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Post your completed form to: Registrar of Retirement Villages, Private Bag 92061, Victoria Street West, Auckland 1142
or email it to: retirementvillages@companies.govt.nz

Annual return and certificate of registered documents

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

Name of village

Registration number

Part 1 — Retirement village details

1. Street address of village

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.

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.

4. Postal address of village

5. Email address for village

6. Telephone number for village

7. Fax number for village (optional)

Name of village**Registration number**

Part 2 — Operator details

1. Name of operator

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

2. Company or other registration number (if any)**3. New Zealand Business Number (if any)****4. Nature of operator**

For example — company, natural person

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.

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.

7. Postal address of operator to which communications from the Registrar may be sent**8. Email address of operator****9. Telephone number of operator:****10. Fax number of operator (optional)**

Name of village

[Empty text box for Name of village]

Registration number

[Empty text box for Registration number]

Part 3 — Certificate of registered documents

I, [Empty text box]

(Insert name of operator)

certify that

for: [Empty text box]

(Insert name of the retirement village)

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 RV3 — Change of circumstances must be completed for material changes).

Signed:

[Handwritten signature]

Name of signatory

[Empty text box for Name of signatory]

Dated

[Empty text box for Dated]

Part 4 — Checklist

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

Have you completed?

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**

A copy of the audited financial statements which comply with section 35C of the Retirement Villages Act 2003 (where applicable); **and**

The documents supporting any information on the register that has changed; **and**

A copy of the statutory supervisor’s certification addressed to the Registrar (where applicable).

Contact details of person completing this form

Name: [Empty text box]

Address: [Empty text box]

Email address [Redacted]

Telephone nu [Redacted]

Fax number (optional): [Empty text box]

16 October 2023

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 four villages that under the ownership of the operator are:

Village name	Registration Number
St Barnabas Close	2072830
Arohaina Village	2072834
Riversdale Lifestyle Village	2072844 – Subsequently sold
St Lukes Village	2072832

This report accompanies the Operator's 2023 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 31 March 2023. 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/will,

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- 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. Have and will report 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 not complied with all covenants, in particular all financial obligations and reporting requirements, contained in the Deed of Supervision, as the audited financial statements were not received by 31 August 2023 and the annual general meeting will be held after 30 September 2023. This is the second year of these occurrences.
 3. We have reviewed all scheduled reports from the Operator for the period ended 31 March 2023;
 4. All occupation right agreements issued or terminated during the period ended 31 March 2023 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 year ended 31 March 2023

Prepared by Drumm Nevatt & Associates Limited

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General Information

Riversaint Villages Limited For the year ended 31 March 2023

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 Shares Fully Subscribed

Shareholders

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 year ended 31 March 2023

The Board of Directors presents their annual report including the Financial Statements of the Company for the year ended 31 March 2023 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 5-23 for issue on ___ August 2023.



Peter Gerard Leathem

Date 29/08/2023



William Francis Abraham

Date 29/08/2023

Statement of Comprehensive Income

Riversaint Villages Limited For the year ended 31 March 2023

	NOTES	2023	2022
Revenue			
Care fees and village services	1	370,536	623,664
Other income	1	2,665	194
Total Revenue		373,201	623,858
Gain on acquisition of villages			
Gain on acquisition of villages		-	3,970,734
Total Gain on acquisition of villages		-	3,970,734
Income / decrease in fair value of investment properties			
Fair value movement of investment property		915,404	4,656,512
Total Income / decrease in fair value of investment properties		915,404	4,656,512
Expenses			
Operating expenses		311,257	454,481
Employee costs	2	56,758	145,733
Finance costs	3	311,988	3,657
Depreciation	6	1,095	8,937
Total Expenses		681,098	612,807
Profit before tax		607,508	8,638,297
Subvention			
Subvention payment	4	357,293	-
Total Subvention		357,293	-
Taxation			
Income tax (income) / expense			
Deferred tax income	5	(175,232)	(80,693)
Tax expense	5	-	83,322
Total Income tax (income) / expense		(175,232)	2,630
Profit after tax		425,447	8,635,667
Other comprehensive income for the year			
Loss on assets held for sale	8	(1,095,188)	-
Total Other comprehensive income for the year		(1,095,188)	-
Total comprehensive income		(669,741)	8,635,667

The accompanying notes form part of these Financial Statements.

