties comprise of (a) land and buildings and associated equipment and furnishings related to independent living units, serviced apartments and common facilities in the retirement village, and (b) land and buildings held for lease to Dunblane Lifecare Limited. All retirement village units that are contracted with an occupation right agreement ("ORA") 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. The land and buildings leased are also classified as Investment Property.

Village units and common facilities

These Investment properties are initially recognised at cost and subsequently measured at fair value with any change in fair value recognised in the statement of comprehensive income. Investment properties revalued annually.

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

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

No depreciation is provided for on investment properties.

Land and building being leased

These investment properties were previously carried at cost less any accumulated depreciation on a straight-line basis, following the same rates as disclosed under property, plant and equipment.

From the year ended 30 June 2025, land and buildings, including fitouts, are carried at revalued amounts which are the fair values at the date of the revaluation. Revalued amounts are fair values based on valuation reports prepared by external professional valuers once every three years or more frequently if market factors indicate a material change in fair value (considered to be around 10% change from the most recent valuation). Any revaluation surplus is recognised in profit or loss.

Leased land and buildings are not depreciated.

Goodwill

Goodwill is an intangible asset representing the future economic benefits arising from assets acquired in a business combination that are not individually identified and separately recognised.

Goodwill is measured at cost less any accumulated impairment losses. Cost is the excess of consideration paid over the acquirer’s interest in the net fair value of identifiable assets of the acquired business at the date of acquisition.

Goodwill is tested for impairment annually at 30 June and when circumstances indicate that the carrying value may be impaired. Goodwill acquired through business combinations with indefinite lives have been allocated, for impairment testing, to the cash generating units (CGU's). A CGU is defined as an individual village. This is the level at which the smallest identifiable group of assets that generates cash flows that are largely independent of the cash inflow from other groups of assets.

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and value in use. Impairment losses relating to goodwill cannot be reversed in future periods.

Financial Instruments

Financial instruments are recognised in the Statement of Financial Position when the company becomes party to a financial contract. They include cash balances, payables, receivables, intercompany balances and residents' loans.

All of the financial instruments of the Company are initially recorded at cost and subsequently carried at amortised cost using the effective interest method. Credit loss allowance is made for impaired receivables (doubtful debts).

The company does not have any other financial instruments under the other classifications.

Leases

Operating Leases

As lessor

The Company acts as a lessor for occupation right agreements with village residents. The assets leased by the company as a lessor are disclosed as investment property and lease income is generated in the form of deferred management fees. The lease term is determined to be the greater of the expected period of tenure or the contractual right to revenue. The Company uses the portfolio approach to account for leases of units to village residents and allocates individual leases to different portfolios depending on the type of unit.

The Company also acts as a lessor for the use of land and buildings to Dunblane Lifecare Limited. The Company recognises rental income accordingly.

Income Tax

Income tax comprises current and deferred tax and is recognised in the statement of comprehensive income 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 on the taxable income for the year, using tax rates enacted or substantively enacted by the reporting date, and any adjustment to tax payable in respect of previous years. Current tax for current period is recognised as liability (or asset) to the extent that it is unpaid (or refundable). The applicable tax rate is 28%.

Deferred tax arises as a result of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences for the initial recognition of assets or liabilities that affect neither accounting nor taxable profit, unless they arise on a business combination, are not provided for.

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

Residents' Loans

Residents' loans are amounts payable by the Company to a resident on being issued right to occupy one of the units under an occupation right agreement ("ORA"). The ORA confers a right of occupancy until such time as the right is effectively terminated.

These loans are repayable to the exiting resident, net of any amount owing to the Company, when a new ORA for the unit is issued to an incoming resident.

Deferred management fees (DMF) 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 by the resident calculated as a percentage of the resident loan amount as per the resident's ORA.

The DMF receivable is calculated and recorded based on the current tenure of the resident and the contractual right to the DMF earned at the balance date. Under certain ORAs, residents are entitled to receive some or all of the capital gain which has occurred from the increase in value of the unit. The present value of the operator's portion of the estimated capital gain has been calculated by CBRE Limited and Long Valuation & Consultancy in the valuation of the investment property.

