

ARIA BAY RETIREMENT VILLAGE LIMITED



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Company Directory

Nature of Business

Retirement Village

Date of Incorporation

16 December 2002

Company Number

1260136

Registered Office

Level 15

29 Customs Street West

Auckland 1010

Share Capital

100,000 Ordinary Shares

Shareholders

Arvida Limited

100,000 Ordinary Shares

Directors

Jeremy Nicoll

Mark Wells

Auditors

Ernst & Young

Bankers

ANZ Bank New Zealand Limited

Solicitors

Anthony Harper

Statutory Supervisor

Covenant Trustee Services Limited

Directors' Report

The Board of Directors have pleasure in presenting their annual report including the financial statements of the Company for the year ended 31 March 2025 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.

The financial statements presented are signed for and on behalf of the Board of Directors and were authorised for issue on 9 July 2025.



Jeremy Nicoll
Director
9 July 2025



Mark Wells
Director
9 July 2025



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Independent auditor's report to the shareholder of Aria Bay Retirement Village Limited

Opinion

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

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

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

Basis for opinion

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

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

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

Ernst & Young provides other assurance related services to the parent entity; Arvida Group Limited. We also provided remuneration advisory assistance and limited financial modelling advice to Arvida Group Limited. Partners and employees of our firm may deal with the Company on normal terms within the ordinary course of trading activities of the business of the Company.

Information other than the financial statements and auditor's report

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

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



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

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

Directors' responsibilities for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

The signature 'Ernst & Young' is written in a black, cursive script.

Chartered Accountants
Auckland
9 July 2025

Aria Bay Retirement Village Limited Statement of Comprehensive Income

For the year ended 31 March 2025

| | Notes | 31 March 2025 | 31 March 2024 |
|--|----------|------------------|------------------|
| Village fees | | 834,121 | 498,380 |
| Deferred management fees | | 3,381,887 | 2,588,116 |
| Rental revenue | <u>4</u> | 425,000 | 400,000 |
| Interest revenue | | - | 19,423 |
| Other income | | 198,912 | 38,878 |
| Total revenue | | 4,839,920 | 3,544,798 |
| | | | |
| Audit fees | | 10,000 | 10,000 |
| Cleaning & laundry | | 1,199 | 3,992 |
| Commissions | | 79,000 | 142,500 |
| Computer expenses | | 429 | 2,332 |
| Depreciation | | 148,030 | 128,479 |
| Gardening | | 63,684 | 36,229 |
| Insurance | | 227,589 | 100,767 |
| Interest expense | | 28,366 | - |
| Legal fees | | 46,772 | 41,017 |
| Light, power & heating | | 70,553 | 70,544 |
| Management fees | <u>4</u> | 373,800 | 256,250 |
| Marketing | | 264,643 | 410,383 |
| Other expenses | | 10,069 | 111,732 |
| Purchases & supplies | | 12,626 | 16,236 |
| Rates | | 196,943 | 135,420 |
| Repairs & maintenance | | 485,757 | 217,635 |
| Rubbish removal | | 10,285 | 5,236 |
| Statutory supervisor | | 19,359 | 27,789 |
| Valuation fees | | 15,000 | 15,000 |
| Total expenses | | 2,064,103 | 1,731,542 |
| | | | |
| Fair value movement of investment properties | <u>3</u> | 7,077,225 | 7,798,378 |
| Profit/(loss) before tax | | 9,853,042 | 9,611,633 |
| Income tax expense/(benefit) | <u>2</u> | 777,228 | 533,470 |
| Profit/(loss) after tax | | 9,075,813 | 9,078,164 |

The accompanying notes on pages 11-19 form an integral part of these financial statements.

Aria Bay Retirement Village Limited

Statement of Changes in Equity

For the year ended 31 March 2025

| | Share Capital | Retained Earnings | Total |
|--|----------------|-------------------|-------------------|
| 2025 | | | |
| Opening balance as at 1 April 2024 | 100,000 | 34,057,366 | 34,157,366 |
| Profit/(loss) after tax | - | 9,075,813 | 9,075,813 |
| Closing balance as at 31 March 2025 | 100,000 | 43,133,179 | 43,233,179 |
| 2024 | | | |
| Opening balance as at 1 April 2023 | 100,000 | 24,979,202 | 25,079,202 |
| Profit/(loss) after tax | - | 9,078,164 | 9,078,164 |
| Closing balance as at 31 March 2024 | 100,000 | 34,057,366 | 34,157,366 |

The accompanying notes on pages [11-19](#) form an integral part of these financial statements.

