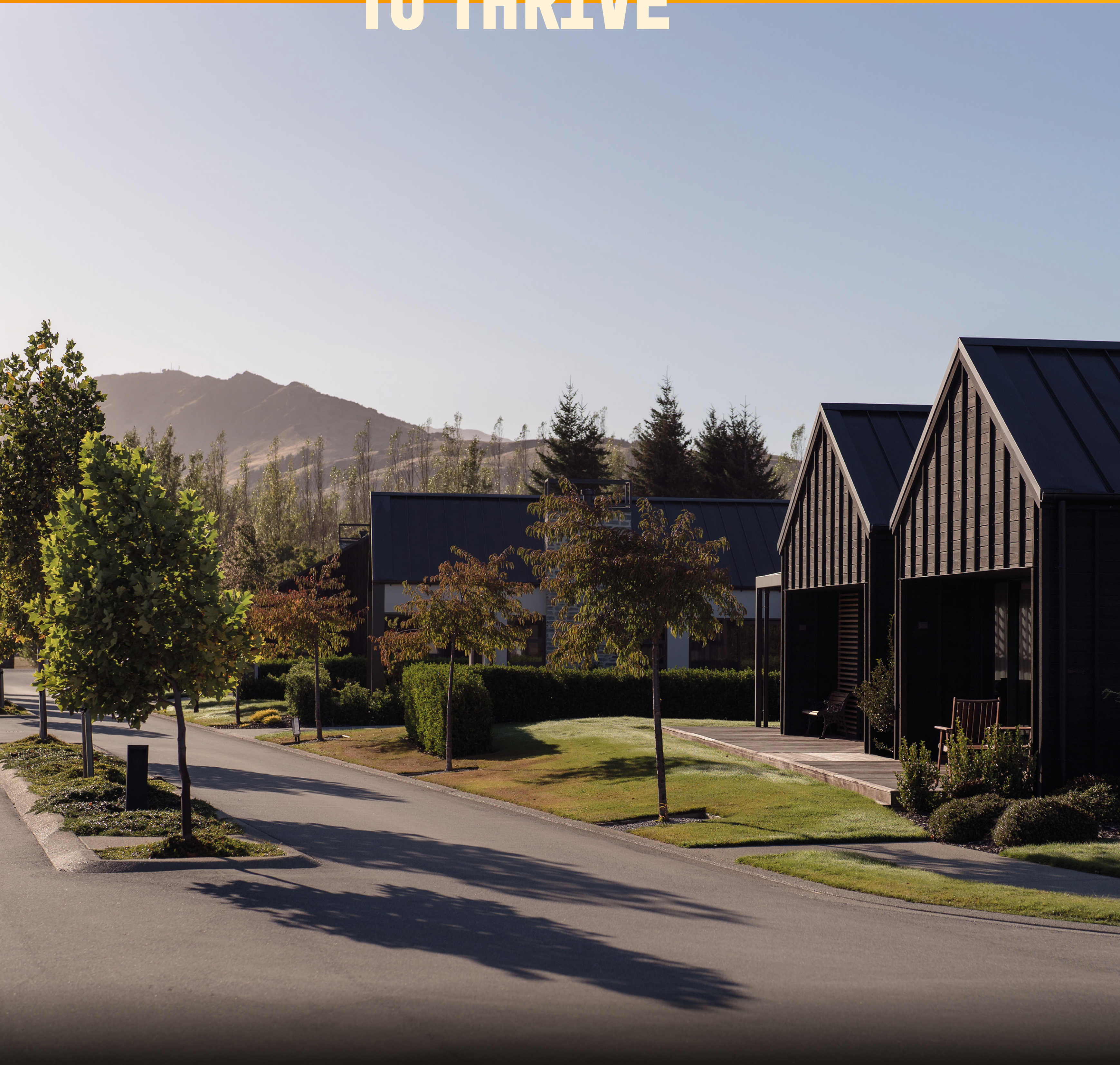
2024 Interim Report
Arvida Group Limited

CREATING COMMUNITIES WITH FREEDOM TO THRIVE




Queenstown Country Club

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FINANCIAL HIGHLIGHTS

INCOME STATEMENT

IFRS Net profit

$90.0M

1H23: $89.2m

Underlying profit[1]

$33.6M

1H23: $38.9m

Underlying EBITDA[2]

$39.0M

1H23: $33.9m

Earnings per share (basic)

12.4C

1H23: 12.4c

Underlying profit per share

4.6C

1H23: 5.4c

Dividend per share

1.2C

1H23: 2.5c

CASH FLOW STATEMENT

Operating cash flow

$45.6M

1H23: $77.4m

Investing cash flow

$166.8M

1H23: $159.0m

BALANCE SHEET

Total assets

$4,014M

1H23: $3,642m

Total interest bearing debt

$753M

1H23: $553m

Embedded value

$1,174M

1H23: $1,107m

Gearing ratio[3]

34%

1H23: 28%

Net tangible assets per share

200C

1H23: 193c

[1] Underlying Profit is a non-GAAP (unaudited) financial measure and differs from NZ IFRS net profit after tax. Please refer to the section Financial Commentary for a reconciliation to Reported Profit under IFRS.
[2] Underlying EBITDA is a non-GAAP (unaudited) financial measure that adds back interest and depreciation to underlying profit and excludes development margin on new units.
[3] Calculated as a ratio of net interest-bearing debt to net interest-bearing debt plus the book value of total equity.

ARVIDA AT A GLANCE

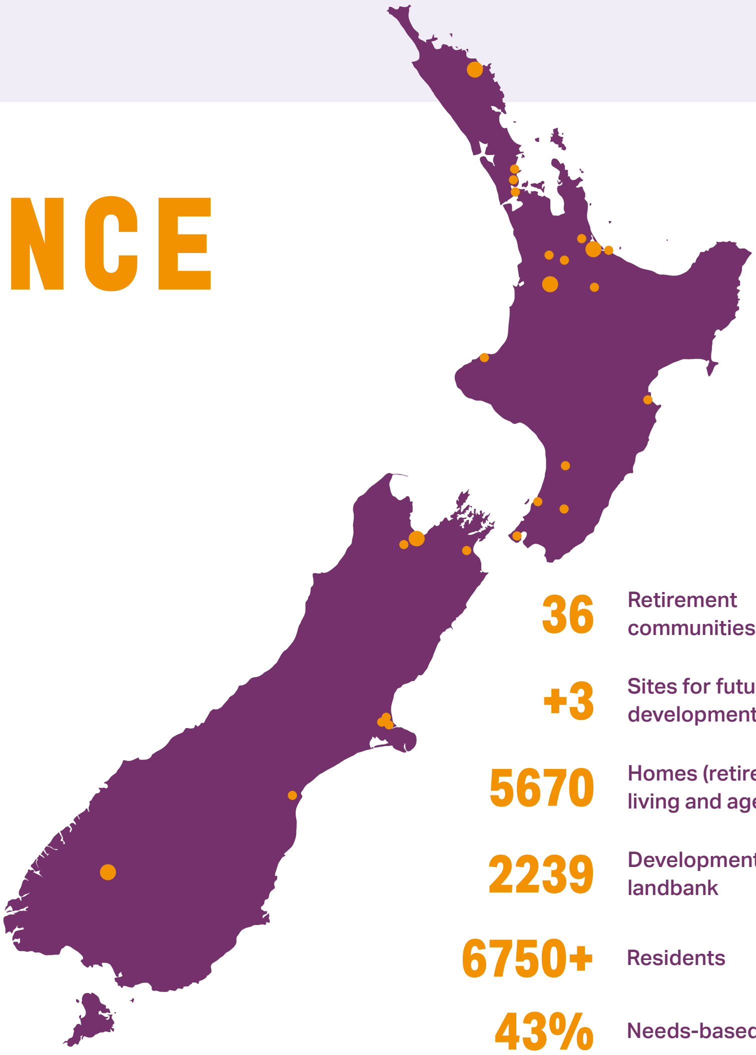
We create thriving retirement communities where older New Zealanders can lead connected and fulfilling lives.