Statement of Changes In Equity

Riversaint Villages Limited

For the year ended 31 March 2023

\$	Retained Earnings	Long-term maintenance reserves	Share Capital	Total
Balance at 1 April 2022	8,635,667	68,525	1	8,704,193
Balance assumed from acquisition	-	-	-	-
Profit for the period	425,447	-	-	425,447
Other comprehensive income	(1,095,188)	-	-	(1,095,188)
Total Comprehensive Income	(669,741)	-	-	(669,741)
Long-term maintenance reserves used	15,108	(15,108)	-	-
Balance at 31 March 2023	7,981,034	53,417	1	8,034,452

\$	Retained Earnings	Long-term maintenance reserves	Share Capital	Total
Balance at 1 April 2021	-	-	1	1
Balance assumed from acquisition	-	68,525	-	68,525
Profit for the period	8,635,667	-	-	8,635,667
Other comprehensive income	-	-	-	-
Total Comprehensive Income	8,635,667	-	-	8,635,667
Balance at 31 March 2022	8,635,667	68,525	1	8,704,193

The accompanying notes form part of these Financial Statements.

Statement of Financial Position

Riversaint Villages Limited

As at 31 March 2023

	NOTES	31 MAR 2023	31 MAR 2022
ASSETS			
Cash and Cash Equivalents		86,011	449,513
Trade Receivables and Accrued Income		48,369	77,760
Work in Progress		17,999	3,450
Deferred Tax	5	255,925	80,693
Property, Plant and Equipment	6	12,056	14,945
Investment Property	7	12,861,004	42,577,350
Assets Held for Sale	8	30,172,509	-
TOTAL ASSETS		43,453,873	43,203,710
LIABILITIES			
Trade and Other Payables	10	532,948	99,110
Employee Entitlements		11,446	10,404
Income Tax Payable		32,444	83,322
Provisions		28,642	18,835
Liabilities on Assets Held for Sale	8	18,740,009	-
Residents' Loan	11	8,701,005	25,817,350
Related Party Payables	15	7,372,927	8,470,496
Total LIABILITIES		35,419,421	34,499,517
Net Assets		8,034,452	8,704,193
EQUITY			
Share Capital	12	1	1
Retained Earnings		7,981,034	8,635,667
Reserves		53,417	68,525
Total EQUITY		8,034,452	8,704,193

The accompanying notes form part of these Financial Statements.

Statement of Cash Flows

Riversaint Villages Limited For the year ended 31 March 2023

	2023	2022
Operating Activities		
Receipts from grants	600	-
Receipts from investment properties	22,433	20,184
Receipts from customers	633,010	470,064
Payments to suppliers and employees	(662,583)	(549,502)
Interest received	40	94
Finance costs	-	(891)
Income tax refunded/(paid)	(50,878)	-
Cash receipts from other operating activities	12,158	100
Cash receipts from long term maintenance reserves	(15,108)	68,525
Receipts of residents' loans	1,215,950	1,123,589
Net Cash Received from Operating Activities	1,155,622	1,132,163
Investing Activities		
Payment for property, plant and equipment	(4,845)	(2,650)
Payment for investment properties	(33,194)	-
Other cash items from investing activities	(12,652)	-
Net Cash Used In Investing Activities	(50,692)	(2,650)
Financing Activities		
Advances received from related parties	244,478	120,000
Repayments to related parties	(1,712,910)	(800,000)
Net Cash Used In Financing Activities	(1,468,432)	(680,000)
Net Cash Flows	(363,501)	449,513
Cash and Cash Equivalents		
Cash and cash equivalents at beginning of period	449,513	-
Net change in cash for period	(363,501)	449,513
Cash and cash equivalents at end of period	86,011	449,513

The accompanying notes form part of these Financial Statements.