Aria Bay Retirement Village Limited Statement of Financial Position

As at 31 March 2025

| | Notes | 31 March 2025 | 31 March 2024 |
|-------------------------------|----------|--------------------|--------------------|
| Assets | | | |
| Cash and cash equivalents | | 22,586 | 9,018 |
| Trade and other receivables | | 766,314 | 28,270 |
| Resident advances | <u>5</u> | 14,333,654 | 15,753,611 |
| Prepayments | | 66,000 | 29,589 |
| Income tax balance | | 280,217 | 542,496 |
| Related party | <u>4</u> | 4,506,041 | 4,940,577 |
| Property, plant and equipment | | 471,125 | 619,837 |
| Investment properties | <u>3</u> | 148,297,871 | 140,221,483 |
| Work in progress | | 43,799 | 199,884 |
| Total assets | | 168,787,609 | 162,344,765 |
| Liabilities | | | |
| Trade and other payables | | 2,067,641 | 1,525,329 |
| GST | | 292,443 | 234,002 |
| Deferred tax | <u>2</u> | 4,163,012 | 3,106,859 |
| Revenue in advance | | 4,021,115 | 3,721,504 |
| Occupation right agreements | <u>5</u> | 80,243,399 | 72,744,277 |
| Arvida Limited | <u>4</u> | 34,766,819 | 46,855,427 |
| Total liabilities | | 125,554,429 | 128,187,399 |
| Net assets | | 43,233,179 | 34,157,366 |
| Equity | | | |
| Share capital | <u>7</u> | 100,000 | 100,000 |
| Retained earnings | | 43,133,179 | 34,057,366 |
| Total equity | | 43,233,179 | 34,157,366 |

The accompanying notes on pages 11-19 form an integral part of these financial statements.

Aria Bay Retirement Village Limited

Statement of Cash Flows

For the year ended 31 March 2025

| | 31 March 2025 | 31 March 2024 |
|---|---------------------|---------------------|
| Cash flows from operating activities | | |
| Fees received | 1,143,136 | 696,772 |
| Interest received | - | 19,423 |
| Sales of occupation right agreements | 22,190,531 | 26,109,800 |
| Repayments of occupation right agreements | (9,393,932) | (3,269,178) |
| Payments to suppliers & employees | (1,305,322) | (2,532,173) |
| Interest paid | (28,674) | - |
| Income tax (paid)/received | (1,292) | (2,154) |
| Net cash inflow/(outflow) from operating activities | 12,604,447 | 21,022,490 |
| Cash flows from investing activities | | |
| (Acquisition)/disposal of IP, PPE & WIP | (969,008) | (9,821,124) |
| Net cash inflow/(outflow) from investing activities | (969,008) | (9,821,124) |
| Cash flows from financing activities | | |
| Payments (to)/from Arvida Limited | (11,621,871) | (11,210,000) |
| Net cash inflow/(outflow) from financing activities | (11,621,871) | (11,210,000) |
| Net increase/(decrease) in cash and cash equivalents | 13,568 | (8,634) |
| Cash and cash equivalents at the beginning of the financial period | 9,018 | 17,652 |
| Cash and cash equivalents at the end of the financial period | 22,586 | 9,018 |

The accompanying notes on pages [11-19](#) form an integral part of these financial statements.

Notes to the Financial Statements

For the year ended 31 March 2025

1 Statement of Accounting Policies

1.1 Reporting Entity

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

The Company is a wholly owned subsidiary of Arvida Limited (the "Parent"). The controlling entity is Arvida Group Limited.

The financial statements for the year ended 31 March 2025 were authorised for issue by the directors on 9 July 2025. The entity's owner does not have the power to amend these financial statements once issued.

1.2 Basis of Preparation

The financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP). For the purposes of complying with NZ GAAP, the entity is a for-profit entity.

The financial statements comply with New Zealand equivalents to International Financial Reporting Standards Reduced Disclosure Requirements ("NZ IFRS RDR"). The financial statements have been prepared in accordance with the requirements of the Companies Act 1993. The company is eligible to report in accordance with NZ IFRS RDR because it does not have public accountability and is not a large for-profit public sector entity.