Resident loans are initially recognised at fair value and subsequently measured at amortised cost.

As the Company holds a contractual right to offset the DMF receivable on termination of an agreement against the resident's loan to be repaid, residents' loans are recognised net of the DMF 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.

At year-end, the deferred management fee receivable and accrued income on unit titled properties (including termination fees, if any) that has yet to be recognised is held on the balance sheet as a liability (revenue in advance) or as an asset (accrued income).

Critical Accounting Estimates and Judgements

The preparation of these Financial Statements requires the use of critical accounting estimates and judgements. It also requires management to exercise its judgement in the process of applying the accounting policies. The Directors, in determining the appropriate treatment, have carefully evaluated all of the available information and consider the adopted policies to be appropriate.

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

Fair Value of Investment Property

The fair value of investment properties has been determined by an independent qualified valuer and the directors. Given that a range of assumptions are used in determining the fair value of the investment property the subjectivity of these assumptions to changes could have a significant impact on the profit and fair value. Refer to note 8 for details of these assumptions.

Deferred Management Fee Revenue Recognition

Deferred management fees are recognised as revenue on a straight-line basis over the period of service, being the greater of the expected period of tenure or the contractual right to the revenue. This requires management to estimate the period of occupancy for the Villas.

The Directors, in conjunction with the valuer, estimate that the average period of occupancy for Arohaina villas 8.60 years, St Barnabas villas 8.30 to 9.20 years, St Lukes villas 8.90 years, Rosehill Gardens villas 8.64 years, Dunblane villas 7.49 years, and Rahiri villas 8.00 years based on historical results and experience.

If actual occupancy periods differ significantly from the estimates, Deferred Management Fees shown in the Financial Statements will be affected accordingly.

Impairment of Goodwill

Judgment is applied by management in determining whether there are any impairment indicators during the year that may trigger the need to conduct the impairment assessment earlier than when it is usually performed.

In assessing impairment, management uses the fair value determined by the independent valuers. Refer to Note 7 for more details.

Notes to the Financial Statements (continued)

Riversaint Villages Limited
For the 15 months ended 30 June 2024

	APR 2023-JUN 2024	APR 2022-MAR 2023
1. Revenue		
Care Fees & Village Services	994,262	734,935
Deferred management fees	642,811	384,954
Total Revenue	**1,637,073**	**1,119,889**

	APR 2023-JUN 2024	APR 2022-MAR 2023
Other Income		
Grants Received	-	1,200
Interest Received	1,520	264
Meal Recoveries	-	92
Other Revenue	5,337	2,645
Rent Received - Commercial	262,500	210,000
Rent Received - Residential	27,617	32,485
Total Other Income	**296,974**	**246,686**

2. Employee Costs

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

	APR 2023-JUN 2024	APR 2022-MAR 2023
Employee Costs		
Salaries & Wages	240,262	214,174
Leaves	22,140	31,592
Staff Allowances	-	1,000
Total Employee Costs	**262,401**	**246,766**

3. Finance Costs

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

	APR 2023-JUN 2024	APR 2022-MAR 2023
Finance Costs		
Interest on Related Party (Note 13)	734,998	956,525
Interest - Other	3,957	403
Total Finance Costs	**738,955**	**956,927**

4. Subvention Payment

The parent company New Zealand Aged Care Services Limited made a loss, for tax purposes, the company made a subvention payment of $5,004 to the parent company (Last year: $357,293).

	APR 2023-JUN 2024	APR 2022-MAR 2023

5. Income Tax Expense

	APR 2023-JUN 2024	APR 2022-MAR 2023
Net Profit (Loss) Before Tax		
Profit before tax	8,853,976	(975,218)
Profit on assets held for sale	(58,321)	(1,095,188)
Subvention payment	(5,004)	(357,293)
Total Net Profit (Loss) Before Tax	**8,790,651**	**(2,427,699)**
Tax effects of amounts which are not deductible in calculating taxable income		
Accrued expenses	14,118	29,136
Deferred management fee adjustments	412,771	1,020,672
Fair value movement of investment properties	(9,389,038)	1,423,963
Leave adjustments	(13,825)	7,286
Loss on disposal of Riversdale Village	87,646	-
Loss utilised	(2,409)	-
Non deductible expenses	100,085	-
Total Tax effects of amounts which are not deductible in calculating taxable income	**(8,790,651)**	**2,481,057**
Net Surplus as per Tax Return	-	53,358
Tax Payable at 28%		
Tax Payable at 28%	-	15,615
Prior year adjustment	917	-
Total Tax Payable at 28%	**917**	**15,615**
Deferred income tax expense	(116,976)	(294,868)
Income Tax Expense	(116,059)	(279,253)

