FINANCIAL STATEMENTS

Directors' Statement

For the year ended 31 March 2025

The Directors have pleasure in presenting the Financial Statements of Arvida Group Limited for the year ended 31 March 2025.

The Financial Markets Conduct Act 2013 requires the Directors to prepare financial statements for each financial year which present fairly the financial position of the Group and financial performance and cash flows for that period. In preparing these financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent; and
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Company, and to enable them to ensure that the financial statements comply with the generally accepted accounting practice in New Zealand, as defined in the Financial Reporting Act 2013. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Financial Statements presented are signed for and on behalf of the Board and were authorised for issue on 28 May 2025.

Bill McDonald
Chair
28 May 2025

Yuexin Han
Director
28 May 2025

Consolidated Statement of Comprehensive Income

For the year ended 31 March 2025

$000	Note	31 March 2025	31 March 2024
Care fees and village services	2	171,481	168,798
Deferred management fees	2	72,472	68,222
Other income	2	9,721	10,140
Total revenue		**253,674**	**247,160**
Loss on disposal of villages		(1,097)	0
Insurance recoveries	9	2,313	13,804
Change in fair value of investment property	6	140,197	164,955
Change in fair value of interest rate swaps		(1,470)	(488)
Change in fair value in property, plant and equipment		0	93
Share of profit arising from joint venture	19	2,027	1,878
Total income		**395,644**	**427,402**
Employee costs	3	151,104	156,048
Property costs	3	35,655	32,994
Depreciation and amortisation	7, 8	8,873	9,125
Impairment of intangibles	8	3,425	2,059
Finance costs	4	37,641	28,655
Transaction costs	3	12,611	362
Other expenses	3	55,749	52,181
Total expenses		**305,058**	**281,424**
Profit before tax		**90,586**	**145,978**
Income tax expense / (credit)	5	(10,207)	6,615
Profit after tax		**100,793**	**139,363**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
Net gain / (loss) on revaluation of property, plant and equipment		2,780	(1,724)
Total comprehensive income		**103,573**	**137,639**
Earnings per share:			
Basic (cents per share)	17	13.78	19.15
Diluted (cents per share)	17	13.78	19.09

The accompanying notes on pages 07-28 form an integral part of these financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 March 2025

$000	Note	Retained Earnings	Asset Revaluation Reserve	Share Based Payment Reserve	Share Capital	Total
Opening Balance at 1 April 2023		**467,024**	**39,628**	**318**	**887,010**	**1,393,980**
Profit for the period		139,363	0	0	0	139,363
Other comprehensive income		0	(1,724)	0	0	(1,724)
Total comprehensive income		**139,363**	**(1,724)**	**0**	**0**	**137,639**
Dividends paid		(25,740)	0	0	0	(25,740)
Share based payments	20	0	0	142	0	142
Share capital issued dividend reinvestment plan	16	0	0	0	7,986	7,986
Balance at 31 March 2024		**580,647**	**37,904**	**460**	**894,996**	**1,514,007**
Opening Balance at 1 April 2024		**580,647**	**37,904**	**460**	**894,996**	**1,514,007**
Profit for the period		100,793	0	0	0	100,793
Other comprehensive income		0	2,780	0	0	2,780
Total comprehensive income		**100,793**	**2,780**	**0**	**0**	**103,573**
Share based payments	20	0	0	(460)	250	(210)
Transfer revaluation reserve		1,495	(1,495)	0	0	0
Balance at 31 March 2025		**682,935**	**39,189**	**0**	**895,246**	**1,617,370**

The accompanying notes on pages 07-28 form an integral part of these financial statements.

