

Form 2

Annual Return and Certificate of Registered I

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



\*10058425525\*

Part One: Retirement Village Details

Name of village:

Registration number of village:  Balance date:

Telephone number for village:  Fax number for village:   
(optional)

Street address of village:

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].

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].

Postal address of village:

Email address for village:

Number of units in the village:  Not more than 34 units  35-84 units  At least 85 units

Part Two: Operator Details

Where there is more than one operator, continue on a separate sheet if necessary and attach all pages to this Annual Return.

Number of operators:

Name of operator:

Company or other registration number (if any):

Nature of operator:   
[e.g. company, natural person]

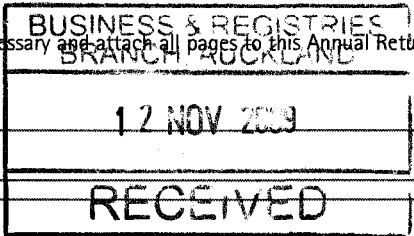
Address of registered office of operator:   
[This address must be a physical address in New Zealand and must not be a post office box or private bag address]

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]

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

Email address of operator:

Telephone number of operator:  Fax number of operator:   
(optional)



## Form 2 | Annual Return and Certificate of Registered Documents [continued]

Name of village:

Alpine View

Registration number of village:

2047014

**Part Three: Certificate of registered documents and annual return**

I, O'Dowd Bryenton Partnership

[insert name of operator]

certify that for:

Alpine View

[insert name of the retirement village]



the details contained in this Annual Return are correct as at:

/ /

And that:

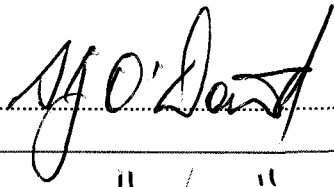


each registered document is correct, current, and not likely to mislead or deceive any resident, intending resident, or the public.



documents to update the registered information are attached to the Annual Return form. (Form 3 – Change of circumstances must be completed for material changes).

Signed:



Dated:

11 / 11 / 2009

Name of signatory:

Simon John O'Dowd

**Contact Details of Person Completing this Form:**

Name:

Simon O'Dowd

Address:

PO Box 27126  
Christchurch

Email address:

alpine@xtra.co.nz

Telephone number:

03 3832295

Fax number [optional]:

Form 2 | Annual Return and Certificate of Registered Documents

**123 Your checklist for completing this application**

Use this checklist to ensure you have included all of the information required which will speed up registration. Include this completed checklist when submitting your Annual Return.

Name of village:

Registration number of village:

**Have you completed?**

Parts One, Two and Three and signed the form (attaching extra pages if applicable)

**Have you attached?**

A copy of the audited financial statements that comply with the Financial Reporting Act 1993; and

The documents supporting any information on the register that has changed

A copy of the Statutory Supervisor's certification [where applicable]

The correct fee must be paid. If you have:

- 0-34 units – the prescribed fee is \$NZ450
- 35-84 units – the prescribed fee is \$NZ1,510
- More than 85 units – the prescribed fee is \$NZ3,850

**Important information**

Note that if the information supplied in this form requires any changes to be made to the information registered on any computer register held by LINZ (Land Information New Zealand), there will be a fee for such change. The Registrar will notify you of the amount of any such fee.

**Payment**

**Cheque** Cheque number  Bank   
Please make cheques payable to Ministry of Economic Development

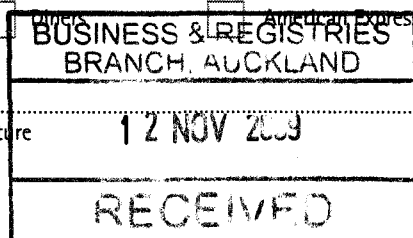
**Direct Debit** MED User ID  Ref:

**Credit Card** Credit Card No.  Expiry

Credit card type:  Mastercard  Visa  American Express

Name (as it appears on your card)

Signature



**O'DOWD & BRYENTON PARTNERSHIP  
Property Investment****FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2009**

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**AUDIT REPORT  
TO THE PARTNERS OF THE O'DOWD AND BRYENTON PARTNERSHIP**

We have audited the attached financial report. The financial report provides information about the past financial performance and financial position of the partnership as at 31 March 2009. This information is stated in accordance with the accounting policies set out in the notes to the financial statements.