The financial statements have also been prepared under the historical cost convention except for investment property.

The functional and presentation currency is New Zealand dollars. Amounts have been rounded to the nearest dollar.

The preparation of financial statements in conformity with NZ IFRS RDR requires the use of certain critical accounting judgements and estimates. The areas involving a higher degree of judgement and areas where assumptions and estimates are significant to the financial statements are detailed under Note 1.17.

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

1.3 Revenue

Village fees and other income are recognised over the period in which the service is rendered.

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 expected period of tenure.

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

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

1.4 Consumables

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

1.5 Interest Expense

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

1.6 Repairs and Maintenance

Repairs and maintenance costs are expensed in the period they are incurred.

1.7 Work in Progress

Work in progress is the cost incurred for developments which are not yet completed to date. This will be transferred to investment properties on completion of the associated stage of construction.

1.8 Property, Plant and Equipment

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

Where an item of property, plant and equipment is disposed of or when no further economic benefits are expected from its

use; the gain or loss (calculated as the difference between net sales price and the carrying amount of the asset) is recognised in the Statement of Comprehensive Income.

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

1.9 Depreciation

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

Furniture & Fixtures: 13% to 67%
Office Equipment: 25% to 50%
Plant and Equipment: 8% to 50%
Motor Vehicles: 10% to 30%

1.10 Investment Properties

Investment properties include land and buildings relating to the retirement village and care facility operations intended to be held long term to earn rental income and for capital appreciation. For details see Note 3.

Investment properties are initially recorded at cost and subsequently measured at fair value. The fair value of investment properties are determined by an independent registered valuer on an annual basis. The fair value is adjusted for assets and liabilities already recognised in the Statement of Financial Position which are also reflected in the discounted cash flow model.

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

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

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

Income from investment property is accounted for as described in Note 1.3.

1.11 Impairment

1.11a Impairment - non-financial assets

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

If the estimated recoverable amount of an asset is less than its carrying amount, the asset is written down to its estimated recoverable amount and an impairment loss is recognised in the Statement of Comprehensive Income.

Any reversal of an impairment loss is recognised as income immediately.

1.11b Impairment - financial assets

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

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

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

1.12 Financial Instruments

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the Company becomes party to the contractual provisions of the Instrument. Financial assets are derecognised if the Company's contractual rights to the cash flows from the financial assets expire or if the Company transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Financial liabilities are derecognised if the Company's obligations specified in the contract expire, are discharged or are cancelled.

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

The Company's financial instruments comprise:

1.12a Cash and cash equivalents

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

1.12b Trade and other receivables

Trade and other receivables, and related party receivables, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for expected credit losses.

Trade and other receivables are assessed for impairment using a forward looking expected credit loss ("ECL") model by taking a simplified approach. Any impairment identified is recognised in profit or loss.

If, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss is reversed and the reversal is recognised in profit or loss. Subsequent recoveries of amounts written off are recognised in profit or loss.

Resident advances are recognised once an occupation right agreement becomes unconditional. Resident advances are recorded at its nominal value and collection terms are based on the specific terms of individual occupation right agreements.

Related party receivables are disclosed in Note 4.

1.12c Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost. The amounts are unsecured and are usually paid within 30 days of recognition, due to their short term nature their carrying value is assumed to approximate their fair value.

Related party payables are disclosed in Note 4.

1.12d Occupation right agreements

Occupation right agreements confer the right of occupancy of the retirement village unit to the resident.

The occupation right agreements in the Statement of Financial Position represent the capital repayment due to the residents. Deferred management fees have been amortised in accordance with the individual contract so that the recorded liability at balance date reflects the total refundable portion of the contributions. See Note 5.

1.13 Revenue Received in Advance

Revenue received in advance represents those amounts by which the deferred management fees recognised over the contractual period exceed the recognition of deferred management fees based on the anticipated period of occupancy. See Note 3.