Consolidated Balance Sheet

As at 31 March 2025

$000	Note	31 March 2025	31 March 2024
Assets			
Cash and cash equivalents		14,213	4,679
Trade receivables and other assets		13,205	11,592
Held for sale	10	13,781	63,252
Insurance recoveries receivable	9	13,333	13,273
Tax receivable		1,448	1,594
Resident advances		26,873	38,575
Accrued income		4,810	5,517
Related party receivable	20	186,672	0
Property, plant and equipment	7	179,842	189,893
Investment properties	6	4,152,912	3,821,765
Investment in joint venture	19	39,364	37,937
Intangible assets	8	13,277	16,748
Total assets		**4,659,730**	**4,204,825**
Liabilities			
Trade and other payables	15	46,546	37,478
Held for sale	10	975	33,101
Employee entitlements	15	19,076	19,518
Revenue in advance	2	149,336	136,286
Interest rate swaps	13	12,426	10,956
Lease liability	12	5,964	5,849
Interest bearing loans and borrowings	13	997,616	780,288
Residents' loans	11	1,805,774	1,653,696
Deferred tax liabilities	5	4,647	13,646
Total liabilities		**3,042,360**	**2,690,818**
Net assets		**1,617,370**	**1,514,007**
Equity			
Share capital		895,246	894,996
Reserves		39,189	38,364
Retained earnings		682,935	580,647
Total equity		**1,617,370**	**1,514,007**

The accompanying notes on pages 07-28 form an integral part of these financial statements.

Consolidated Statement of Cash Flow

For the year ended 31 March 2025

$000	Note	31 March 2025	31 March 2024
Cash flows from operating activities			
Receipts from residents for care fees and village services		178,847	183,208
Receipts of residents' loans from resales		270,442	199,103
Receipts of residents' loans from new sales		128,303	127,939
Interest received		433	757
Payments to suppliers and employees		(236,516)	(235,454)
Repayments of residents' loans		(148,736)	(109,554)
Insurance recoveries received		2,253	4,081
Interest paid		(34,375)	(25,505)
Income tax paid		147	(151)
Net cash inflow from operating activities	14	**160,798**	**144,424**
Cash flows from investing activities			
Insurance recoveries received		0	9,150
Purchase of property, plant and equipment and intangible assets		(6,814)	(5,015)
Purchase of investment properties		(167,144)	(274,534)
Proceeds from sale of assets		29,532	5,579
Capitalised interest paid		(23,080)	(24,211)
Dividends received		600	1,200
Net cash (outflow) from investing activities		**(166,906)**	**(287,831)**
Cash flows from financing activities			
Proceeds from borrowings		94,399	184,431
Repayment of borrowings		(65,002)	(27,000)
Transaction costs		(12,611)	(362)
Payments for lease liabilities		(1,144)	(1,123)
Dividends paid		0	(17,754)
Net cash inflow from financing activities		**15,642**	**138,192**
Net increase/(decrease) in cash and cash equivalents		**9,534**	**(5,215)**
Cash and cash equivalents at the beginning of the financial period		4,679	9,894
Cash and cash equivalents at the end of the financial period		**14,213**	**4,679**

The accompanying notes on pages 07-28 form an integral part of these financial statements.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

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 has a listed bond on the NZX Debt Markets (the "NZDX"). 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 financial statements have been approved for issue by the Board of Directors on 28 May 2025. The financial statements presented are for Arvida Group Limited and its subsidiaries.

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

Basis of Preparation

These financial statements have been prepared:

- in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP") and comply with International Financial Reporting Standards ("IFRS") and the New Zealand equivalents ("NZ IFRS") as appropriate for a for profit entity;
- 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.

Scheme of Arrangement

The Company entered into a Scheme Implementation Agreement ("SIA") on 22 July 2024 with Stonepeak Alps BidCo Limited ("Stonepeak BidCo"). Under the SIA, Stonepeak Bidco agreed to acquire 100% of Arvida shares at a price of NZ$1.70 per share pursuant to a court ordered scheme of arrangement ("Scheme") under Part 15 of the Companies Act. The Scheme was conditional on shareholder approval and the satisfaction of customary conditions including (amongst others), a 'no objection statement' from the Takeovers Panel, High Court approval and Overseas Investment Office ("OIO") consent.

Upon satisfaction of all conditions of the Scheme, the Company's shares were delisted from the NZX on 20 November 2024 and transferred to Stonepeak Bidco. The Company's bonds (ARV010) remain quoted on the NZX Debt Market. Following Scheme implementation, all sitting directors (at the time of delisting) resigned. A new Board was appointed in their place with effect from Scheme implementation date.

Prior to the delisting of Arvida Shares from NZX, the Board accelerated the vesting date for all outstanding performance share rights under the Company's Long Term Incentive ("LTI") Scheme. The issue of performance share rights was determined on a pro rata basis based on the time-period elapsed since issue of the share rights tranche up to the business day prior to the delisting record date. All share rights not issued were cancelled and the LTI Scheme was terminated on 20 November 2024.