We were formed in 2014, when we listed on the New Zealand stock exchange with 18 retirement villages. Since then, we have grown to become a nationwide group with 36 locations and have additional retirement communities in planning and development. We are one of the largest retirement living and aged care groups in New Zealand.

Our retirement communities are all Arvida owned and operated, with the exception of Village at the Park, in which we have a 50% interest but manage the operations.

Our vision, is to improve the lives of New Zealanders by transforming the ageing experience. We are resident-led in our outcomes, which is guided by our philosophy The Attitude of Living Well™. This vision resonates through our strategy, from new builds and acquisitions to our person-centred care model.

Our purpose, is to create retirement communities where older New Zealanders can live with freedom to thrive.



36 Retirement communities

+3 Sites for future development

5670 Homes (retirement living and aged care)

2239 Development landbank

6750+ Residents

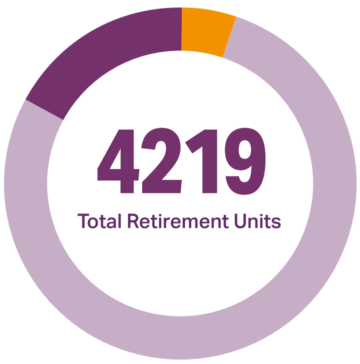
43% Needs-based

37 ESG score[5]

Dementia
236

Hospital
762

Resthome
543



Care Suites
212

Serviced Apartments
706

Villas /Apartments
3301

[4] Excludes 212 care suites that also offer rest home, hospital or dementia-level aged care
[5] Published by S&P Global, top quartile score of global industry group.

CHAIR & CHIEF EXECUTIVE'S JOINT LETTER

Welcome to Arvida's half-year report for the six months ended 30 September 2023.

Providing aged care services successfully requires a genuine dedication to the care and wellbeing of our residents. The unwavering commitment of our teams to create communities where older New Zealanders have the freedom and support they need to thrive continues to deliver tangible benefits for the wider community.

As the past few years have demonstrated, the need to remain responsive to market conditions is vital for business performance and resilience. Our proven ability to adapt and innovate as circumstances require has been critical to ensuring we can continue to look after our residents, our teams and our shareholders in a sustainable way.

Jeremy Nicoll
Chief Executive

Anthony Beverley
Chair

FINANCIAL PERFORMANCE

The last six months have again presented a tough set of external challenges for the business. A continuing weak property market and uncertain economic environment have constrained financial performance. For Arvida, this meant settlement cash flows were impacted and operating costs continued to edge higher, contributing to higher debt levels.

Reported profit for the period at $90.0 million was broadly in line with the $89.2 million reported in the prior corresponding six months. Our underlying profit of $33.6 million was down 14% led by lower gains from both resales and new sales of occupation rights.

While some uncertainty remains on the outlook and the timing of any change in market conditions, early signs of an improving operating environment are emerging. A number of market commentators are now highlighting an upturn in a range of leading indicators across the property market and economy.

Independent valuation firms CBRE and Jones Lang LaSalle also expressed some confidence in an improved outlook for the property market, reverting their near-term house price growth assumptions to be more in line with historical growth assumptions when assessing the value of our investment property.

Despite the uncertain environment, we remain positive on the demand for quality retirement living options and aged care, and the general outlook for the business, with high enquiry and application levels.

CAPITAL MANAGEMENT

As noted in the 2023 annual report, the board and senior executive team placed considerable focus on ensuring the company applied a robust framework to, and management of, capital commitments.

That work identified three key capital management levers to ensure gearing remained within the board's target gearing range of 25%-35%. Primarily, we can flex the development programme to market conditions, including by type and quantity; divest non-core assets and limit land acquisitions; and flex the level of distributions.

Development capital expenditure is the major cash outflow for the business, at around $200-250 million annually. In managing this expenditure, the fundamental approach has been to structure and manage development projects to ensure our capital commitments match our capacity limits. Both aspects were addressed in the period, through:

- Reassessing and reprioritising the development programme; and
- Refinancing our facilities and restructuring our funding structure.

The board also adjusted the dividend policy at the beginning of the financial year to a lower payout range of 30%-50% of underlying profit.

Development programme

Over the first six months of this financial year, we invested $127.2 million in our portfolio and delivered 94 new units across six locations. Construction work in progress is $215.3 million and represents work underway on units to be delivered in future periods.

The acquisition of a super site in Warkworth, an approximate 40-minute drive north of Auckland, was settled in April with the payment of the $18.5 million balance. Master planning is now underway for a broadacre villa-led retirement community. Private Plan Change and Resource Consent applications are expected to be lodged in the coming months.

We are on track to deliver 106 villas in the second half, which will bring total deliveries to 200 new units for the year. The development programme is being actively managed in the context of current market conditions and still-rising construction costs. Priority is being given to developments with good financial metrics that have forward sales momentum or are part of a multi-stage development programme.

With the completion of the Aria Bay apartment complex in September, the intensive development projects in progress involve the construction of care and apartment buildings at our premium villages – Queenstown Country Club and Bethlehem Shores. Neither of these developments are due for delivery in this financial year.

Development capital expenditure is expected to reduce to around $80-100 million in the second half of the financial year, subject to changes in market conditions.

Funding structure

As Arvida has become a more active developer of retirement communities over time, a greater amount of our debt has become development related.

Apartment and care suite centre developments tie up capital for longer periods, with sales typically unable to commence until completion. We have looked to phase these more intensive developments to manage peak funding requirements.

Subsequent to balance date, we were pleased to announce the refinancing and restructure of our banking facilities into a revolving core and development facility. This included adjustment to the interest cover covenant ratio. In combination, the restructured facilities provide us with additional flexibility in the current interest rate and economic environment, and are better aligned to our medium-term growth strategy.

We now have committed funding facilities of $900 million in place. Following the banking restructure, the split between facility limits is $325 million of core and $450 million of development facilities, with an additional $125 million through the retail bond. Our banking syndicate remains ANZ, BNZ and ASB.

Total debt increased to $753 million during the period. This represented a gearing ratio of 33.6%, which is nearing the top of our stated band.

Total assets increased to $4.0 billion, of which investment property was $3.7 billion.

The board continues to view the revitalisation and expansion of our portfolio as a key focus, noting the strategic initiatives to capital management undertaken. The continuation of capital expenditure on projects that have started, that has not been offset by the expected levels of cash inflows from unit settlements, has been the main reason for the increase in debt levels.