**Partners' Responsibilities**

The Partners are responsible for the preparation of a financial report which gives a true and fair view of the financial position of the partnership as at 31 March 2009 and of the results of operations and cash flows for the year ended 31 March 2009.

**Auditors' Responsibilities**

It is our responsibility to express an independent opinion on the financial report presented by the Partners and report our opinion to you.

**Basis of Opinion**

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial report. It also includes assessing:

- the significant estimates and judgements made by the Partners in the preparation of the financial report, and
- whether the accounting policies are appropriate to the partnership's circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with generally accepted auditing standards in New Zealand. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial report is free from material misstatements, whether caused by fraud or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial report.

Other than in our capacity as auditors we have no relationship with or interests in the partnership.

**Unqualified Opinion**

We have obtained all the information and explanations we have required.

In our opinion:

- proper accounting records have been kept by the partnership as far as appears from our examination of those records; and
- the attached financial report
  - complies with generally accepted accounting practice in New Zealand;
  - complies with New Zealand Equivalents to International Financial Reporting Standards;
  - gives a true and fair view of the financial position of the partnership as at 31 March 2009 and the results of its operations and cash flows for the year ended on that date.

Our audit was completed on 16 October 2009 and our unqualified opinion is expressed as at that date.

*PKF Goldsmith Fox Audit*

CHRISTCHURCH



**O'DOWD & BRYENTON PARTNERSHIP**  
**Property Investment**

**DIRECTORY**

<b>NATURE OF BUSINESS</b>	Retirement Village Ownership
<b>BUSINESS LOCATION</b>	10 Alpine View Lane Burwood Christchurch
<b>PARTNERS</b>	Kenneth Bryenton Jeremy O'Dowd Simon O'Dowd
<b>SOLICITORS</b>	Cavell Leitch Law Christchurch
<b>BANKERS</b>	ASB Bank
<b>AUDITORS</b>	PKF Goldsmith Fox Audit
<b>IRD NUMBER</b>	060-948-860
<b>RETIREMENT VILLAGE REGISTRATION NUMBER</b>	2047014

**O'DOWD & BRYENTON PARTNERSHIP  
Property Investment****CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2009**

	THIS YEAR \$	LAST YEAR \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Cash was provided from:</b>		
Service Fee Income	17,392	18,435
Commencement Fees	13,750	28,500
Sundry Income	3,523	2,019
	<u>34,665</u>	<u>48,954</u>
<b>Cash was disbursed to:</b>		
Payments to Suppliers	86,687	56,152
Interest Paid	1,137	12,592
GST (net)	(118)	2,544
	<u>87,706</u>	<u>71,288</u>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<u>(53,041)</u>	<u>(22,334)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<b>Cash was applied to:</b>		
Purchase of Investment Property (1 unit)	217,414	469,832
Purchase of Fixed Assets	22,946	-
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	<u>(240,360)</u>	<u>(469,832)</u>

**O'DOWD & BRYENTON PARTNERSHIP  
Property Investment****CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2009**

	THIS YEAR \$	LAST YEAR \$
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
<b>Cash was provided from:</b>		
Related Party Loans	28,656	-
Partners Advances	108	-
Proceeds from Occupation Right Agreements	261,250	541,500
Maintenance Fund Reserve	512	4,166
	<u>290,526</u>	<u>545,666</u>
<b>Cash was applied to:</b>		
Partner Advances Repaid	-	23
Related Party Loans Repaid	-	45,815
	<u>-</u>	<u>45,838</u>
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>	<u>(290,526)</u>	<u>499,828</u>
<b>Net increase (decrease) in cash held</b>	(2,876)	7,662
Opening Cash Balances	7,664	2
<b>Closing Cash Balances</b>	<u>4,788</u>	<u>7,664</u>
<b>Reconciliation of Closing Cash Balances:</b>		
ASB Bank	4,778	7,627
Westpac	10	37
<b>Total Closing Cash Balances</b>	<u>4,788</u>	<u>7,644</u>