Following Scheme implementation, the Group became party to a new syndicated bank debt facility agreement as described in note 13.

Critical Accounting Estimates and Judgements

The preparation of the 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. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are found in the following notes:

Note 2 Revenue recognition
Note 6 Fair value of investment property
Note 7 Fair value of care facility
Note 8 Impairment of goodwill

Basis of Consolidation

The Group's financial statements are prepared by consolidating the 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 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.

Other Accounting Policies

Other accounting policies that are relevant to an understanding of the financial statements are provided within the notes to the financial statements.

New Standards and Interpretations Adopted

The Group has adopted all mandatory new and amended standards and interpretations and there has been no material impact on the Group's financial statements.

New Standards and Interpretations not yet Adopted

In May 2024, the External Reporting Board issued NZ IFRS 18 Presentation and Disclosure in Financial Statements that is effective for the accounting period that begins on or after 1 January 2027. The impact of this standard is being assessed by the Group.

Comparative information

No comparatives have been restated.

2 Income

Care Fees and Village Services

Care fees and village services fees are recognised over the period in which the service is rendered. A portion of village services is considered lease income based on the nature of the services provided.

Deferred Management Fees

Deferred management fees ("DMF") entitle residents to accommodation and the use of the community facilities within the village. They are recognised over the period of service being the expected period of tenure.

Other Income

Other income includes 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.

Revenue in Advance

Revenue in advance comprises those amounts by which the amortisation of deferred management fees over the contractual period of the Occupation Right Agreement ("ORA") exceeds the amortisation of the deferred management fee based on estimated tenure.

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 the Te Whatu Ora included in care fees and village services amounted to $83.4 million (2024: $85.2 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 6.7 to 9.4 years (2024: 6.7 to 9.3 years) for independent apartments and villas and are estimated at 2.7 to 5.1 years (2024: 2.7 to 5.2 years) for care suites and serviced apartments.

3 Expenses

Operating Expenses

Employment expenses relate to wages and salaries of employees which includes holiday pay, KiwiSaver and employee incentives. These expenses are recognised as the benefit accrues to the employee.

Property expenses and other expenses relate to costs associated with running a retirement village such as rates, insurance, repairs and maintenance, purchases of consumables and power costs. These expenses are recognised as they are incurred.

Transaction costs relate to the Scheme of Implementation, costs relating to the disposal of villages and any abortive acquisition costs.

$000	2025	2024
Other expenses		
Directors' fees	630	579

4 Finance Costs

$000	2025	2024
Interest expense	34,314	24,832
Facility costs	2,701	3,071
Financing costs	626	752
Total finance costs	**37,641**	**28,655**

Finance Costs

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

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use.

5 Income Tax Expense

$000	2025	2024
Income tax expense / (credit)		
Current tax	0	0
Deferred tax	(10,207)	6,615
	(10,207)	**6,615**

$000	2025	2024
Reconciliation to profit before tax		
Profit before tax	90,586	145,978
Tax at 28%	**25,364**	**40,874**
Tax effects of amounts which are not deductible (taxable) in calculating taxable income:		
Changes in fair values	(39,255)	(46,187)
Share of profit arising from joint venture (net of tax)	(568)	(526)
Non-taxable income and non-deductible expenditure	4,097	1,020
Other	155	11,434
Income tax expense / (credit)	**(10,207)**	**6,615**

Income Tax Expense

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

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 and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable). The applicable tax rate is 28% (2024: 28%).

Imputation Credits

The imputation credit balance for the Group and Parent as at 31 March 2025 is $0.0 million (2024: $0.4 million).

Deferred Tax

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.

$000	2025	2024
Brought forward	**13,646**	**5,656**
Temporary difference in income statement		
Property, plant and equipment	(2,265)	26,613
Investment property	3,908	7,951
Deferred management fees	13,145	12,597
Tax losses carried forward	(24,873)	(39,094)
Other items	(121)	(1,452)
	(10,206)	**6,615**
Temporary differences in Other Comprehensive Income		
Property, plant and equipment	1,207	1,375
	1,207	**1,375**
Balance at end of year		
Property, plant and equipment	28,057	29,115
Investment property	61,955	58,047
Deferred management fees	29,177	16,032
Tax losses carried forward	(110,261)	(85,388)
Other items	(4,281)	(4,160)
Deferred tax liability	**4,647**	**13,646**

Deferred tax assets and liabilities have been offset in accordance with NZ IAS 12 Income Tax. The deferred tax has been calculated on the assumption that there will be no change in tax law or circumstances.