Delays to development programmes and associated sell downs (Lauriston Park care suite centre and Aria Bay apartment complex), resident relocations and buybacks from flood-affected Parklane and Mayfair redevelopment plans, and deferred settlement payment terms have also contributed to the increase.

Sales progress

Over the first six months of this financial year, we recorded 285 sales – 102 new sales and 183 resales. At $171 million, the total gross value of sales for the period was 2% higher than the prior corresponding half-year.

In the first quarter, total sales of 103 occupation rights reflected lower inventory and application levels following a strong conclusion to the summer sales period. These results were influenced by generally subdued property market conditions that persisted into the winter months. However, in the second quarter, we achieved record sales of 182 occupation rights, marking a 23% increase compared to the corresponding quarter last year. This result was achieved in the market-dampening backdrop of New Zealand's general election.

Unit pricing continued to increase, with resale prices achieved being on average 4% higher than the values assumed by our independent valuers at 31 March 2023.

Extended settlement timeframes have been more of a factor compared to prior years, as the sales team continued to offer terms that assist prospective residents to settle.

By allowing settlement to occur with payment of a significant proportion of the settlement amount, we are able to offer residents the opportunity to move in while continuing to market and sell their property. This means that full sale proceeds are not received on settlement. Effectively, a higher level of working capital is held on balance sheet pending receipt of the balance of settlement proceeds.

Demand for retirement living remains strong, driven by our growing ageing population and the rising number of elderly choosing to live in retirement communities.

Leading indicators – such as open home attendance rates, website enquiries, level of applications and inventory levels – continue to indicate good forward demand coming into the typically buoyant summer sales period.

Investment in brand and marketing activity across a variety of platforms continued, as we looked to support sales momentum across New Zealand and lift Arvida's profile. Recent activity includes becoming one of three major sponsors of the Mike Hosking Breakfast show on Newstalk ZB.

Development milestones

Our development team have achieved several significant goals over the last half-year, including the opening of our new care suite centre at Lauriston Park in Cambridge and the completion of the Aria Bay apartment development in Browns Bay, Auckland.

Both projects were the culmination of multi-year development programmes, managed through Covid lockdowns, significant weather events and difficult procurement conditions.

At Lauriston Park we officially opened the care centre on 8 June, and have since sold 32 of the 63 care suites. The facility represents the premier aged care centre in the region. It provides a high-quality and highly-attractive living environment for those requiring rest-home, hospital or dementia care.

Completion of the Aria Bay apartment building was originally planned to occur in the last financial year. However, the build-up of Covid-related disruptions and weather events meant final completion and hand over was delayed to September. To date, we have sold 40 of the 57 apartments, including a number of sales to residents who are relocating with the planned Mayfair apartment building redevelopment commencing in the new year.

Remediation of the flood-affected Parklane community has progressed well, with villa residents starting to move back into their homes. The villa remediation programme is expected to be completed in December. Fit-out of the community centre is already complete and the bowling green has been reinstated.

The Parklane team has worked hard to support those affected by providing accommodation alternatives and rallying around residents (and the wider Parklane community) to help out wherever needed. The Parklane and Mayfair relocations and buybacks have resulted in some disruption to Auckland sales activity over this period.

Wellness & Care

Our team continues to shine with their efforts to ensure the safety, comfort and wellbeing of our residents.

This commitment to resident wellbeing was again confirmed in our annual resident satisfaction survey conducted by independent research house Perceptive. NPS of +42 for independent residents and +46 for care residents was recorded, compared with +38 and +59 respectively in the prior survey.

We have progressed our clinical governance structures, which are being adapted to meet Ngā Paerewa criteria and incorporate key business stakeholders. Having our residents' voice as part of clinical decisioning at a governance level further reinforces Arvida as a resident-led organisation.

Established Māori Advisory and Health Equity groups meet quarterly. The composition of these groups is diverse, aiding in ensuring that our care strategy aligns with Te Tiriti and that our services are inclusive, accessible and equitable.

We have also continued to develop the tools we use as part of the Attitude of Living Well. These include incorporating an internal audit tool and continuous improvement guide that maps to Ngā Paerewa.

Technology

Developing our technology potential was identified as a strategic priority for this year.

We are making targeted investments to step-change our digital capability, to better support our teams and residents. This is also uplifting enterprise-wide operational efficiency, data protection and resilience.

To assist this workstream, we introduced a General Manager Information Technology role to drive enhancements in our systems and processes.

Year 1 of the technology strategy looks to advance our governance and resource requirements, while progressing digital transformation, cybersecurity and data orchestration initiatives. This includes delivering ongoing enhancements to our user experience through the capture of their technology needs, preferences and challenges.

People & culture

To achieve our strategic objectives, we recognise that we need to invest in our people at all levels through training and development programmes. We also need to promote our values and culture to achieve our purpose.

We have made a commitment to become an 'employer of choice'. Our people strategy focuses on creating a consistent employee experience that is delivered by our local leaders. It will be supported by a compelling employee proposition with fit-for purpose tools and personal development support.

Solid progress has been made on areas of focus identified at the start of the year:

- Investing in people management systems and reinvigorating our culture.
- Rethinking employee reward and recognition offerings.
- Evolving our organisational design.
- Improving workforce planning to align with culture and capture efficiencies.

Engagement across our teams has improved, as we continue to listen to feedback and make improvements where we can. The refreshing of our 'values and purpose' is an example of where we have implemented an initiative in response to feedback. We look forward to tracking the response of teams and residents as we activate the 'values and purpose' throughout the business.

Highlights from the latest Peakon survey include:

- Engagement across all team members increased to 7.7 and continues to track well to a global benchmark of peers at 7.9. Engagement in our leader group is 8.6.
- Meaningful work and goal setting continue to rank highest and above the global benchmark of peers.
- Reward ranks lowest, but is tracking in line with the global benchmark of peers.
- Over 40,000 comments have now been received through the survey.
- Participation across the group increased to 71%.

Notably, staff retention has increased, and turnover has decreased over the period, in line with the sentiment received via Peakon.

Sustainability

Waste reduction remains an important part of our sustainability strategy.

In collaboration with the University of Otago's Food Waste Innovation research team, funding from the government was secured for New Zealand's first sector-wide food waste reduction project. The $230,000 allocated aims to reduce food waste in the sector by 10%. The grant followed a food waste pilot study of three Arvida communities earlier this year.

A number of other waste initiatives have been activated across the group, including food scrap collection initiatives at our Auckland sites and, in preparation for the redevelopment of Mayfair, working with our contractors to divert construction waste away from landfill.

Work continues as we prepare to meet the External Reporting Board's climate-related financial disclosures requirements at the end of this year. We are involved in a health sector initiative to develop a set of climate change scenarios. Earlier this year we were involved in a similar taskforce for the building and construction sector.

Outlook

We are satisfied with the progress made in implementing strategy.

The business continues to demonstrate resilience in a challenging environment. A period of higher inflation and interest costs, along with the continuing disruption to the residential property market, have had an impact on current profitability.

Indicators show some sign of improvement in outlook for the next six months, particularly in the property market. After four very challenging years in which the team has had to navigate an unprecedented operating environment, a more normalised business environment will be welcomed.