1.14 Income Tax

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

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

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

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

1.15 Goods and Services Tax

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

1.16 Statement of Cash Flows

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

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

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

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

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

1.17 Critical Accounting Estimates and Judgements

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

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

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

1.17a Fair value of investment properties

The fair value of investment properties has been determined by an independent qualified valuer. Given that a range of assumptions are used in determining the fair value of the investment property the subjectivity of these assumptions to changes could have significant impact on the profit and fair value. Refer to Note 3 for key assumptions made.

1.17b Deferred management fees revenue recognition

Deferred management fees are recognised over the period of service being the expected period of tenure. This requires management to estimate the period of occupancy for the types of accommodation available at the retirement village. Refer to

Note 3 for the average periods of occupancy estimated by the independent registered valuer.

If actual occupancy periods differ significantly from the estimates, deferred management fees shown in the financial statements will be affected accordingly.

1.18 Comparative Figures

The comparative figures shown are for the year ended 31 March 2024. Certain amounts in the financial statements and the accompanying notes have been reclassified to conform to current year's accounting presentation. The reclassifications did not impact profit after tax.

1.19 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 Company.

1.20 Changes in Accounting Policy and Disclosure

The changes in accounting policies adopted are noted in Note 1.19. All other accounting policies are consistent with those of the previous financial year.

2 Income Tax

Current Tax

| | 31 March 2025 | 31 March 2024 |
|---|---------------------|---------------------|
| Profit/(loss) before tax | 9,853,042 | 9,611,633 |
| Adjustments to accounting profit | | |
| Fair value movement | (7,077,225) | (7,798,378) |
| Deferred management fees | (2,372,307) | (1,781,512) |
| Depreciation | (1,399,671) | (2,053,109) |
| Other | - | 91,571 |
| Total adjustments | (10,849,203) | (11,541,428) |
| Taxable income/(loss) | (996,162) | (1,929,795) |
| Current tax expense/(benefit) at 28% | (278,925) | (540,342) |
| Deferred tax expense/(benefit) | 1,056,153 | 1,073,812 |
| Total income tax expense/(benefit) | 777,228 | 533,470 |

The Company is part of the Arvida Group Limited Consolidated Group for tax purposes.

Deferred Tax

| | Opening | Recognised in Income | Closing |
|---|--------------------|-------------------------|--------------------|
| 2025 | | | |
| Deferred management fees | (563,142) | (664,246) | (1,227,389) |
| Investment property | (2,543,716) | (391,907) | (2,935,624) |
| Deferred tax asset/(liability) as at 31 March 2025 | (3,106,859) | (1,056,153) | (4,163,012) |
| 2024 | | | |
| Deferred management fees | (64,319) | (498,823) | (563,142) |
| Investment property | (1,968,727) | (574,989) | (2,543,716) |
| Deferred tax asset/(liability) as at 31 March 2024 | (2,033,047) | (1,073,812) | (3,106,859) |

The tax charge in the Statement of Comprehensive Income reflects the movements in deferred tax through the profit and loss for the above items.

3 Investment Properties

| | 31 March 2025 | 31 March 2024 |
|------------------------------------|--------------------|--------------------|
| Opening balance | 140,221,483 | 87,348,805 |
| Additions/(disposals) | 999,164 | 45,074,300 |
| Fair value movement | 7,077,225 | 7,798,378 |
| Total investment properties | 148,297,871 | 140,221,483 |
| Operators interest per valuation | 71,635,000 | 70,840,000 |
| Care facility value per valuation | 6,300,000 | 6,000,000 |
| Occupation right agreements | 80,243,399 | 72,744,277 |
| Resident advances | (13,901,642) | (13,084,299) |
| Revenue in advance | 4,021,115 | 3,721,504 |
| Total investment properties | 148,297,871 | 140,221,483 |

Independent registered valuer: Michael Gunn, CBRE

The fair value of investment properties are determined on an annual basis by the independent registered valuer listed above. A valuation method for investment properties was used based on a discounted cash flow ("DCF") model. The valuation of investment properties includes within its forecast cash flows and the Company's expected costs relating to any known or anticipated remediation works. The fair value as determined by the independent registered valuer is adjusted for assets and liabilities already recognised in the balance sheet which are also reflected in the DCF. As the fair value of investment properties are determined using inputs that are unobservable, the Company has categorised investment properties as level 3 under the fair value hierarchy in accordance with NZ IFRS 13 'Fair Value Measurement'.