Notes to the Financial Statements

Riversaint Villages Limited

For the year ended 31 March 2023

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.

Riversaint Villages Limited owns and operates the retirement village facilities at 24 Hall Road, Ngongotaha, Rotorua; 233 Guppy Road, Taradale, Napier; 396 Aberdeen Road, Gisborne; and 196 Vigor Brown Street, Napier South. These retirement village facilities have been acquired from a third party in July 2021 and commenced trading after acquisition.

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 has elected to report 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.

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.

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.

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

Expenses

Expenses have been classified on their business function. These are recognised as they are incurred.

Accounts Receivable

Accounts receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for any uncollectable amounts. Individual debts that are known to be uncollectable are written off in the period that they are identified.

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
Office Equipment	Full Depreciation at Purchase	N/A
Plant & Equipment	Straight Line	13.5%
Office Equipment	Straight Line	20% - 67%

Investment Property

Investment properties are held to earn rental income and for capital appreciation. They comprise of land and buildings and associated equipment and furnishings related to independent living units, serviced apartments and common facilities in the retirement village. 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.

Investment property is initially recognised at cost and subsequently measured at fair value with any change in fair value recognised in the statement of comprehensive income.

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.

Assets held for sale

Investment properties are classified as assets if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets are generally measured at fair value. Any impairment losses on their initial classification as assets held for sale and any subsequent gains and losses on remeasurement are recognised in profit and loss.

Work in Progress

The cost of work in progress and finished goods includes the cost of direct materials, direct labor, and a proportion of the overhead, based on the normal capacity of the facilities, expended in putting the inventories in their present location and condition.

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 and intercompany balances.

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).

Provisions

Provisions are recognised when the Company has an obligation which can be reliably measured at balance date as a result of a past event and it is probable that the company will be required to settle the obligation.

Where the Company expects some or all of a provision to be reimbursed the reimbursement is recognised as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in profit or loss net of any reimbursement (i.e. insurance settlement).

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the obligation at balance date. Movements in the best estimate are recorded in profit or loss.

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.

Goods and Services Tax

The entity is not registered for GST. Therefore all amounts are stated inclusive of GST.

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.

Residents' Loans

Residents' loans are amounts payable to the Company by 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 non-interest-bearing and 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 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).

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 included all call borrowings such as bank overdrafts 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.

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 Group's 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.

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 8.58 years, Riversdale villas 8.90 years, St Barnabas villas 9.20 years, and St Lukes villas 8.91 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.

Notes to the Financial Statements (continued)

Riversaint Villages Limited For the year ended 31 March 2023

	2023	2022
1. Revenue		
Deferred management fees	89,901	130,923
Rent Received - Residential	22,316	20,312
Care Fees & Village Services	258,319	472,429
Total Revenue	370,536	623,664

	2023	2022
Other Income		
Interest Received	20	94
Other Revenue	2,645	100
Total Other Income	2,665	194

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.

	2023	2022
Employee Costs		
Salaries & Wages	42,107	134,848
Leaves	13,652	10,885
Staff Allowances	1,000	-
Total Employee Costs	56,758	145,733

3. Finance Costs

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

	2023	2022
Finance Costs		
Interest on Related Party	311,988	-
Interest - Other	-	3,657
Total Finance Costs	311,988	3,657

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 \$357,293 to the parent company.

2023

2022

5. Income Tax Expense

Net Profit (Loss) Before Tax

Profit before tax	607,508	8,638,297
Profit on assets held for sale	(1,095,188)	-
Subvention payment	(357,293)	-
Total Net Profit (Loss) Before Tax	(844,973)	8,638,297

Tax effects of amounts which are not deductible in calculating taxable income

Accrued expenses	26,636	32,366
Deferred management fee adjustments	595,249	247,646
Fair value movement of investment properties	214,982	(4,656,512)
Gain on acquisition	-	(3,970,734)
Leave adjustments	8,106	6,516
Total Tax effects of amounts which are not deductible in calculating taxable income	844,973	(8,340,718)

Net Surplus as per Tax Return	-	297,579
Tax Payable at 28%	-	83,322
Deferred income tax expense	(175,232)	(80,693)
Income Tax Expense	(175,232)	2,630

Imputation Credits

The imputation credit balance for the Company as at 31 March 2023 is \$50,878 (2022: Nil).