The immediate strategic priorities over the next six months remain:

- Continued focus on maximising sale volumes and receipts.
- Capital commitment and management disciplines for ongoing resilience.
- Maturing the business and operating effectiveness in critical areas.
- A focus on restoring profitability.

Our team collectively remains fully focused on delivering our strategy and fulfilling our important purpose of 'creating communities with freedom to thrive'. The dedication and commitment of our teams across our communities are central to our ability to provide high-quality care and support to our residents.

STRATEGIC CAPITAL MANAGEMENT INITIATIVES

We can flex our development activities (and expenditure) in a number of ways:

We can slow or stop developments

We have tapered our FY24 development programme to 200 new units, of which 72% are villas. We have also revisited our development pipeline to reprioritise villa development, with several larger intensive projects deferred.

We can shift our focus to more villa-led developments

This is very much part of our existing strategy, with much of our programme being focused on broad acre villa-led development. Generally, this type of development lends itself to bringing forward the recycling of cash flow.

We can reduce the size of our care centres

Care is an important part of our strategy. We have previously stated that all future care is being provisioned as a care suite, with an attached entry payment paid by the incoming resident. Generally, our future care centres are sized at around 36 – 40 care suites across a single level. Going forward, this means there will be a higher ratio of independent retirement living units relative to care suites than previously offered.

We can change how developments are funded

We have completed a refinancing and restructure of our bank debt facilities into a revolving core and development facility. The restructure was undertaken to better align the group's funding profile with our medium-term growth strategy and greater focus on development activities. The new facility structure is more suitable for meeting our funding requirements going forward. Bank facilities were also extended to preserve a buffer, should conditions deteriorate.

Recycling assets within our portfolio is consistent with our strategy to deploy capital into areas that generate improved returns. This has seen care-heavy sites divested in the past, which has also helped to reposition the care weighting of the business to a lower level. A more active divestment strategy can be pursued as part of a capital management strategy to reduce balance sheet gearing.

FINANCE UPDATE

We have reported a net profit after tax of $90.0 million for the half-year ended 30 September 2023, up 1% on the prior period; and an underlying profit of $33.6 million, down 14% on the prior period. Underlying profit is a non-GAAP unaudited financial measure used by Arvida to monitor financial performance and determine dividend distributions.

Lauriston Park

PERFORMANCE

Revenue increased 12% to $122.1 million for the six months ended 30 September 2023. The increased scale of the business was a key revenue driver, as well as improved care occupancy and increases to government-funded bed rates.

The gazetted increase in care funding rates, effective from 1 July 2023, are 8.6% for rest home, 9.5% for dementia and 11.3% for hospital-level care.

Care occupancy stabilised at around 93% over the last six months and ended the period at 94%. This compares to 89% nationally, reported by the NZACA[6] for the June quarter, and 88% for the corresponding period last year. Improved access to workforce, a focus on employee rewards and lower Covid transmission rates have been factors contributing to our improved care occupancy.

Twenty-two hospital beds at Mary Doyle in Havelock North were closed in the period, due to regional staffing shortages. The team worked with Te Whatu Ora, trying to find an alternative solution to partial closure. However, the ongoing challenges in recruiting registered nurses in the Hawke's Bay region meant there was no short-term solution. Over 100 aged care beds continue to operate at Mary Doyle.

Total operating costs increased $14.2 million to $117.9 million. Employee costs represented $8.3 million of the increase. Legislated increases to minimum wage rates, commissioning of the Lauriston care centre, investment in human resource and IT teams, higher pay generally and increased leave provisions led to the increase.

Margins in our care centres improved with the lift in occupancy and funding. As a proxy for all our care operations, EBITDA per bed (annualised) for our three standalone care centres was $9,900. This compares $4,100 last year and $17,400 EBITDA per bed reported in FY19 (pre-Covid).

Expensed interest costs were $13.1 million, up $7.2 million on the prior corresponding six months. This reflected both higher average debt levels and higher interest costs.

A fair value movement in investment property of $88.6 million was recorded, driven by the addition of new retirement units in the period, the increase in existing unit pricing and changes to valuer assumptions. In broad terms, the valuers maintained comparable assumptions to the prior year, but increased the near-term property growth rates. Discount rates adopted for two of our retirement communities have been lowered, to reflect a maturing of business or addition of amenity.

$8.4 million was recognised in the financial statements for insurance recoveries. Discussions with our insurance providers continue on determining the business interruption loss arising from flood damage at Parklane in January. The material damage component of the insurance claim was settled and the final payment received during the period. It is possible that the actual financial impacts will differ from those included in the financial statements.

[6] The New Zealand Aged Care Association.

SALES ACTIVITY

Sales of occupation rights totalling $171.4 million were settled in the period, comprising $100.5 million resale and $70.9 million new sale settlements. In total, settlement volumes were up 6% on the corresponding period last year, with 183 resales and 102 new sales recorded. Sales performance was impacted by property market conditions and inventory levels.

Margins on both resales and new sales were down. For resales, this partly reflected lower value units becoming available. On average, unit pricing on settled resales was 4% above pricing assumed by our independent valuers in the March 2023 valuations. For new sales, lower margins reflected both increasing costs and flat sales prices.

Unaudited	**6 months September 2023**	**6 months September 2022**
Number of ORA resales	183	164
Value of ORA resales	$100.5m	$93.5m
Resale margin	28%	30%
Number of new ORA sales	102	105
Value of new ORA sales	$70.9m	$74.7m
Development margin	18%	20%

CASH FLOW

At $45.6 million, the company's operating cash flow was lower than the prior period, driven by lower cash flows from new sales. Transfers and deferred settlements were more of a factor as residential property market conditions continued to affect settlement timeframes and terms.

$179.3 million was spent on investing activities, of which $138.3 million related to development capital expenditure (including capitalised interest). An additional $20.2 million was invested in land acquisitions.

FINANCIAL POSITION

Total assets grew to $4.0 billion, up from $3.8 billion since the start of the financial year. This reflects increased development activity and an increase in the fair value of our villages. Net tangible asset value per share increased to $2.00 per share.

Embedded value in the portfolio increased 6% to $1.2 billion, representing $1.61 per share.

At the end of September, total interest-bearing debt including the bond issue was $753.2 million, representing 19% of total assets. During October, we announced a refinancing and restructuring of our bank facilities.

Total facility limits are now $900 million, inclusive of the retail bond, with a weighted average tenure of 3.2 years.

INTERIM DIVIDEND

The board amended the dividend policy in financial year 2023 to provide for a distribution range of 30% to 50% of full-year underlying profit. Notification was also provided in our year-end reporting that dividend payments would likely be at the bottom end of the revised payout range.

A dividend of 1.2 cents per share has been declared for the six months.