**O'DOWD & BRYENTON PARTNERSHIP**  
**Property Investment**

**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 MARCH 2009**

	THIS YEAR	LAST YEAR
	\$	\$
<b>Reconciliation of Net Cash Flows from Operating Activities and Net Profit after Tax</b>		
<b>NET PROFIT AFTER TAX</b>	639,582	720,948
<b>Plus/(Less) Non Cash Items</b>		
Gain from Change in Fair Value of Investment Property	(452,639)	(528,061)
Licence Fee Amortisation	(20,858)	(7,210)
Rent Received	(239,200)	(234,215)
Interest on Related Party Loans	30,256	18,694
	<u>(682,441)</u>	<u>(750,792)</u>
<b>NET CASH PROFIT</b>	<u>(42,859)</u>	<u>(29,844)</u>
<b>Plus/(Less) Movements in Working Capital</b>		
Accounts Receivable	-	399
Accounts Payable	(10,300)	9,655
GST	118	(2,544)
	<u>(10,182)</u>	<u>7,510</u>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<u><u>(53,041)</u></u>	<u><u>(22,344)</u></u>

This Statement has been audited and should be read in conjunction with the Audit Report and Notes to the Financial Statements.

**O'DOWD & BRYENTON PARTNERSHIP**  
**Property Investment****INCOME STATEMENT**  
**FOR THE YEAR ENDED 31 MARCH 2009**

	NOTE	2009 \$	2008 \$
<b>REVENUE</b>			
Rent Received	5	239,200	234,215
Village Services	1.7	17,392	18,435
Rates & Insurance Reimbursement	1.7	3,523	1,620
Occupation Right			
- Amortisation		20,858	7,210
- Commencement Fees		<u>13,750</u>	<u>28,500</u>
<b>TOTAL GROSS INCOME</b>		<b>294,723</b>	<b>289,980</b>
<b>LESS EXPENSES AND OVERHEADS</b>			
Audit Fees		5,687	-
Interest - Related Party	5	30,256	18,694
Interest - ASB Bank		1,137	12,193
Interest - Other		-	399
Management Fees	5	17,028	17,028
Repairs & Maintenance		16,134	3,086
Refurbishment - Villas		-	8,963
Statutory Supervisor		5,385	7,585
Other Expenses	1.8	<u>32,153</u>	<u>29,145</u>
<b>TOTAL CASH EXPENSES</b>		<b>107,780</b>	<b>97,093</b>
(Gain)/Loss on Revaluation of Investment Property	1.5,3	<u>(452,639)</u>	<u>(528,061)</u>
<b>TOTAL EXPENDITURE</b>		<b>(344,859)</b>	<b>(430,968)</b>
<b>OPERATING SURPLUS</b>		<b><u>639,582</u></b>	<b><u>720,948</u></b>
<b>ALLOCATION TO PARTNERS</b>		<b><u>639,582</u></b>	<b><u>720,948</u></b>

This Statement has been audited and should be read in conjunction with the Audit Report and Notes to the Financial Statements.

**O'DOWD & BRYENTON PARTNERSHIP  
Property Investment****STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2009**


	2009	2008
	\$	\$
Net Surplus/(Deficit) for the Year	<u>639,582</u>	<u>720,948</u>
<b>TOTAL RECOGNISED REVENUE AND EXPENSES</b>	<b>639,582</b>	<b>720,948</b>
Distribution to Owners during the Period	<u>(282,270)</u>	<u>(369,642)</u>
<b>MOVEMENTS IN EQUITY FOR THE PERIOD</b>	<b>357,312</b>	<b>351,306</b>
<b>EQUITY AT THE BEGINNING OF THE YEAR</b>	<b>3,091,918</b>	<b>2,740,615</b>
<b>EQUITY AT THE END OF THE YEAR</b>	<b><u>3,449,230</u></b>	<b><u>3,091,921</u></b>

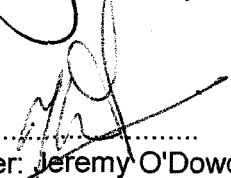
## O'DOWD & BRYENTON PARTNERSHIP Property Investment