The Group recognises deferred tax assets to the extent that it is probable that the Group will generate future economic profits to offset the deferred tax assets or to the extent that they offset deferred tax liabilities. A portion of the Group's tax losses are subject to the business continuity test. This allows companies to carry forward tax losses that may previously have been forfeited under the shareholder continuity test, provided there is no major change in the company's business activities within five years of a change in ownership. The Group meets the criteria set out in the business continuity test for the purposes of carrying forward tax losses.

The carrying value of the Group's investment properties is determined on a discounted cash flow basis and includes cash flows that are both taxable and non-taxable in the future. In determining the taxable temporary difference, the Directors have used the contractual cash flows on the basis that the contractual arrangements for an occupation right agreement comprise two gross cash flows (being an occupation right agreement deposit upon entering the unit and the refund of this deposit upon exit) that are non-taxable and need to be excluded to determine the taxable temporary differences arising on investment properties.

6 Investment Properties

$000	2025	2024
Balance at beginning of period	3,821,765	3,427,005
Additions	192,174	287,308
Assets held for sale	0	(54,716)
Disposals	(1,224)	(4,079)
Reclassification from / (to) property, plant and equipment	0	1,292
Fair value movement - unrealised	140,197	164,955
Total investment property	**4,152,912**	**3,821,765**
Valuation of managers' net interest	1,842,910	1,698,515
Development land	151,860	151,925
Investment property under construction	207,842	186,784
Liability for residents' loans	1,805,774	1,653,772
Net revenue in advance / (accrued income)	144,526	130,769
Total investment property	**4,152,912**	**3,821,765**

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 properties under construction are measured at cost as they cannot be reliably measured. Upon completion investment properties under construction are remeasured at fair value. Investment property is initially recognised at cost and subsequently measured at fair value with any change in fair value recognised in profit or loss.

Classification of Serviced Apartments and Care Suites

Serviced apartments and care suites are contracted with an ORA and held to earn rental income and long term capital appreciation. To determine whether ancillary services are insignificant to the arrangement as a whole, the value of these services has been assessed and represents less than 20% over the expected life of the asset. The ancillary services are considered insignificant in comparison to the overarching ORA agreement. The assessment is applied across all entities in the Group. Subsequent reclassification of unit types between investment property or property, plant and equipment, occur only when there has been a change in use.

Key Judgements and Estimates

The fair value of investment property is determined on an annual 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 $23.7 million (2024: $0.5 million and $22.5 million)
Land $/unit	Between $0.0 million and $0.3 million (2024: $0.1 million and $0.3 million)

The valuation of investment property includes within its forecast cash flows and 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 6.7 to 9.4 years (2024: 6.7 to 9.3 years) for independent apartments and villas and 2.7 to 5.1 years for care suites and serviced apartments (2024: 2.7 to 5.2 years)
House price inflation	Between 0% and 3.5% (2024: 0% and 3.5%)
Discount rate	Between 12.75% and 16.0% (2024: 12.75% and 16.5%)
Average age on entry	Between 72 and 82 years (2024: 72 and 83 years) for independent apartments and villas and between 81 and 90 years (2024: 81 and 87 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 $65.5 million (2024: $60.3 million) 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 $60.7 million (2024: $55.9 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 $92.4 million(2024: $83.9 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 $100.6 million (2024: $89.6 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 an increase (decrease) in the average age on entry of residents would result in a higher (lower) fair value measurement.