FINANCIAL HIGHLIGHTS[7]

$000	6 months September 2023 Unaudited	6 months September 2022 Unaudited	12 months March 2023 Audited
Total revenue	122,110	109,060	221,979
Net profit after tax (NZIFRS)	90,035	89,189	82,465
Net operating cash flow	45,626	77,406	152,632
Total assets	4,014,349	3,642,686	3,761,957

UNDERLYING PROFIT RECONCILIATION[8]

$000	6 months September 2023 Unaudited	6 months September 2022 Unaudited	12 months March 2023 Audited
Net profit after tax (NZIFRS)	**90,035**	**89,189**	**82,465**
Changes in fair values	(90,653)	(91,069)	(81,858)
Deferred tax	(4,244)	(2,402)	1,405
Impairment of goodwill	0	0	2,901
One-off costs[9]	(800)	0	(13,853)
Gain on resales	27,189	28,313	69,081
Development margin on new units	12,107	14,900	27,817
Underlying Profit	**33,634**	**38,931**	**87,958**
Underlying EBITDA[10]	**38,970**	**33,863**	**83,644**

7 Refer to the financial statements for the period and the accompanying notes.

8 Underlying Profit is a non-GAAP (unaudited) financial measure and differs from NZ IFRS net profit after tax by replacing the unrealised fair value adjustment in property values with the board's estimate of realised components of movements in investment property value and to eliminate other unrealised, deferred tax and one-off items.

9 Non-operating one-off items that relate to insurance (material damage) and transactional activity.

10 Underlying EBITDA is a non-GAAP (unaudited) financial measure that adds back interest and depreciation to Underlying Profit and excludes development gains on sale of new occupation rights.


Christie

Consolidated Interim Statement of Comprehensive Income

For the six months ended 30 September 2023 (unaudited)

$000	Note	6 months Sept 2023 Unaudited	6 months Sept 2022 Unaudited	12 months March 2023 Audited
Income				
Care fees and village services		83,416	72,637	149,028
Deferred management fees		33,736	30,419	62,118
Other income		4,958	6,004	10,833
Total revenue		**122,110**	**109,060**	**221,979**
Insurance Recoveries		8,410	0	19,013
Change in fair value of investment property	4	88,564	89,018	80,377
Change in fair value of interest rate swaps		(773)	(507)	436
Change in fair value in property, plant and equipment		47	47	95
Share of profit arising from joint venture		2,733	2,636	752
Total income		**221,091**	**200,254**	**322,652**
Expenses				
Employee costs		75,087	66,741	135,610
Property costs		17,146	13,661	27,992
Depreciation and amortisation		4,301	3,877	8,364
Impairment of goodwill		0	0	2,901
Finance costs		13,142	5,955	15,139
Transaction costs		0	0	247
Other expenses		25,624	23,233	48,529
Total expenses		**135,300**	**113,467**	**238,782**
Profit before tax		**85,791**	**86,787**	**83,870**
Income tax expense / (credit)	3	(4,244)	(2,402)	1,405
Profit after tax		**90,035**	**89,189**	**82,465**
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss:				
Net gain on revaluation of property, plant and equipment		670	561	1,192
Total comprehensive income		**90,705**	**89,750**	**83,657**
Earnings per share:				
Basic (cents per share)	8	**12.40**	12.35	11.41
Diluted (cents per share)	8	**12.37**	12.32	11.38

The accompanying notes on pages 18-25 form an integral part of these interim financial statements.

Consolidated Interim Statement of Changes in Equity

For the six months ended 30 September 2023 (unaudited)

$000	Note	Retained Earnings	Asset Revaluation Reserve	Share Based Payment Reserve	Share Capital	Total
Opening Balance at 1 April 2022		**422,682**	**40,004**	**446**	**881,948**	**1,345,080**
Profit for the period		89,189	0	0	0	89,189
Other comprehensive income		0	561	0	0	561
Total comprehensive income		**89,189**	**561**	**0**	**0**	**89,750**
Dividends paid		(21,602)	0	0	0	(21,602)
Share based payments	7	0	0	(302)	302	0
Share capital issued dividend reinvestment plan	7	0	0	0	4,760	4,760
Balance at 30 September 2022 (unaudited)		**490,269**	**40,565**	**144**	**887,010**	**1,417,988**
Opening Balance at 1 October 2022		**490,269**	**40,565**	**144**	**887,010**	**1,417,988**
Profit for the period / (loss)		(6,724)	0	0	0	(6,724)
Other comprehensive income		0	631	0	0	631
Total comprehensive income		**(6,724)**	**631**	**0**	**0**	**(6,093)**
Dividends paid		(18,089)	0	0	0	(18,089)
Share based payments	7	0	0	174	0	174
Transfer revaluation reserve of divestments		1,568	(1,568)	0	0	0
Balance at 31 March 2023 (audited)		**467,024**	**39,628**	**318**	**887,010**	**1,393,980**
Opening Balance at 1 April 2023		**467,024**	**39,628**	**318**	**887,010**	**1,393,980**
Profit for the period		90,035	0	0	0	90,035
Other comprehensive income		0	670	0	0	670
Total comprehensive income		**90,035**	**670**	**0**	**0**	**90,705**
Dividends paid		(17,005)	0	0	0	(17,005)
Share based payments	7	0	0	(134)	0	(134)
Share capital issued dividend reinvestment plan	7	0	0	0	5,194	5,194
Balance at 30 September 2023 (unaudited)		**540,054**	**40,298**	**184**	**892,204**	**1,472,740**

The accompanying notes on pages 18-25 form an integral part of these interim financial statements.

Consolidated Interim Balance Sheet

As at 30 September 2023 (unaudited)

$000	Note	As at Sept 2023 Unaudited	As at Sept 2022 Unaudited	As at March 2023 Audited
Assets				
Cash and cash equivalents		6,393	9,330	9,894
Trade receivables and other assets		18,344	14,721	17,384
Insurance recoveries receivable	9	8,538	0	12,700
Tax receivable		1,526	1,463	1,443
Resident advances		21,289	37,647	29,727
Accrued income		6,029	5,737	5,337
Property, plant and equipment		205,095	208,619	202,307
Investment properties	4	3,688,589	3,303,456	3,427,005
Investment in joint venture		39,692	39,843	37,259
Intangible assets		18,854	21,870	18,901
Total assets		**4,014,349**	**3,642,686**	**3,761,957**
Liabilities				
Trade and other payables		50,183	44,706	43,005
Employee entitlements		15,711	15,045	15,546
Revenue in advance		131,917	117,735	125,155
Interest rate swaps		11,241	11,410	10,467
Lease liability		6,313	1,634	7,051
Interest bearing loans and borrowings	6	753,198	552,830	622,815
Resident's loans	5	1,571,373	1,479,735	1,538,282
Deferred tax liabilities		1,673	1,603	5,656
Total liabilities		**2,541,609**	**2,224,698**	**2,367,977**
Net assets		**1,472,740**	**1,417,988**	**1,393,980**
Equity				
Share capital	7	892,204	887,010	887,010
Reserves		40,482	40,709	39,946
Retained earnings		540,054	490,269	467,024
Total equity		**1,472,740**	**1,417,988**	**1,393,980**

The accompanying notes on pages 18-25 form an integral part of these interim financial statements.