Imputation Credits

The imputation credit balance for the Company as at 30 June 2024 is $243,416 (2023: $194,439 total of Riversaint Villages Limited, Dunblane Village Limited & Rosehill Gardens Limited).

Deferred Tax

$	Balance 31 March 2023	Change for the year	Balance 30 June 2024
Investment property	-	-	-
Leave adjustments	3,683	(2,039)	1,644
Revenue in advance	418,844	115,576	534,420
Accrued expenses	27,231	4,114	31,345
Losses	675	(675)	-
Total	450,433	116,976	567,409

$	Balance 31 March 2022	Change for the year	Balance 31 March 2023
Investment property	-	-	-
Leave adjustments	3,436	247	3,683
Revenue in advance	133,056	285,788	418,844
Accrued expenses	19,073	8,158	27,231
Losses	-	675	675
Total	155,565	294,868	450,433

6. Property, Plant and Equipment

Year ended 30 June 2024	**Land $**	**Buildings $**	**Furniture & Fittings $**	**Office Equipment $**	**Plant and Equipment $**	**Total $**
At 1 April 2023	410,775	297,126	15,068	3,877	15,782	742,628
Additions	-	22,226	6,417	-	6,379	35,022
Disposals	-	(2,975)	-	(1,846)	(7,762)	(12,583)
Depreciation	-	(7,605)	(5,265)	(1,220)	(2,959)	(17,049)
At 30 June 2024	**410,775**	**308,772**	**16,220**	**811**	**11,440**	**748,018**
Cost or valuation	410,775	323,476	22,946	24,233	16,687	798,117
Accumulated depreciation	-	(14,704)	(6,726)	(23,422)	(5,247)	(50,099)
Net book value	**410,775**	**308,772**	**16,220**	**811**	**11,440**	**748,018**

Year ended 31 March 2023	**Land $**	**Buildings $**	**Furniture & Fittings $**	**Office Equipment $**	**Plant and Equipment $**	**Total $**
At 1 April 2022	410,775	303,211	5,833	14,760	16,355	750,934
Additions	-	-	10,598	2,256	2,589	15,443
Depreciation	-	(6,085)	(1,363)	(13,139)	(3,162)	(23,749)
At 31 March 2023	**410,775**	**297,126**	**15,068**	**3,877**	**15,782**	**742,628**
Cost or valuation	410,775	304,225	16,530	32,703	20,903	785,136
Accumulated depreciation	-	(7,099)	(1,462)	(28,826)	(5,121)	(42,508)
Net book value	**410,775**	**297,126**	**15,068**	**3,877**	**15,782**	**742,628**

	APR 2023-JUN 2024	APR 2022-MAR 2023

7. Investment Properties

Leased Land and Building Classified as Investment Properties		
Opening	2,911,083	2,959,583
Current Year Depreciation	(60,625)	(48,500)
Revaluation	4,249,540	-
Total Leased Land and Building Classified as Investment Properties	**7,099,998**	**2,911,083**
Investment Properties - Village units and common facilities		
Opening Balance	45,381,095	76,218,411
Acquisition of villages	1,079,723	-
Refurbishment	212,110	83,705
Fair value movement - unrealised	5,356,997	(748,513)
Transferred to Assets Held for Sale (Note 8)	-	(30,172,508)
Total Investment Properties - Village units and common facilities	**52,029,925**	**45,381,095**
Total Investment Properties	**59,129,923**	**48,292,178**

	APR 2023-JUN 2024	APR 2022-MAR 2023

Investment Properties

Valuation of owner's equity	20,490,000	17,730,000
Unsold stock	2,435,000	2,045,000
Development land	275,000	295,000
Liability for residents' loans	28,829,925	25,311,095
Lease land and building	7,099,998	2,911,083
Total Investment Properties	**59,129,923**	**48,292,178**

The carrying value of completed investment property is the fair value as determined by an independent valuation report prepared by registered valuers CBRE Limited and Long Valuation & Consultancy (LVC), at 30 June 2024.