Deferred Tax

\$	Balance 31 March 2022	Change for the year	Balance 31 March 2023
Investment property	-	-	-
Leave adjustments	2,289	1,104	3,393
Revenue in advance	69,341	166,670	236,011
Accrued expenses	9,063	7,458	16,521
Total	80,693	175,232	255,925

\$	Balance 31 March 2021	Change for the year	Balance 31 March 2022
Investment property	-	-	-
Leave adjustments	-	2,289	2,289
Revenue in advance	-	69,341	69,341
Accrued expenses	-	9,063	9,063
Total	-	80,693	80,693

6. Property, Plant and Equipment

Year ended 31 March 2023	Office Equipment \$	Plant and Equipment \$	Total \$
At 1 April 2022	6,000	8,945	14,945
Additions	2,256	2,589	4,845
Depreciation	(5,852)	(1,882)	(7,734)
At 31 March 2023	2,404	9,652	12,056

Year ended 31 March 2022	Office Equipment \$	Plant and Equipment \$	Total \$
At 1 April 2021	-	-	-
Additions	13,937	9,945	23,882
Depreciation	(7,937)	(1,000)	(8,937)
At 31 March 2022	6,000	8,945	14,945

2023

2022

7. Investment Properties

Investment Properties

Opening Balance	42,577,350	-
Acquisition of villages	-	34,290,046
Refurbishment	33,194	1,155
Fair value movement - unrealised	422,968	8,286,150
Transferred to Assets Held for Sale	(30,172,509)	-
Total Investment Properties	12,861,004	42,577,351
Total Investment Properties	12,861,004	42,577,351

Please refer to Note 8 for assets held for sale.

2023 2022

Investment Properties

Valuation of owner's equity	3,390,000	16,140,000
Unsold stock	770,000	620,000
Liability for residents' loans	8,701,004	25,817,350
Total Investment Properties	12,861,004	42,577,350

The carrying value of completed investment property is the fair value as determined by an independent valuation report prepared by registered valuers CBRE Limited, at 31 March 2023. This report combines discounted future cash flows.

The valuers have reviewed market conditions. A key economic indicator was inflation, driven by disruption to global supply chains, increased consumer spending, high construction costs, a tight labour market and the geopolitical crisis stemming from events in Ukraine resulting in volatile oil prices and sharply increasing energy costs. A subsequent cautious attitude amongst lenders after recent bank failures may result in lower liquidity, tighter financial conditions and may limit the extent and duration of further central bank policy rate rises. On 15 June 2023 it was announced New Zealand's gross domestic product (GDP) contracted 0.1% in the first quarter of 2023, driven in part by the impact of extreme weather events and Cyclone Gabrielle in early 2023. This result was weaker than the RBNZ's May Monetary Policy Statement forecast of 0.3% indicating that New Zealand entered a technical recession for the first time since 2020.

The fair value of investment property is determined on an annual basis. The fair value of completed investment properties has been determined by Michael Gunn, Brittany Morgan, and Victoria Hird, independent registered valuers, of the firm CBRE Limited. 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.