Consolidated Interim Statement of Cash Flow

For the six months ended 30 September 2023 (unaudited)

$000	Note	6 months Sept 2023 Unaudited	6 months Sept 2022 Unaudited	12 months March 2023 Audited
Cash flows from operating activities				
Receipts from residents for care fees and village services		91,436	84,719	160,835
Receipts of residents' loans from resales		70,743	77,309	186,245
Receipts of residents' loans from new sales		44,158	69,312	125,235
Interest received		368	426	593
Payments to suppliers and employees		(118,068)	(104,696)	(203,235)
Repayments of residents' loans		(33,566)	(43,778)	(106,719)
Insurance recoveries received		410	0	4,925
Interest paid		(9,772)	(5,849)	(15,230)
Income tax paid		(83)	(37)	(17)
Net cash inflow from operating activities		**45,626**	**77,406**	**152,632**
Cash flows from investing activities				
Insurance recoveries received		12,162	0	1,400
Purchase of property, plant and equipment and intangible assets		(6,315)	(4,081)	(9,546)
Purchase of investment properties		(161,880)	(150,045)	(264,084)
Capitalised interest paid		(11,096)	(5,038)	(13,559)
Dividends received		300	200	900
Net cash (outflow) from investing activities		**(166,829)**	**(158,964)**	**(284,889)**
Cash flows from financing activities				
Proceeds from borrowings		142,000	113,500	194,500
Repayment of borrowings		(12,000)	(13,500)	(24,500)
Transaction costs		0	0	(247)
Payments for lease liabilities		(487)	(424)	(825)
Dividends paid		(11,811)	(16,842)	(34,931)
Net cash inflow from financing activities		**117,702**	**82,734**	**133,997**
Net increase / (decrease) in cash and cash equivalents		**(3,501)**	**1,176**	**1,740**
Cash and cash equivalents at the beginning of the financial period		9,894	8,154	8,154
Cash and cash equivalents at the end of the financial period		**6,393**	**9,330**	**9,894**

The accompanying notes on pages 18-25 form an integral part of these interim financial statements.

Notes to the Consolidated Interim Financial Statements

For the six months ended 30 September 2023 (unaudited)

1 General Information

Arvida Group Limited (the "Group" or the "Company") is a for-profit, limited liability company incorporated and domiciled in New Zealand. Arvida Group Limited is registered under the Companies Act 1993. The Company is an FMC Reporting Entity in terms of Part 7 of the Financial Markets Conduct Act 2013 ("the Act") and is listed on the NZX Main Board (the "NZX"). The Company's registered office is 29 Customs Street West, Auckland Central, Auckland.

The Group is in the business of owning, operating and developing retirement villages and care facilities for the elderly in New Zealand.

These consolidated interim financial statements ("interim financial statements") have been approved for issue by the Board of Directors on 27 November 2023.

The Directors believe it remains appropriate that the financial statements have been prepared under the going concern convention.

Basis of Preparation

These interim financial statements have been prepared:

- in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP") and comply with NZ IAS 34 Interim Financial Reporting and IAS 34 Interim Financial Reporting;
- using the same accounting policies and methods of computation as were followed in the Group annual financial statements for the period ended 31 March 2023;
- in accordance with the requirements of the Financial Markets Conduct Act 2013;
- under the historical cost convention, as modified by the revaluation of investment properties, land and buildings (included in property, plant and equipment) and derivatives;
- on the liquidity basis where the assets and liabilities are presented on the balance sheet in the order of their liquidity;
- in New Zealand dollar terms, rounded to the nearest thousand dollars; and
- with all amounts shown exclusive of goods and services tax ("GST"), other than trade debtors and trade creditors, except where the amount of GST incurred is not recoverable from the taxation authority. When this occurs, the GST is recognised as part of the cost of the asset or as an expense, as applicable.

These interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the Group annual financial statements for the period ended 31 March 2023.

Critical Accounting Estimates and Judgements

The preparation of the interim financial statements, in line with NZ IFRS, requires the use of certain 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.

Judgements used remain materially unchanged from the financial statements for the period ended 31 March 2023, aside from the assumptions around expected period of tenure used for revenue recognition and the fair value of investment property which has since had a desktop review undertaken. Further detail on revenue recognition assumptions are available in note 2 and on the fair value of investment property in note 4.

Basis of Consolidation

The Group's interim financial statements are prepared by consolidating the interim financial statements of all entities that comprise the Group, being Arvida Group Limited and its subsidiaries. Consistent accounting policies are employed in the preparation and presentation of the Group's interim financial statements. All intercompany transactions and balances, and unrealised profits arising within the Group are eliminated in full.

Segment Reporting

An operating segment is a component of an entity that engages in business activities which earn revenue and incur expenses and where the chief operating decision maker reviews the operating results on a regular basis and makes decisions on resource allocation.

The Group operates in one operating segment being the provision of aged-care in New Zealand. The chief operating decision maker, the Board of Directors, reviews the operating results on a regular basis and makes decisions on resource allocation based on the review of Group results and cash flows as a whole. The nature of the products and services provided and the type and class of customers have similar characteristics within the operating segment. All revenue earned and assets held are in New Zealand.

2 Income

Information about Major Customers

The Group derives care fee revenue in respect of eligible Government subsidised aged care residents who receive rest home, dementia or hospital level care. Government aged care subsidies received from Te Whatu Ora included in care fees and village services amounted to $42.6 million (31 March 2023: $78.6 million; and 30 September 2022: $38.1 million).

Key Judgements and Estimates

Deferred management fees are recognised as revenue on a straight-line basis. This requires management to estimate the period of occupancy for units and serviced apartments. The expected periods of tenure, being based on historical results, experience and industry averages, are estimated at 6.8 to 9.2 years (31 March 2023: 6.5 to 9.2 years; and 30 September 2022: 6.7 to 9.2) for independent apartments and villas and are estimated at 2.7 to 5.1 years (31 March 2023: 2.7 to 5.1 years; and 30 September 2022: 2.7 to 5.1 years) for care suites and serviced apartments.

3 Income Tax Expense

$000	6 months Sept 2023 Unaudited	6 months Sept 2022 Unaudited	12 months March 2023 Audited
Reconciliation to profit before tax			
Profit before tax	85,791	86,787	83,870
Tax at 28%	**24,021**	**24,300**	**23,484**
Tax effects of amounts which are not deductible (taxable) in calculating taxable income:			
Changes in fair values	(24,798)	(24,938)	(22,506)
Share of profit arising from joint venture (net of tax)	(765)	(738)	(211)
Non-taxable income and non-deductible expenditure	131	(1,175)	1,061
Other	(2,833)	149	(423)
Income tax expense	**(4,244)**	**(2,402)**	**1,405**

4 Investment Properties

$000	As at Sept 2023 Unaudited	As at Sept 2022 Unaudited	As at March 2023 Audited
Balance at beginning of period	3,427,005	3,061,245	3,061,245
Additions	173,020	153,193	271,283
Reclassification from / (to) property, plant and equipment	0	0	14,100
Fair value movement - unrealised	88,564	89,018	80,377
Total investment property	**3,688,589**	**3,303,456**	**3,427,005**
Valuation of managers' net interest	1,628,855	1,424,465	1,480,730
Development land	147,360	120,600	119,445
Investment property under construction	215,113	166,658	168,730
Liability for residents' loans	1,571,373	1,479,735	1,538,282
Net revenue in advance / (accrued revenue)	125,888	111,998	119,818
Total investment property	**3,688,589**	**3,303,456**	**3,427,005**

Recognition and Measurement

Investment properties are held to earn rental income and for capital appreciation. They comprise land and buildings and associated equipment and furnishings related to independent living units, serviced apartments, care suites and common facilities in the retirement village. Investment properties include land acquired with the intention of constructing a retirement village. All retirement village units that are contracted with an 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 profit or loss.