The valuers have reviewed market conditions. Property market remain heavily impacted by high interest rates instigated by central banks to combat high inflation. Markets are also impacted by ongoing disruption to global supply chains and geopolitical instability in certain regions. The annual inflation rate for the 12 months to June 2024 was 3.3%. The RBNZ is confident that inflation will return to the target 1% - 3% band over the second half of 2024.

The fair value of investment property is determined on an annual basis.

CBRE determined fair value of Arohaina Village, Dunblane Village, Rosehill Gardens Village, St Barnabas Close Village and St Lukes Village. A valuation method for investment properties was used based on a discounted cash flow ("DCF") model. CBRE Limited used expected cash flows for a 20-year period.

LVC determined fair value of Rahiri Village based on 50 years discounted cash flow.

The fair value as determined by the independent valuer is adjusted for assets and liabilities already recognised in the balance sheet which are also reflected in the DCF. 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 assumptions used by the valuer include:

Significant assumptions are shown below:

Arohaina Village

Occupancy periods of units	Stabilised departing occupancy of 8.40 years (2023: 8.42 years)
House price inflation	7.0% (2023: 0.8%)
Discount rate	25% (2023: 25%)

Dunblane Village

Land $/sqm	$150 per sqm (2023: $160 per sqm)
Occupancy periods of units	Stabilised departing occupancy of 8.09 years (2023: 9.08 years)
House price inflation	7.0% (2023: 0.8%)
Discount rate	22% (2023: 22%)

Roeshill Gardens Village

Occupancy periods of units	Stabilised departing occupancy of 8.1 years (2023: 8.3 years)
Occupancy periods of apartment	Stabilised departing occupancy of 4.9 years (2023: 5 years)
House price inflation	-2.0% (2023: 3.5%)
Discount rate	14.75% (2023: 14.75%)

St Barnabas Close Village

Occupancy periods of units	Stabilised departing occupancy of 8.93 years (2023: 9.12years)
Occupancy periods of apartment	Stabilised departing occupancy of 8.02 years (2023: 8.77 years)
House price inflation	-6.9% (2023: -8.1%)
Discount rate	22.5% (2023: 22.5%)

St Lukes Village

Occupancy periods of units	Stabilised departing occupancy of 8.39 years (2023: 8.61 years)
House price inflation	4.5% (2023: -20.2%)
Discount rate	20% (2023: 20%)

Rahiri Village

Occupancy periods of units	Average of departing occupancy of 8.0 - 9.8 years
Occupancy rate	85.0%
Property growth rate	Property growth rate of 1.5% per annum was used for the first two years followed by an average growth rate of 3.0% for the balance of the 50 year cashflow.
Discount rate	18.0%

The occupancy period derived by CBRE is driven from a Monte Carlo simulation. The simulations are dependent upon the demographic profile of the village (age and gender of residents) and a death and non-death probability as the reason for departing a unit. The resulting stabilised departing occupancy period is an estimate of the long-run occupancy term for residents. Additional variables which will influence the stabilised occupancy period outputs (and recycle profile) by village will include resident densities where a high proportion of couples will logically extend/prolong the recycle profile, occupancy periods for existing residents, current absolute age levels, and whether it is a care or lifestyle orientated village.

CBRE prepared the valuation report for lease land and buildings. Capitalisation approach and sales comparison methods have been used.
Care facility provides rest home, hospital and dementia care for elderly. Significant assumptions used by the valuer includes:
Occupancy & fee rates:
Rest Home 20 Beds 125% Occ% $1,256/Bed/Wk
Dementia 21 Beds 95% Occ% $1,699/Bed/Wk
Hospital 34 Beds 75% Occ% $2,046/Bed/Wk
Capitalise in perpetuity @ 14.5%

The cost value of $3m land and buildings held by Dunblane Villages Limited was amalgamated into Riversaint Villages Limited on 1 June 2024. The land and buildings are leased to Dunblane Lifecare Limited. The lease is charged month to month and is charged at 7% on land and buildings cost value annually.