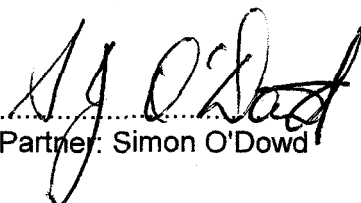
### BALANCE SHEET AS AT 31 MARCH 2009

	NOTE		2008 \$	2008 \$
<b>CURRENT ASSETS</b>				
Cash & Cash Equivalents		4,788		7,664
Goods and Services Tax		<u>217</u>		<u>335</u>
<b>TOTAL CURRENT ASSETS</b>			5,005	<u>7,999</u>
<b>CURRENT LIABILITIES</b>				
Related Party Loans	5	414,245		312,152
Accounts Payable		7,170		17,470
Occupation Right Agreements	1.6	760,648		530,685
Revenue Received in Advance	1.6	14,034		3,605
Maintenance Fund Reserve	4	<u>4,678</u>		<u>4,166</u>
<b>TOTAL CURRENT LIABILITIES</b>			<u>1,200,775</u>	<u>868,078</u>
<b>WORKING CAPITAL</b>			(1,195,770)	(860,079)
<b>NON-CURRENT ASSETS</b>				
Investment Property	1.5,3		<u>4,645,000</u>	<u>3,952,000</u>
<b>NET ASSETS</b>			<u><u>3,449,230</u></u>	<u><u>3,091,921</u></u>

Signed:

  
.....  
Partner: Kenneth Bryenton

  
.....  
Partner: Jeremy O'Dowd

  
.....  
Partner: Simon O'Dowd

Date: 16 October 2009

**O'DOWD & BRYENTON PARTNERSHIP  
Property Investment****PARTNERS CURRENT ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2009**

	2009 \$	2008 \$
<b>Kenneth Bryenton</b>		
Balance at 31 March 2009	1,211,544	1,083,143
<b>Jeremy O'Dowd</b>		
Balance at 31 March 2009	1,128,710	1,008,722
<b>Simon O'Dowd</b>		
Balance at 31 March 2009	1,108,976	1,000,053
<b>TOTAL PARTNERS EQUITY</b>	<u>3,449,230</u>	<u>3,091,918</u>

# **O'DOWD & BRYENTON PARTNERSHIP**

## **Property Investment**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **FOR THE YEAR ENDED 31 MARCH 2009**

#### **1. STATEMENT OF ACCOUNTING POLICIES**

##### **1.1 REPORTING ENTITY**

O'Dowd & Bryenton Partnership is a partnership and is an Issuer for the purposes of the Financial Reporting Act 1993. The financial statements have been prepared in accordance with the Financial Reporting Act 1993.

The partnership is a profit-orientated entity.

##### **1.2 MEASUREMENT BASE**

The accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on an historical cost basis are followed by the partnership, with the exception that:

- Investment property is measured at fair value.
- Certain financial instruments are measured at fair value.

The financial statements are presented in New Zealand Dollars rounded to the nearest whole dollar.

##### **1.3 STATEMENT OF COMPLIANCE WITH NEW ZEALAND EQUIVALENT TO INTERNATIONAL FINANCIAL REPORTING**

The financial statements comply with New Zealand Accounting Standards, which include New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS"). Compliance with NZ IFRS ensures that the financial statements and notes thereto, comply with International Financial Reporting Standards.

##### **1.4 GOODS AND SERVICES TAX**

O'Dowd & Bryenton Partnership is registered for GST and the financial statements are prepared on a GST exclusive basis.

##### **1.5 INVESTMENT PROPERTY**

Investment properties are initially recorded at cost, then revalued on an annual basis in accordance with NZIAS 40: Investment Properties, whereby investment property is valued at fair value as determined by an independent registered valuer. Any gain or loss determined by these revaluations is taken directly to the income statement.

Investment Properties are not depreciated.

## **O'DOWD & BRYENTON PARTNERSHIP Property Investment**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009**

#### **1.6 OCCUPATION RIGHT AGREEMENTS**

These are the Occupation Right deposits paid by the residents. Of these a portion is refundable (plus any unexpired portion of the refundable amount) when the resident leaves the complex and after the unit is re-occupied. The non-refundable portion of the original payment is amortised to the Income Statement so that the recorded liability at balance date reflects the total refundable portion of the contribution as estimated by the Partners, and included in Current Liabilities

As at 31 March 2009, there were three Occupation Right Agreements in place. The amount owed by O'Dowd & Bryenton Partnership to the holders of these agreements was \$774,682 (\$534,290 31.3.08). As per the terms of the Occupation Right Agreements, the repayment of the amount owed by O'Dowd & Bryenton Partnership to any individual holder is dependent on the sale of that agreement to a new holder.