The Group's policy is that a full valuation of the investment properties should be undertaken at each year end and a desktop review should be undertaken at each interim period.

CBRE and JLL completed the desktop review as at 30 September 2023 to determine the current valuation of each property. The reviews indicated an overall uplift in the valuation of the properties of $88.6 million which has been recognised as a change in the fair value of investment properties in the consolidated interim statement of comprehensive income. CBRE and JLL reviewed key information (resident schedules and sales data) associated with each property, however full property inspections were not undertaken as part of the desktop review.

Key Judgements and Estimates

The fair value of investment property is determined on a six monthly basis. The fair value of completed investment properties and development land has been determined by Michael Gunn, an independent registered valuer, of the firm CBRE and Glenn Loraine, an independent registered valuer of the firm JLL. A valuation method for investment properties was used based on a discounted cash flow ("DCF") model. CBRE used expected cash flows for a 20-year period and JLL used expected cash flows for a 25-year period.

Development land has been valued using a sales comparison approach.

Assumption Estimate Used	Estimate Used
Land $/ha	Between $0.5 million and $30.1 million (31 March 2023: $0.5 million and $30.1 million; and 30 September 2022 $0.5 million and $30.1 million)
Land $/unit	Between $0.0 million and $0.2 million (31 March 2023: $0.0 million and $0.2 million; and 30 September 2022 $0.0 million and $0.3 million)

The valuation of investment property includes within its forecast cash flows, the Group's expected costs relating to any known or anticipated remediation works. 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 Group 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:

Assumption	Estimate Used
Occupancy periods of units	Stabilised departing occupancy of 6.8 to 9.2 years (31 March 2023: 6.5 to 9.2 years; and 30 September 2022: 6.7 to 9.2 years) for independent apartments and villas and 2.7 to 5.1 years for care suites and serviced apartments (31 March 2023: 2.7 to 5.1 years; and 30 September 2022: 2.7 to 5.1 years)
House price inflation	Between 0.0% and 3.5% (31 March 2023: 0.0% and 3.5%; and 30 September 2022: 0.0% and 3.5%)
Discount rate	Between 12.5% and 16.5% (31 March 2023: 12.5% and 16.0%; 30 September 2022: 12.5% and 16.25%)
Average age on entry	Between 73 and 83 years (31 March 2023: 72 and 83 years; 30 September 2022: 72 and 85 years) for independent apartments and villas and between 80 and 91 years (31 March 2023: 80 and 91 years; and 30 September 2022: 80 and 91 years) for care suites and serviced apartments

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.

The occupancy period derived by JLL for the existing residents is based on the observed historical length of stay within the village and the demographic profile of the existing residents, including age and gender. The stabilised occupancy period for new residents is guided by the historical length of stay for previous residents within the village, considered alongside village maturity, resident densities where a high proportion of couples will logically prolong the recycle profile, current age levels and whether it is a care or lifestyle orientated village.

A 0.5% decrease in the discount rate would result in a $57.2 million (31 March 2023: $53.1 million; and 30 September 2022: $51.3m) higher fair value measurement and an increase in the fair value gain recorded in the income statement. Conversely, a 0.5% increase in the discount rate would result in a $53.1 million (31 March 2023: $49.2 million; and 30 September 2022: $47.7 million) lower fair value measurement and a decrease in the fair value gain recorded in the income statement. A 0.5% decrease in the 5-year plus growth rate would result in a $78.1 million (31 March 2023: $72.3 million; and 30 September 2022: $69.5 million) lower fair value measurement and a decrease in the fair value gain recorded in the income statement. Conversely, a 0.5% increase in the 5-year plus growth rate would result in a $85.1 million (31 March 2023: $78.5 million; 30 September 2022: $75.3 million) higher fair value measurement and an increase in the fair value gain recorded in the income statement. Other key components in determining the fair value of investment property are the average age on entry of residents and the stabilised departing occupancy period. A decrease (increase) in the stabilised departing occupancy period would result in higher (lower) fair value measurement and a increase (decrease) in the average age on entry of residents would result in a higher (lower) fair value measurement.

5 Residents' Loans

$000	As at Sept 2023 Unaudited	As at Sept 2022 Unaudited	As at March 2023 Audited
Opening balance	1,538,282	1,415,878	1,415,878
Amounts repaid on termination of ORAs	(71,307)	(61,317)	(146,221)
Amounts received on issue of new ORAs	162,951	162,428	365,645
Movement in DMF receivable and residents' portion of capital gains	(58,553)	(37,254)	(97,020)
Total residents' loans	**1,571,373**	**1,479,735**	**1,538,282**

Residents' loans are amounts payable to Arvida by a resident on being issued the right to occupy one of the Group's units or serviced apartments 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 Group, when a new ORA for the unit or serviced apartment 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 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 or serviced apartment. The present value of the operator's portion of estimated capital gain has been calculated by either CBRE or JLL in the valuation of the investment property.

Recognition and Measurement

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

As the Group 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.

6 Interest Bearing Loans and Borrowings

$000	As at Sept 2023 Unaudited	As at Sept 2022 Unaudited	As at March 2023 Audited
Secured bank loans	630,000	430,000	500,000
Retail Bond - ARV010	125,000	125,000	125,000
Capitalised financing costs	(1,802)	(2,170)	(2,185)
Total interest bearing loans and borrowings	**753,198**	**552,830**	**622,815**

Recognition and Measurement

Interest bearing loans and borrowings include secured bank loans and unsubordinated fixed-rate bonds. Interest bearing loans and borrowings are initially recognised at fair value, net of transaction costs incurred and are subsequently measured at amortised cost.

Any financing costs paid on the establishment of the loans are deducted from the fair value of the loan to determine the carrying amount on initial acquisition, and are then accredited to the carrying amount of the loan under the effective interest method.

Secured Bank Loans

On 30 September 2022, a Deed of Amendment and Restatement was executed with ANZ Bank New Zealand Limited and Bank of New Zealand. The agreement extended the maturity date of Facility D to 1 September 2024, Facility E to 1 September 2025, and extended the facility limit of Facility D from $50.0 million to $100.0 million. The key terms of the amended facilities agreement are not substantially different.

On 30 March 2023, a Deed of Amendment and Restatement was executed with ANZ Bank New Zealand Limited and Bank of New Zealand to introduce ASB Bank Limited into the lending syndicate. The agreement established a new Facility F of $100.0 million with a maturity date of 1 September 2026. The key terms of the amended facilities agreement are not substantially different to the existing facilities.

Security

The bank loans and bonds are secured by various mortgages over certain of the Group's assets, subject to a first priority to the Statutory Supervisor over the property assets within the retirement village companies. A registered first ranking composite general security agreement is in place. This contains a cross guarantee and indemnity granted by Arvida Group Limited and acceded to by each of its subsidiaries.

Interest

Interest on the bank loan is charged using the BKBM Bill Rate plus a margin. Interest rates applicable in the year to 30 September 2023 ranged from 6.1% to 7.0% pa (31 March 2023: 2.8% to 6.2% pa; and 30 September 2022: 1.7% to 4.5%). A separate line fee is charged over the facility limit.