Land and buildings were revalued in June 2024 and will be revalued every three years, therefore, the Company decided not to depreciated buildings from 1 July 2024.

8. Discontinued Operation

In 2023 the Company announced its intention to dispose the Riversdale Lifestyle Village and initiated an active programme to locate a buyer. The associated assets and liabilities were consequently presented as held for sale in the 2023 financial statements.

The Riversdale Lifestyle Village was sold on 21 June 2023 and is reported in the current period as a discontinued operation. Financial information relating to the discontinued operation for the period to the date of disposal is set out below.

Financial performance and cash flow information

The financial performance and cash flow information presented are for the three months ended 21 June 2024 (1 April 2023 - 30 Jun 2024) and 12 months ended 31 March 2023 (1 Apr 2022 - 31 Mar 2023).

	APR 2023-JUN 2024	APR 2022-MAR 2023
Riversdale Lifestyle Village Net (Loss) / Profit		
Trading income	169,251	516,414
Other income	330	10,133
Fair value movement of investment property	-	(1,130,386)
Gain on acquisition	-	-
Operating expenses	(179,115)	(322,995)
Employee costs	(48,786)	(161,715)
Finance costs	-	-
Depreciation	-	(6,639)
Loss from discontinued operation	**(58,321)**	**(1,095,188)**

	APR 2023-JUN 2024	APR 2022-MAR 2023
Riversdale Lifestyle Village Cash Flows		
Net Cash (Used in) / Received from Operating Actives	(18,806,369)	(114,754)
Net Cash (Used in) / Received from Investing Activities	30,034,950	(16,268)
Net Cash (Used in) / Received from Financing Activities	324,982	36,889
Total Riversdale Lifestyle Village Cash Flows	**11,553,563**	**(94,133)**

Details of the sale of Riverdale Lifestyle Village

$	21 June 2023
Consideration received or receivable	11,432,500
Carrying amount of net assets sold	(11,520,146)
Income tax expense	-
Loss on sale	(87,646)

The carrying amounts of assets and liabilities as at the date of sale (21 June 2023) were:

$	21 June 2023
Property, plant & equipment	9,938
Investment properties	30,172,509
Trade receivables	13,772
Total assets	**30,196,219**
Employee benefit obligations	(17,179)
ORA	(18,658,894)
Total liabilities	**(18,676,073)**
Net assets	**11,520,146**

Assets and liabilities of disposal group classified as held for sale

The following assets and liabilities were reclassified as held for sale in relation to the discountinued operation as at 31 March 2023:

	APR 2023-JUN 2024	APR 2022-MAR 2023
Valuation on assets held for sale		
Assets held for sale		
Opening	-	30,889,945
Investment property acquired from settlement	-	-
Fair value movement - unrealised	-	(717,436)
Total Assets held for sale	**-**	**30,172,509**
Liabilities on assets held for sale		
Opening	-	(17,789,945)
Resident ORA liability assumed from acquisition, net of DMF recevieable	-	-
Amounts repaid on termination of ORAs	-	512,000
Amount received on issue of new ORAs	-	(1,400,000)
Residents' portion of capital gains	-	(113,500)
Movement in DMF receivable	-	51,436
Total Liabilities on assets held for sale	**-**	**(18,740,009)**
Total Valuation on assets held for sale	**-**	**11,432,500**

9. Acquisition accounting / Goodwill

On 30 June 2023, the parent company New Zealand Aged Care Services Limited (NZACS) purchased Kauri Coast Care Home, Waireka Care Home, Rahiri Care Home and Rahiri Retirement Village from Bupa Care Services NZ Limited for $12m.

Four new legal entities, was established to hold and operate the rest homes and villages acquired from the acquisition. The assets were settled in cash as financed by loans from ASB and other investors. Rahiri Village Limited was subsequently amalgamated into Riversaint Villages Limited on 1 June 2024.