7 Property, Plant and Equipment

$000	Freehold Land at Valuation	Freehold Building at Valuation	Right of use assets	Work in progress	Other	Total
Year ended 31 March 2024						
Opening net book value	68,815	100,935	6,720	1,717	24,120	202,307
Additions	0	136	196	485	6,387	7,204
Depreciation	0	(2,080)	(862)	0	(6,089)	(9,031)
Revaluation	(5,260)	5,004	0	0	0	(256)
Assets held for sale	(1,350)	(6,150)	0	0	(560)	(8,060)
Transfer from / (to) investment property	0	0	0	(1,292)	0	(1,292)
Disposals and transfers	0	0	(688)	(158)	(133)	(979)
Closing net book value	**62,205**	**97,845**	**5,366**	**752**	**23,725**	**189,893**
Cost or valuation	62,205	97,845	7,133	752	55,931	223,866
Accumulated depreciation	0	0	(1,767)	0	(32,206)	(33,973)
Net book value at 31 March 2024	**62,205**	**97,845**	**5,366**	**752**	**23,725**	**189,893**
Year ended 31 March 2025						
Opening net book value	62,205	97,845	5,366	752	23,725	189,893
Additions	0	63	943	1,067	6,823	8,896
Depreciation	0	(2,005)	(915)	0	(5,907)	(8,827)
Revaluation	(325)	4,312	0	0	0	3,987
Assets held for sale	(2,000)	(10,149)	0	0	(1,134)	(13,283)
Disposals and transfers	0	0	(57)	(505)	(262)	(824)
Closing net book value	**59,880**	**90,066**	**5,337**	**1,314**	**23,245**	**179,842**
Cost or valuation	59,880	90,066	7,763	1,314	61,356	220,379
Accumulated depreciation	0	0	(2,426)	0	(38,111)	(40,537)
Net book value at 31 March 2025	**59,880**	**90,066**	**5,337**	**1,314**	**23,245**	**179,842**

Recognition and Measurement

Land and buildings (which are not classified as investment property) are initially recognised at cost. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes material and direct labour, and any other costs directly attributable to bringing the asset to its working condition for its intended use. Subsequent to initial recognition, land and buildings for care facilities are carried at a revalued amount which is the fair value at the date of revaluation less any subsequent accumulated depreciation on buildings and accumulated impairment losses.

Any revaluation surplus is recognised as other comprehensive income unless it reverses a revaluation decrease of the same asset previously recognised in profit or loss. Any revaluation deficit (impairment) is recognised in the profit or loss unless it directly offsets a previous surplus in the same asset in the asset revaluation reserve. Upon disposal, any revaluation reserve for the asset being sold is transferred to retained earnings.

Plant and equipment are stated at cost less accumulated depreciation and impairment losses.

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

- Land – not depreciated
- Buildings – 2% straight line
- Other Assets include Plant, Furniture, Equipment and Motor Vehicles - a combination of straight line and diminishing value at rates of 3% to 80%
- Right of use assets - straight line basis over the term of the lease

At 31 March 2025, had the land and buildings been carried at historical cost less accumulated depreciation and accumulated impairment losses, their carrying amount would have been approximately $39.3 million and $83.4 million respectively (2024: $39.3 million and $85.4 million).

Right of use assets primarily relate to the Group's leased office premises.

Key Judgements and Estimates

Fair value of land and buildings is determined by reference to market-based evidence. Independent valuations are performed with sufficient regularity to ensure the carrying amount does not differ materially from the asset’s fair value at the balance sheet date. The current policy is to undertake an independent valuation every two years.

The value of the care facility land and buildings for the year ended 31 March 2025 determined by Michael Gunn, an independent registered valuer of the firm CBRE and Glenn Loraine, an independent registered valuer of the firm JLL. The primary method used was a capitalisation of earnings approach.

As the fair value of freehold land and buildings is determined using inputs that are unobservable, the Group has categorised property, plant and equipment as Level 3 under the fair value hierarchy in accordance with NZ IFRS 13 ‘Fair Value Measurement’. The carrying amount also reflects the Group’s expected costs relating to any known or anticipated remediation works.

The significant unobservable inputs used in the fair value measurement of the Group’s portfolio of land and buildings are:

Assumptions	Estimate Used
Capitalisation rates	Rates used range from 11.5% to 14.5% (2024: 11.8% to 14.8%)
Earnings	Market value for a care bed ranging from $81,414 to $189,773 (2024: $80,932 to $181,818)

A significant decrease (increase) in the capitalisation rate would result in a significantly higher (lower) fair value measurement and a significant increase (decrease) in the earnings per care bed would result in a significantly higher (lower) fair value measurement.