Significant assumptions used by the valuer include:

| Assumption | 31 March 2025 | 31 March 2024 |
|------------------------------------|-------------------|-------------------|
| Occupancy period: | | |
| Apartments | 7.9 yrs | 7.9 yrs |
| Serviced apartments | 4.5 yrs | 4.5 yrs |
| Care suites | 2.9 yrs | 3.0 yrs |
| Average age on entry: | | |
| Apartments | 79.9 yrs | 79.8 yrs |
| Serviced apartments | 83.2 yrs | 84.3 yrs |
| Care suites | 87.4 yrs | 86.9 yrs |
| House price inflation | 0.75% to 3.50% | 0.50% to 3.50% |
| Discount rate | 14.25% | 14.25% |
| Discounted cash flow model period | 20 yrs | 20 yrs |
| Care facility capitalisation rate | 12.75% | 12.75% |
| Care facility market value per bed | 105,000 | 101,000 |

4 Related Parties

| | 31 March 2025 | 31 March 2024 |
|--|------------------|------------------|
| Revenue/(expense) transactions with related parties during the year | | |
| Rental revenue received from Aria Bay Senior Living Limited | 425,000 | 400,000 |
| Management fee expense paid to Aria Bay Senior Living Limited | (373,800) | (256,250) |
| Receivable/(payable) balances with related parties at year end | | |
| Arvida Limited | (34,766,819) | (46,855,427) |
| Aria Bay Senior Living Limited | 4,506,041 | 4,940,577 |

Related parties

The Company is a wholly owned subsidiary of Arvida Limited. The controlling entity is Arvida Group Limited, which is incorporated and domiciled in New Zealand. Related parties are other wholly owned subsidiaries of Arvida Group Limited. The balances with related parties are interest free, unsecured and repayable on demand.

Guarantees

Bank loans of the Company's controlling entity Arvida Group Limited are secured by various mortgages over certain assets of the company, subject to a first priority to the Statutory Supervisor over the retirement village assets. A registered first ranking composite general security agreement containing a cross guarantee and indemnity granted by Arvida Group Limited and acceded to by the Company, subject to guarantees being limited to 50% of the company's net tangible assets.

Key management personnel compensation

The Company's controlling entity is Arvida Group Limited. Key strategic decisions regarding the planning, direction, control and activities of the Company are undertaken by the Board of Arvida Group Limited as the controlling entity together with key management personnel of Arvida Limited the fully owned subsidiary of Arvida Group Limited and parent of the Company. Disclosures regarding key management personnel compensation for Arvida Group Limited can be found in the notes of that entity's annual report for the year ended 31 March 2025.

5 Occupation Right Agreements

| | 31 March 2025 | 31 March 2024 |
|-----------------------------------|-------------------|-------------------|
| Occupation right agreements | 80,243,399 | 72,744,277 |
| Resident advances | (14,333,654) | (15,753,611) |
| Net liability to residents | 65,909,745 | 56,990,666 |

The occupation right agreements ("ORA") liability is classified as current as the Company does not have an unconditional right to defer settlement. Settlement occurs when both a terminating event has occurred and there has been a subsequent resale of the license.

Resident advances are provided to residents to enable them to complete the settlement of their ORA. Resident advances are either repayable upon sale of a property following the settlement or repaid on termination of the ORA.

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

6 Leases

As Lessee

The Company has elected not to recognise right of use assets and lease liabilities for short-term leases that have a lease term of 12 months or less as at the commencement of the lease. The Company recognises the lease payments associated with these leases as incurred as a rental expense over the lease term.

As Lessor

The Company acts as a lessor under 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 expected period of tenure. 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.

7 Share Capital

| | 31 March 2025 | 31 March 2024 |
|---------------------------|------------------|------------------|
| Number of ordinary shares | 100,000 | 100,000 |

Ordinary shares are classified as equity. All ordinary shares are authorised and rank equally with one vote attached to each fully paid ordinary share. The shares have no par value.

There were no dividends declared or paid by the Company during the year ending 31 March 2025 (2024: \$Nil).

8 Capital Commitments

As at 31 March 2025 the Company had \$Nil capital commitments in relation to construction contracts (2024: \$Nil).

9 Contingent Liabilities

There were no known material contingent liabilities at 31 March 2025 (2024: \$Nil).

10 Subsequent Events

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