Significant assumptions used by the valuer include:

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:

Arohaina Village

Occupancy periods of units	Stabilised departing occupancy of 8.42 years (Last year: 8.36 years)
House price inflation	0.8% (2022: -9.4%)
Discount rate	25% (2022: 25%)

St Barnabas Close Village

Occupancy periods of units	Stabilised departing occupancy of 8.77 - 9.12 years (Last year: 8.66 - 8.95 years)
House price inflation	-8.1% (2022: 14.7%)
Discount rate	22.5% (2022: 22.5%)

St Lukes Village

Occupancy periods of units	Stabilised departing occupancy of 8.61 years (Last year: 8.93 years)
House price inflation	-20.2% (2022: 11.1%)
Discount rate	20% (2022: 20%)

Riversdale Village

Occupancy periods of units	Stabilised departing occupancy of 9.08 years (Last year: 8.91 years)
House price inflation	-20.2% (2022: 11.1%)
Discount rate	16% (2022: 16%)

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.

8. Assets Held for Sale

The Riversdale Lifestyle Village was being negotiated for sale at 31 March 2023 accordingly it is treated as being held for sale. The village was sold on 21 June 2023.

This is disclosed in Note 18 as a subsequent event.

Riversdale Lifestyle Village's valuation, current year and last year profit and cash flow are listed below:

	2023	2022
Valuation on assets held for sale		
Assets held for sale		
Opening	30,889,945	-
Investment property acquired from settlement	-	19,872,970
Fair value movement - unrealised	(717,436)	11,016,975
Total Assets held for sale	30,172,509	30,889,945
Liabilities on assets held for sale		
Opening	(17,789,945)	-
Resident ORA liability assumed from acquisition, net of DMF receivable	-	(13,942,970)
Amounts repaid on termination of ORAs	512,000	641,900
Amount received on issue of new ORAs	(1,400,000)	(1,740,000)
Residents' portion of capital gains	(113,500)	(2,690,950)
Movement in DMF receivable	51,436	(57,925)
Total Liabilities on assets held for sale	(18,740,009)	(17,789,945)
Total Valuation on assets held for sale	11,432,500	13,100,000
	2023	2022

Riversdale Lifestyle Village Net (Loss) / Profit

Trading income	516,414	361,079
Other income	10,133	56
Fair value movement of investment property	(1,130,386)	3,652,661
Gain on acquisition	-	3,323,034
Operating expenses	(322,995)	(235,865)
Employee costs	(161,715)	(113,529)
Finance costs	-	(2,107)
Depreciation	(6,639)	(5,149)
Total Riversdale Lifestyle Village Net (Loss) / Profit	(1,095,188)	6,980,180

	2023	2022
Riversdale Lifestyle Village Cash Flows		
Net Cash (Used in) / Received from Operating Actives	(114,754)	810,899
Net Cash Used in Investing Activities	(16,268)	(2,650)
Net Cash Received from Financing Activities	36,889	-
Total Riversdale Lifestyle Village Cash Flows	(94,133)	808,249

9. Acquisition accounting

There is no acquisition in the current year.

On 30 June 2021, the parent company New Zealand Aged Care Limited purchased Arohaina Village, St Barnabas Close Village, St Lukes Village, and Riversdale Village from a third-party operator. Riversaint Villages Limited, a new legal entity, was established to hold and operate the retirement villages acquired from the acquisition. The assets were settled in cash as financed by loans from ASB bank, Jarden, and other investors.

The fair values of the identifiable assets and liabilities of the retirement village and assets acquired are set out below:

	2023	2022
Fair value of acquired assets and liabilities assumed:		
Net assets acquired		
Property and equipment	-	7,294
Investment property	-	34,290,046
ORA liability	-	(21,195,046)
Total Net assets acquired	-	13,102,294
Purchase price		
Purchase price	-	9,131,560
Total Purchase price	-	9,131,560
Gain on acquisition	-	3,970,734

There were no contingent consideration arrangements.

	2023	2022
10. Trade and Other Payable		
ACC Payable	2,549	1,825
Accounts Payable	116,654	66,744
Accrued Expenses	56,376	30,540
Subvention payable	357,293	-
Sundry Creditors	76	-
Total Trade and Other Payable	532,948	99,110

Please refer to Note 5 for Subvention Payable.