8 Intangible Assets

$000	Goodwill	Software	Total
Year ended 31 March 2024			
Opening net book value	18,713	188	18,901
Amortisation	0	(94)	(94)
Impairment of goodwill	(2,059)	0	(2,059)
Closing net book value	**16,654**	**94**	**16,748**
Year ended 31 March 2025			
Opening net book value	16,654	94	16,748
Amortisation	0	(46)	(46)
Impairment of goodwill	(3,425)	0	(3,425)
Closing net book value	**13,229**	**48**	**13,277**

Goodwill

Goodwill as at 31 March 2025 was $13.2 million (2024: $16.7 million). Goodwill has decreased as a result of the recognition of goodwill impairment. Goodwill is tested for impairment annually at 31 March and when circumstances indicate that the carrying value may be impaired. Goodwill acquired through business combinations with indefinite lives have been allocated for impairment testing, to twelve (2024: fifteen) of the cash generating units ("CGU's") that continue to carry goodwill. A CGU is defined as an individual village which may include either or both, a care facility and retirement village. This is the level at which the smallest identifiable group of assets that generates cash flows that are largely independent of the cash inflows from other groups of assets.

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

In eleven (2024: twelve) of the CGU's, the recoverable amount was based on fair value less costs to sell, and one (2024: three) CGU based on value in use.

In four (2024: five) of the CGU's the recoverable amount was in excess of the carrying value. As such the Directors did not identify any impairment for these CGU's. In eight (2024: ten) of the CGU's the carrying value was in excess of the recoverable amount and an impairment was recognised. Goodwill allocated to any single CGU is not material.
The goodwill impairment during the year was $3.4 million (2024: $2.1 million).

Key Judgements and Estimates

The fair value assumptions are based on the valuers assumptions in note 7, less costs of disposal and are categorised as level 3 under the fair value hierarchy in accordance with NZ IFRS 13 'Fair Value Measurement'. A significant decrease (increase) in the capitalisation rate could result in a significantly higher (lower) impairment and a significant increase (decrease) in the earnings per care bed could result in a significantly lower (higher) impairment of goodwill.

The value in use calculation is based on a DCF model which uses the following assumptions:

Assumption	Description	Estimate Used
Operating earnings	Operating earnings is a function of revenue received from Government agencies and private paying residents for care and village service fees and the net cash flows from the receipt and repayment of resident loans. The key driver of these revenue items are occupancy levels, subsidy levels and growth rates. It is assumed that the government will continue to support the aged care sector and that subsidies will increase over time. If the government decides to reduce its funding, it may lead to residents and their families being required to make up the difference. Expenses are forecast to increase in line with inflation projections.	Cash flow projections from the Group's five year financial forecasts approved by the Board which do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the assets performance of the CGU being tested.
Discount rates	Discount rates represent the current market assessment of the risks specific to each CGU, taking into account the time value of money and individual risks of the underlying assets that have to be incorporated into the cash flow estimates.	Pre-tax discount rates for each CGU, ranging from 12.4% to 15.8% (2024: 12.2% to 16.2%). The discount rates have been taken from the most recent independent valuation of each CGU.
Growth rates	Growth rates are used to extrapolate cash flows beyond the forecast period.	Growth rates of 2.5% (2024: 2.5%) have been used after the initial financial forecast period.

Software

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specified software. These costs are amortised at 50% on a diminishing-value basis.

9 Insurance Receivable

On 27 January 2023, a weather event in Auckland resulted in serious flooding occurring in part of the Group's Parklane retirement community. The flooding caused extensive damage to 39 villas and the Community Centre and Serviced Apartments building. The Group has comprehensive insurance cover in place for material damage and business interruption. 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 for $14.9 million.

As at 31 March 2025, the Group has $13.0 million of business interruption insurance recoveries receivable for the impacts of the flooding event at Parklane. The business interruption claim is ongoing and is now outside the indemnity period.

10 Held for sale

The Group classifies assets held for sale if their carrying amounts will be recovered through a sale transaction rather than through continuing use.

Assets held for sale are measured at the lower of their carrying amount or fair value less costs to sell.

Costs to sell are the costs directly attributable to the disposal of an asset, except for the portion that relates to investment property which is carried at fair value.

The criteria for held for sale classification is met only when the sale is highly probable and the asset is available for immediate sale in its present condition.