The fair values of the identifiable assets and liabilities of the retirement village and assets acquired were determined at the acquisition date and are set out below:

	APR 2023-JUN 2024	APR 2022-MAR 2023
Fair value of acquired assets and liabilities assumed:		
Net assets acquired		
Property and equipment	40,735	-
Investment property	1,038,988	-
ORA liability	(774,670)	-
Total Net assets acquired	**305,053**	**-**
Purchase price		
Purchase price	305,053	-
Total Purchase price	**305,053**	**-**
Gain on acquisition / Goodwill	-	-

There were no contingent consideration arrangements.

	APR 2023-JUN 2024	APR 2022-MAR 2023
Goodwill movement during the year		
Goodwill	328,644	328,644
Impairment	-	-
Closing net book value	**328,644**	**328,644**

Goodwill is tested for impairment annually at 30 June and when circumstances indicate that the carrying value may be impaired. Goodwill acquired through business combinations with indefinite lives have been allocated, for impairment testing, to a cash generating unit (“CGU”). A CGU is defined as an individual village which may include either or both, a care facility and retirement village. This is the level at which the smallest identifiable group of assets that generates cash flows that are largely independent of the cash inflows from other groups of assets. Dunblane Retirement Village is considered one CGU.

Impairment exists when the carrying value of an asset or CGU exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and value in use. Impairment losses relating to goodwill cannot be reversed in future periods.

The recoverable amount for the Dunblane Retirement Village CGU was based on fair value which derived from 30 June 2024 valuation was in excess of the carrying value. As such the Directors did not identify any impairment for the CGU.

Key Judgements and Estimates

The fair value assumptions are based on the valuer’s assumptions in note 8, less costs of disposal and are categorised as level 3 under the fair value hierarchy in accordance with NZ IFRS 13 'Fair Value Measurement'.

	APR 2023-JUN 2024	APR 2022-MAR 2023
10. Residents' loans		
Opening	25,311,095	42,468,410
Resident ORA liability assumed from acquisition, net of DMF receiveable	1,041,000	-
Amounts repaid on termination of ORAs	(2,415,375)	(1,477,916)
Amounts received on issue of new ORAs	5,045,000	3,067,500
Residents' portion of capital gains	102,687	376,000
Movement in DMF receivable	(254,482)	(382,890)
Residents' loans transferred to assets held for sale	-	(18,740,010)
Total Residents' loans	**28,829,925**	**25,311,094**

11. Contingent Assets and Contingent Liabilities

The company has no contingent liabilities as at 30 June 2024 (2023: Nil).

12. Guarantees

As of 31 March 2023, Riversaint Villages Limited provides a cross guarantee for the total ASB loan of $44 m (2023: $38 m), and provides a guarantee for investor loans total of $10.5 m (2023: $14.8 m).

Jarden loan was repaid in full on 31 May 2023, which reduced the security held over the assets.

13. Related Parties

New Zealand Aged Care Services Limited (NZACS) owns 100% of the shares and is the parent company of Riversaint Villages Limited. Aged Care Services Holdings Limited is the ultimate parent and owns 100% of the shares of NZACS. Other related parties include companies also owned by the parent company (“group companies”).

Interest is charged on related party loans at the average ASB bank interest rate of 8.48% on half the average balance of the loan during the year (2023: 8.035%). The loan is repayable on demand.

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

2024	Revenue / (Expense) $	Receivable/ (Payable) $
Opening at 1 April 2023	-	(23,905,069)
Rental income received from NZACS for the lease of land and building used by Dunblane Lifecare	262,500	262,500
Advance from NZACS in relation to the acquisition of the retirement villages	-	(305,053)
Advance from NZACS for working capital purposes	-	(1,190,040)
Administrative charges from NZACS including a portion of employee costs and other incidental expenses	(637,021)	(637,021)
Repayment to NZACS	-	15,010,040
Interest on the balance	(734,998)	(734,998)
Related party payable, net, at 30 June	-	(11,499,641)

2023	Revenue / (Expense) $	Receivable/ (Payable) $
Opening at 1 April 2022	-	(24,669,370)
Rental income received from NZACS for the lease of land and building used by Dunblane Lifecare	210,000	210,000
Advance from NZACS for working capital purposes	-	(190,000)
Administrative charges from NZACS including a portion of employee costs and other incidental expenses	(399,174)	(399,174)
Repayment to NZACS	-	2,100,000
Interest on the balance	(956,525)	(956,525)
Related party payable, net, at 31 March	-	(23,905,069)

14. Capital Commitments

The company has no capital commitments at 30 June 2024 (2023: Nil).