	As at Sept 2023 Unaudited	As at Sept 2022 Unaudited	As at March 2023 Audited	As at Sept 2023 Unaudited	As at Sept 2022 Unaudited	As at March 2023 Audited
Funding facilities	**Limit**	**Limit**	**Limit**	**Drawn Amount**	**Drawn Amount**	**Drawn Amount**
Facility A maturing 1 September 2026	$125.0m	$125.0m	$125.0m	$115.0m	$0.0m	$50.0m
Facility B maturing 1 September 2025	$125.0m	$125.0m	$125.0m	$125.0m	$105.0m	$125.0m
Facility C maturing 1 September 2024	$125.0m	$125.0m	$125.0m	$125.0m	$125.0m	$125.0m
Facility D maturing 1 September 2024	$100.0m	$100.0m	$100.0m	$100.0m	$100.0m	$100.0m
Facility E maturing 15 November 2025	$100.0m	$100.0m	$100.0m	$100.0m	$100.0m	$100.0m
Facility F maturing 1 September 2026	$100.0m	$0.0m	$100.0m	$65.0m	$0.0m	$0.0m
Total Drawn Facilities	**$675.0m**	**$575.0m**	**$675.0m**	**$630.0m**	**$430.0m**	**$500.0m**

7 Share Capital

Shares 000	As at Sept 2023 Unaudited	As at Sept 2022 Unaudited	As at March 2023 Audited
Opening balance	723,578	720,061	720,061
Shares issued	4,398	3,517	3,517
Closing balance	**727,976**	**723,578**	**723,578**

Recognition and Measurement

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity.

The Company incurred $0.0 million of transaction costs during the year (31 March 2023: $0.0 million; and 30 September 2022: $0.0 million), with no costs related to the issue of new shares deducted from equity (31 March 2023: $0.0 million; and 30 September 2022: $0.0 million).

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

On 22 June 2022, Arvida Group Limited issued 3,141,017 ordinary shares pursuant to the Company's dividend reinvestment plan.

On 5 July 2022 Arvida Group Limited issued 375,608 ordinary shares to senior executives under the terms of its long-term incentive plan.

On 22 June 2023, Arvida Group Limited issued 4,398,137 ordinary shares pursuant to the Company's dividend reinvestment plan.

8 Earnings per Share

	6 months Sept 2023 Unaudited	6 months Sept 2022 Unaudited	12 months March 2023 Audited
Profit attributable to equity holders ($000)	90,035	89,189	82,465
Basic earnings per share			
Weighted average number of ordinary shares on issue (thousands)	725,981	721,956	722,764
Basic earnings per share (cents)	**12.40**	**12.35**	**11.41**
Diluted earnings per share			
Weighted average number of ordinary shares on issue (thousands)	728,052	723,648	724,457
Diluted earnings per share (cents)	**12.37**	**12.32**	**11.38**

Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders by the weighted average number of ordinary shares on issue during the year.

Diluted

Diluted earnings per share is calculated by dividing the profit attributable to equity holders by the weighted average number of ordinary shares on issue during the year adjusted to assume conversion of dilutive potential of ordinary shares.

9 Insurance Recoveries Receivable

The Group has comprehensive insurance cover in place for events such as those that affected Parklane. It covers loss from both material damage and business interruption. Assessment of the Parklane claim continues as new information comes available. It is possible that the actual financial impacts will differ from those included in the financial statements.

On 2 August 2023, the Group settled the material damage claim with insurers for the flooding event at Parklane Auckland for $14.9 million.

As at 30 September 2023, the Group has $8.5 million of business interruption insurance recoveries receivable for the impacts of the flooding event at Parklane Auckland.

10 Capital Commitments

As at 30 September 2023, the Group had $86.3 million of capital commitments in relation to construction contracts (31 March 2023: $68.7 million; and 30 September 2022: $66.4 million).

As at 30 September 2023, the Group had $1.8 million of commitments in relation to the purchase of land (31 March 2023: $20.0 million; and 30 September 2022: $10.0 million).

11 Subsequent Events

On 30 October 2023, a Deed of Amendment and Restatement was executed with ANZ Bank New Zealand Limited, Bank of New Zealand and ASB Bank Limited to refinance and restructure its bank debt facilities into a revolving core and development facility.

The deed increased the total limit of bank facilities by $100.0 million to $775.0 million. Following the restructure, the split between bank facility limits is $325.0 million of core facilities and $450.0 million of development facilities. The interest cover covenant has been amended to exclude interest costs on the development facility. Other key terms of the amended bank facilities are not substantially different.

On 27 November 2023, the directors approved a dividend of 1.20 cents per share amounting to $8.7 million. The dividend does not have any imputation credits attached and no supplementary dividend will be paid to non-resident shareholders. The dividend record date is 7 December 2023 and payment is due to be made on 21 December 2023.

12 Contingent Liabilities

The Labour inspectorate of Ministry of Business, Innovation and Employment ("MBIE") has undertaken a programme of compliance audit of the Group in respect of the Holidays Act 2003 (the "Holidays Act").

The Group is working with MBIE to review its compliance with the Holidays Act, however the outcome is not yet certain and the financial effect cannot be practically quantified.

COMPANY INFORMATION

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Michael Ambrose, Independent Director

Susan Peterson, Independent Director

Susan Paterson, Independent Director

Paul Ridley-Smith, Independent Director

GROUP AUDITOR

Ernst & Young

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CBRE Limited

Jones Lang LaSalle Limited

LEGAL ADVISORS

Chapman Tripp

Anthony Harper

BANKERS

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Bank of New Zealand

ASB Bank Limited

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Waimea Plains
455 Lower Queen Street
Richmond 7020
Phone 03 922 9823

New Plymouth

Molly Ryan
269 Mangorei Road
New Plymouth 4312
Phone 06 757 8773

Palmerston North

Olive Tree
11-13 Dalwood Grove
Palmerston North 4412
Phone 06 350 3000

Queenstown

Queenstown Country Club
420 Frankton-Ladies Mile Hwy
Queenstown 9371
Phone 0800 111 410

Lake Wakatipu Care Centre
20 Douglas Street
Queenstown 9300
Phone 03 442 3780

Rotorua

Glenbrae
22 Hilda Street
Rotorua 3010
Phone 07 349 0014

Tauranga

Bethlehem Country Club
111 Carmichael Road
Bethlehem, Tauranga 3110
Phone 07 579 2030

Bethlehem Shores
141 Bethlehem Road
Bethlehem, Tauranga 3110
Phone 07 579 2035

Bethlehem Views
186 Cambridge Road
Bethlehem, Tauranga 3110
Phone 07 578 5500

Copper Crest
52 Condor Drive
Pyes Pa, Tauranga 3112
Phone 07 578 6245

Ocean Shores
80 Maranui Street
Mt Maunganui 3116
Phone 07 547 4240

Timaru

Strathallan
31 Konini Street
Timaru 7910
Phone 03 686 1996

Waikanae

Waikanae Lodge
394 Te Moana Road
Waikanae, 5036
Phone 04 902 6800

Waikato

Cascades
55 Pembroke Street
Hamilton 3204
Phone 07 839 2348

Lauriston Park
91 Coleridge Street
Cambridge 3432
Phone 07 827 0793

Whai Mauri Ora
10 Frontier Road
Te Awamutu 3876
Phone 0800 278 432

Wellington

Village at the Park
130 Rintoul St, Berhampore
Wellington 6023
Phone 04 380 1361