In accordance with Occupation Right Agreements issued, the agreement fee in respect of individual right to occupy, is calculated at 5% per annum (or part thereof) for four years to a maximum of 20% plus a commencement fee of 5%.

The total amount owed to residents as shown in the financial statement will differ from that owing to individuals, according to their period of tenancy. For revenue recognition purposes the fee is amortised over a period greater than the indicated four years on the Occupation Right Agreement. Per financial statements - \$774,682. Per right agreements - \$760,648.

As at 31 March 2009, there were no unissued agreements (no unissued agreements 31.3.08). Occupation Right Agreements are not registrable interests in land but the amount paid by a holder is secured by way of an encumbrance in favour of the Statutory Supervisor and is registered as a first charge on the land.

A further 10 units are owned by title holders. As they become vacant, the partnership intends to purchase these units and issue further Occupation Right Agreements.

#### **1.7 REVENUE**

Residents with Occupation Right Agreements pay a total service fee of \$65 per week. This is comprised of a Body Corporate Levy of \$33.85 and a Rates and Insurance reimbursement of \$31.15.

Residents with unit titles pay a Body Corporate Levy of \$33.85 per week.

A portion of the Body Corporate Levy is transferred monthly to a Maintenance reserve. (See Note 4) This portion is not included as Partnership Income.

The remainder of the Body Corporate Levy is shown as Village Services Income.

Residents are charged for additional services on an invoice basis by Alpine View Care Centre Limited at the time of rendering the service. This is not included as Partnership income.

# **O'DOWD & BRYENTON PARTNERSHIP**

## **Property Investment**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **FOR THE YEAR ENDED 31 MARCH 2009**

The Occupation Right Agreement Fee is the portion of the value of the sale of an Agreement to Occupy that is retained by the partnership. The Occupation Right Agreement Fee is recognised as income over the period of occupancy, which has been estimated at six years. Commencement fees are recognised at the time of commencement of occupancy.

#### **1.8 EXPENDITURE**

Consumables are expensed in the period they are incurred.

Repairs and Maintenance costs are accounted for in the period they are incurred.

A portion of the monthly service fee is transferred to a maintenance reserve. Expenses paid from this reserve are not included in the Income Statement. (Note 4)

#### **1.9 CRITICAL ESTIMATES AND ACCOUNTING**

The Partnership makes estimates and assumptions concerning the future. The resulting accounting estimates will seldom equal the related actual result. The effect of estimation on these financial statements is greatest in the revaluation of the investment property. The Partners have therefore obtained independent valuations carried out in compliance with the professional standards of the NZ Institute of Valuers as detailed in Note 3.

Nevertheless, any valuation carries a degree of uncertainty and the amounts may be large.

The estimates regarding amortisation is based on information supplied by the Partners.

#### **1.10 COMPARATIVE FIGURES**

The comparative figures shown are for a twelve month period.

#### **1.11 CHANGES IN ACCOUNTING POLICIES**

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

## O'DOWD & BRYENTON PARTNERSHIP Property Investment

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

#### 2. SECURED LIABILITIES

- a) The Statutory Supervisor holds a Memorandum of Encumbrance over the underlying land forming the Village, securing certain funds due to the Residents under the Occupation Right Agreements.
- b) ASB Bank Ltd has a General Security Deed (All Obligations) over all advances made to the Partnership.

Liability at balance date: Nil      2008 Nil

The O'Dowd & Bryenton Partnership is a Guarantor for the borrowing by Alpine View Lifestyle Village Ltd from ASB Bank Ltd. The security provided by the O'Dowd & Bryenton Partnership to ASB Bank Ltd is as follows:

1. An unlimited all obligations cross guarantee and indemnity, on ASB standard form between O'Dowd & Bryenton Partnership, Jeremy O'Dowd, Simon John O'Dowd, Alpine View Lifestyle Village Ltd, Kenneth Bryenton, Alpine View Care Centre Ltd supported by:
  - 1.1 A registered all obligations mortgage, on ASB standard form, over all the property at Alpine View Aged Care Centre, 10 Alpine View Lane, Burwood, Christchurch, Title CB45D/940.
 