15. Financial assets

	APR 2023-JUN 2024	APR 2022-MAR 2023
Cash and cash equivalents	409,957	375,024
Trade receivables and other assets	77,204	167,826
Total Financial assets	**487,161**	**542,850**

Financial liabilities

	APR 2023-JUN 2024	APR 2022-MAR 2023
Trade and other payables	123,325	571,775
Loans	-	18,740,009
Residents' loans	28,829,918	25,311,096
Related party payables	11,499,641	23,905,069
Total Financial liabilities	**40,452,884**	**68,527,948**

Financial Risk Management Objectives

Exposure to credit, market, capital, and liquidity risk arises in the normal course of the Company's business. The Board considers the financial market's volatility and seeks to minimise potential adverse effects on the financial performance of the business.

Risk management is carried out centrally by the support office under policies approved by the Board of Directors. The Board has approved policies covering overall risk management, as well as policies covering treasury and financial markets risks.

Credit Risk

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposure from trade receivables.

The Company has no significant concentrations of credit risk. The Company policy is to require a security deposit from new residents before they are granted the right to occupy a unit. Therefore, the Company does not face significant credit risk. No collateral is held with respect to any financial assets. The Company enters into financial instruments with various counterparties in accordance with established limits as to credit rating and dollar limits.

The Company cash is held with its principal banker, with the level of exposure to credit risk considered minimal.

The Company receivables represent distinct trading relationships with each of the residents. There are no concentrations of credit risk with residents.

Market risk

Market risk is the risk that changes in market prices such as interest rates will affect the Company's expenses. The objective of market risk management is to manage the control market risk exposure within acceptable parameters, while optimising the return on risk.

Capital risk

Capital risk is the risk that the Company may not be able to access sufficient capital when it is required. This risk is managed by the parent company as the parent company borrows loans from the bank, Jarden, and investors.

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Company also responds to managing its capital risk as the Company provides a guarantee for the Group loans (which management considers to be total equity) with regard to its gearing ratios (net debt to enterprise value), as a guide to capital adequacy, borrowing ratios such as interest cover and loan to value ratios, exposure to liquidity and credit risk and exposures to financial markets volatility.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. This risk is managed by the parent company and subsidiary companies.

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Cash flow forecasting is regularly performed. The finance department monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs. Such forecasting takes into consideration the Company's debt financing plans and covenant compliance. Surplus cash held by the operating entities is used to repay debt.

16. Subsequent Events

No significant events have occurred after balance date.

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Independent Auditor's Report

To the Shareholder of Riversaint Villages Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Riversaint Villages Limited (the "Company") on pages 5 to 24 which comprise the statement of financial position as at 30 June 2024, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the 15 month period then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 30 June 2024 and its financial performance and cash flows for the 15 month period then ended in accordance with the New Zealand equivalents to International Financial Reporting Standards Reduced Disclosure Regime issued by the New Zealand Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the 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 and independent assurance provider in relation to its compliance with its Deed of Supervision, we have no relationship with, or interests in, the Company.

Other Information

The Directors are responsible for the other information. The other information comprises the Company's General information and Directors' Report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements and statement of service performance does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

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

If, based on the work we have performed, 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.

Directors' Responsibilities for the Financial Statements

The Directors are responsible on behalf of the Company for the preparation and fair presentation of these financial statements in accordance with the New Zealand equivalents to International Financial Reporting Standards Reduced Disclosure Regime issued by the New Zealand Accounting Standards Board issued by the New Zealand Accounting Standards Board, and for such internal control as those charged with governance determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible on behalf of 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 to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (NZ) 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 on the External Reporting Board's website at: https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-8/

Restriction on use of our report

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

Grant Thornton New Zealand Audit Limited

Grant Thornton

Auckland, New Zealand

12 November 2024