	2023	2022
11. Residents' loans		
Opening	25,817,350	-
Resident ORA liability assumed from acquisition, net of DMF receivable	-	21,195,046
Amounts repaid on termination of ORAs	(762,000)	(946,900)
Amounts received on issue of new ORAs	2,135,000	2,370,000
Residents' portion of capital gains	338,500	3,145,950
Movement in DMF receivable	(87,836)	53,254
Residents' loans transferred to assets held for sale	(18,740,009)	-
Total Residents' loans	8,701,005	25,817,350
	2023	2022

12. Share Capital

Opening Balance	1	1
Shares issued	-	-
Total Share Capital	1	1

13. Contingent Assets and Contingent Liabilities

The company has no contingent liabilities as at 31 March 2023 (2022: Nil).

14. Guarantees

As of 31 March 2023, Riversaint Villages Limited provides a cross guarantee for the total ASB loan of \$38 m (2022: \$28 m), provides a guarantee for the Jarden loan of \$10.3 m (2022: \$10 m), and provides a guarantee for investor loans total of \$14.8 m (2022: \$10 m).

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

15. 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 8.035% on half the average balance of the loan during the year. The loan is repayable on demand.

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

2023	Revenue / (Expense) \$	Receivable/ (Payable) \$
Opening at 1 April 2022	-	(8,470,496)
Advance from NZACS in relation to the acquisition of the retirement villages	-	-
Advance from NZACS for working capital purposes	-	(190,000)
Administrative charges from NZACS including a portion of employee costs and other incidental expenses	(110,443)	(110,443)
Repayment to NZACS	-	1,710,000
Interest on the balance	(311,988)	(311,988)
Related party payable, net, at 31 March	-	(7,372,927)

2022	Revenue / (Expense) \$	Receivable/ (Payable) \$
Advance from NZACS in relation to the acquisition of the retirement villages	-	(9,104,981)
Advance from NZACS for working capital purposes	-	(120,000)
Administrative charges from NZACS including a portion of employee costs and other incidental expenses	(45,515)	(45,515)
Repayment to NZACS	-	800,000
Related party payable, net, at 31 March	-	(8,470,496)

16. Capital Commitments

The company has no capital commitments at 31 March 2023 (2022: Nil).

17. Financial Risk Management

Financial instruments

A financial instrument is recognised if the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Company's contractual rights to the cash flow from the financial assets expire or if the Company transfers the financial asset to another party without retaining control of substantially all the risks and rewards of the asset. Financial liabilities are derecognised if the Company's obligations specified in the contract expire or are discharged or canceled.

The Company's principal financial instruments comprise loans and borrowing, residents' loans, and cash. The main purpose of these financial instruments is to raise finance for the Group's operations.

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

All financial instruments currently held by the Company are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost, except for interest rate swaps which are measured at fair value.

Employee entitlements are excluded from trade and other payables.

	2023	2022
Financial assets		
Cash and cash equivalents	86,011	449,513
Trade receivables and other assets	48,369	77,760
Total Financial assets	134,381	527,272
	2023	2022
Financial liabilities		
Trade and other payables	532,948	99,110
Loans	18,740,009	-
Residents' loans	8,701,005	25,817,350
Related party payables	7,372,927	8,470,496
Total Financial liabilities	35,346,888	34,386,957

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.

18. Subsequent Events

Jarden loan was repaid in full on 31 May 2023, which impacted the guarantee that the Company provides. Refer to Note 14.

The company sold Riversdale Lifestyle Village on 21 June 2023 for \$11,432,500. The related assets and liabilities are accordingly disclosed in the financial statements as Assets and Liabilities Held for Sale. Refer to Note 8 for details.

Independent Auditor's Report

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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 23 which comprise the statement of financial position as at 31 March 2023, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2023 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 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.

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 New Zealand equivalents to International Financial Reporting Standards Reduced Disclosure Regime 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, those charged with governance on behalf of the entity are responsible 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 its shareholder for our audit work, for this report or for the opinion we have formed.

Grant Thornton New Zealand Audit Limited



Auckland, New Zealand

29 August 2023