10 Alpine View Lane is the property of the O'Dowd & Bryenton Partnership.
  - 1.2 An all obligations General Security Deed in ASB standard form, over all the assets and undertaking of O'Dowd & Bryenton Partnership.

#### 3. INVESTMENT PROPERTY REVALUATION

	Freehold Land at Fair Value	Buildings at Fair Value	Total
Balance at 1 April 2007	400,618	2,553,488	2,985,228
Additions	150,000	319,833	469,833
Net Revaluation Increase	49,382	478,679	528,061
Balance at 31 March 2008	600,000	3,352,000	3,952,000
Additions	75,000	165,360	240,360
Net Revaluation Increase	555,000	(102,360)	452,640
Balance at 31 March 2009	1,230,000	3,415,000	4,645,000

## O'DOWD & BRYENTON PARTNERSHIP Property Investment

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

Land and buildings are included at latest available valuation.

Valuer: CBRE CB Richard Ellis, registered valuers, (B Com,FPINZ,FNZIV)

Date of Valuation: 7 September 2009 (as at 31 March 2009)

Value Given: \$4,645,000

	Care Facility	Unit Values	Total
Land	900,000	330,000	1,230,000
Improvements	2,225,000	510,000	2,735,000
Value of Interest in Future Cashflows			680,000
			4,645,000

The valuation was prepared by an independent valuer in accordance with NZIAS 40, and includes the management interest in the complex and the combined interest of the licensor and licensees in the Occupation Right for the 13 Independent Units and 47 Rest home Beds. The valuation also includes community facilities.

The valuation was supported by market evidence and also used a discounted cashflow approach, a resident status report and terms of the Occupation Right Agreements. Significant assumptions used by the valuer include adopting a discounted cashflow rate of 13.5%

The Rest home complex is currently leased to Alpine View Care Centre Ltd. Of the 13 Independent Units -10 are on unit titles and 3 are subject to Occupation Rights agreements.

All assets are located at 10 Alpine View Lane, Burwood, Christchurch  
The land on which these are situated has an overall area of 1.0971 hectares.

#### 4. MAINTENANCE FUND RESERVE

(See Note 1.7)

The Village has a fund for repairs & maintenance, refurbishment (other than units vacated) and capital replacement work associated with the Village and its facilities.

	\$	\$
Balance of fund date of Disclosure Statement		1,779.20
Opening Balance 1 April 2008	4,166.16	
Fees Received	5,400.00	4,176.00
Less Expenses		
Bank Charges	12.00	14.53
Repairs & Maintenance	4,875.83	714.51
Garden Maintenance	-	1,060.00
	4,887.83	1,789.04
Surplus for Period	512.17	2,386.96
Balance of Fund at 31 March 2009	4,678.33	4,166.16
Represented by ASB Bank - 05 Account		

## O'DOWD & BRYENTON PARTNERSHIP

### Property Investment

#### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

##### 5. RELATED PARTIES

The partnership has received advances from Alpine View Care Centre Limited, Alpine View Lifestyle Village Ltd and Boden House Ltd. The advances are repayable on demand and are unsecured, Interest is charged at quarterly rates set by the Inland Revenue. The partners are directors and shareholders of the above companies.

The partnership pays management fees to Alpine View Care Centre Home Limited in its capacity as manager of the day-to-day operations relating to the villas. These management fees are \$17,028 as stated in the Disclosure Statement. O'Dowd & Bryenton Partnership receives an annual rental from Alpine Care Centre Limited for the use of the resthome complex.

		Owing at 31/03/2009	Owing at 31/03/2008
		\$	\$
Boden House Ltd	Interest Paid	5,162	(54,508)
Alpine View Lifestyle Village Ltd	Interest Paid	6,613	(21,084)
Alpine View Care Centre Ltd	Interest Paid	18,481	(338,653)
	Management Fee Paid	17,028	(180,027)
	Rent Received	(239,200)	(414,245)
		(414,245)	(312,242)

##### 6. TAXATION

There is no income tax payable by the partnership as profits or losses are returned in the partners' taxation returns.

##### 7. CAPITAL COMMITMENTS

At balance date the partnership had no capital commitments (nil 31.3.08).

##### 8. CONTINGENT LIABILITIES

The partnership is a guarantor for the borrowings by Alpine View Lifestyle Village Ltd. (See Note 2). Alpine View Lifestyle Village Ltd is the owner of development land at 448 Prestons Road, Christchurch. (The guarantee was in place 31.3.08)

##### 9. EXCEPTIONAL OPERATING RISKS

The partnership does not have any exceptional operating risks (nil 31.3.08)

**O'DOWD & BRYENTON PARTNERSHIP**  
**Property Investment**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2009**

**10. FINANCIAL INSTRUMENTS**

All financial instruments are recognised in the financial statements. All financial instruments are stated at transaction date.

**1. Credit Risk Management**

Total credit risk at 31 March 2009 was \$5,005 (2008 \$7,999)

Financial Assets comprise:

	2009	2008
Cash and Cash Equivalents	4,788	7,664
GST	217	335

The partners consider the exposure to any concentration of credit risk to be minimal.

**2. Liquidity Risk Management**

Liquidity risk is the risk that the partnership will not be able to meet its financial obligations as they fall due

The partners are responsible for the Liquidity risk management and as such have built an appropriate liquidity management framework

The following table details exposure to liquidity risk:

	Less than 1 year	Greater than 1 year	Total
<b>2009</b>			
Accounts Payable	7,170	-	7,170
Occupation Right Agreements	126,775	633,873	760,648
Related Party Loans	414,245	-	414,245
	548,190	633,873	1,182,063
<b>2008</b>			
Accounts Payable	17,470	-	17,470
Occupation Right Agreements	88,448	442,237	530,685
Related Party Loans	312,152	-	312,152
	418,070	442,237	860,307

The Partnership manages the liquidity risk on Occupation Right Agreements through the contractual requirements.

The Occupation Right Agreements are recorded as a current liability as there is no fixed period of occupancy for residents. Any resident can terminate their licence at any time. However, the company is protected from potential liquidity issues as existing license holders are not required to be paid out until the company has received proceeds from an incoming resident.

Related Party Loans ( See Note 5)

**O'DOWD & BRYENTON PARTNERSHIP**  
**Property Investment**  
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**3. Foreign Currency Risk Management**

The partnership operates locally and is not exposed to significant currency exchange risk.

**4. Interest Rate Risk Management**

The Partnership is exposed to Interest Rate Risk in relation to the guarantee on borrowings from ASB Bank.

(see Note 2)

**5. Credit Facilities**

At balance date, the partnership has no credit facility. However, temporary finance can be made available to purchase units from any vacating unit title holders. The finance would then be repaid from the Occupation Rights Deposit from the incoming resident.

**6. Market Risk**

The valuation of Land & Buildings is dependent upon current market conditions. The market is impacted by the Real Estate Market.

**7. Capital Risk Management**

The objective of the partnership's capital management is to ensure the partnership will be able to continue as a going concern. The capital structure consists of debt, cash, and cash equivalents and partners equity.

Capital management is the responsibility of the partners and is subject to capital requirements imposed through bank covenants agreed as part of the lending facility arrangements.

**8. Fair Values**

The estimated fair values of the partnership's financial instruments are considered to be materially the same as their carrying values as disclosed in the Balance Sheet.

11 November 2009

The Registrar of Retirement Villages  
c/o Companies Office  
Ministry of Economic Development  
PO Box 5771  
Wellesley Street  
Auckland 1036

### **Report of Statutory Supervisor in respect of Alpine View (the Village)**

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

The terms of our appointment as statutory supervisor are recorded in a Deed of Supervision with the operator of the Village, being O'Dowd Bryenton Partnership (**Operator**), dated 9 October 2007 and the Retirement Villages Act 2003 (**Act**).

This report accompanies the Operator's 2009 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 Operator's audited financial statements for the year ended 31 March 2009, being statements that we believe comply with the Financial Reporting Act 1993. 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;
  - (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 year ended 31 March 2009.
4. All occupation right agreements issued or terminated during the year ended 31 March 2009 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.

Yours faithfully  
**Covenant Trustee Services Limited**



**Graham Miller**  
Managing Director