Assets and liabilities classified as held for sale are presented in the balance sheet.

As at 31 March 2024, Strathallan (assets and liabilities of Strathallan Healthcare Limited and Strathallan Lifecare Village Limited) was classified as held for sale. On 30 April 2024, the Group completed the sale of Strathallan for $30.0 million.

As at 31 March 2025, St Allisa (assets and liabilities of St Allisa Rest Home (2010) Limited) was classified as held for sale. Settlement is expected to occur on 30 May 2025.

$000	2025	2024
Assets		
Other assets	498	472
Property, plant and equipment	13,283	8,063
Investment property	0	54,717
	13,781	**63,252**
Liabilities		
Other liabilities	(975)	(1,247)
Revenue in advance	0	(1,765)
Residents' loans (ORA's)	0	(30,089)
	(975)	**(33,101)**
Held for sale	**12,806**	**30,151**

11 Residents' Loans

$000	2025	2024
Opening balance	1,653,696	1,538,282
Amounts repaid on termination of ORAs	(142,964)	(151,217)
Amounts received on issue of new ORAs	383,599	408,738
Amount relating to assets held for sale	0	(30,089)
Movement in DMF receivable and residents' portion of capital gains	(88,557)	(112,018)
Total residents' loans	**1,805,774**	**1,653,696**

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 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.

DMF are payable by residents in consideration for the supply of accommodation and the right to share in the use of community facilities. DMF 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.

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).

12 Leases

As Lessee

The Group has leases for support office premises, and various property, plant and equipment. In respect of these leases, a right of use asset is disclosed along with a corresponding lease liability. The right of use assets are depreciated on a straight line basis, while the lease liability is measured at the present value of the lease payments that are not yet paid, discounted using the Group's incremental borrowing rate.

Right of use assets are classified as property, plant and equipment and lease liabilities are disclosed as such in the Group's balance sheet.

The weighted average incremental borrowing rates used to measure lease liabilities are 6.5% (2024: 6.5%).

When the Group has the option to extend a lease, management uses its judgement to determine whether an option would be reasonably certain to be exercised. Management considers all facts and circumstances, including their past practice and any cost that will be incurred to change the asset if an option to extend is not taken, to help determine the lease term. Other assumptions and judgements used by management include calculating the appropriate discount rate.

$000	2025	2024
Less than 1 year	907	749
Between 1 and 5 years	4,480	3,623
More than 5 years	577	1,477
Total lease liabilities	**5,964**	**5,849**

$000	2025	2024
Interest on lease liabilities	373	414
Expenses relating to short-term and low-value assets	29	64
Depreciation on right of use assets	915	862
Total amounts recognised in profit and loss	**1,317**	**1,340**

As Lessor

The Group acts as a lessor for occupation right agreements with village residents, along with a small amount of residential rental properties. The assets leased by the group as a lessor are disclosed as investment property and lease income is generated in the form of deferred management fees. The lease term is determined to be the expected period of tenure. The Group uses the portfolio approach to account for leases of units to village residents and allocates individual leases to different portfolios depending on the type of unit.

13 Interest Bearing Loans and Borrowings

$000	2025	2024
Secured bank loans	873,500	657,431
Retail Bond - ARV010	125,000	125,000
Capitalised financing costs	(884)	(2,143)
Total interest bearing loans and borrowings	**997,616**	**780,288**

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 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. 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.

Prior to the Scheme of Implementation described in note 1, Stonepeak Alps Bidco Limited entered into a new syndicated bank debt facility agreement with ANZ Bank New Zealand Limited, Bank of New Zealand, National Australia Bank, Westpac New Zealand Limited and Commonwealth Bank of Australia ("New Bank Facility Agreement"). On 20 November 2024, the Group became a party to the New Bank Facility Agreement as a borrower and guarantor. The previous bank facilities agreement was cancelled and the corresponding bank debt facilities were repaid in full by Stonepeak Alps Bidco Limited.

The total limit of the bank facilities under the New Bank Facility Agreement is $1,075.0 million, consisting of three separate facilities each with a term of 5 years. Amounts outstanding under the New Bank Facility Agreement are secured on an equal ranking basis with the Arvida bonds (ARV010) ("Bonds") and the other relevant secured creditors (including existing and new hedge providers) under the existing security trust deed ("Security Trust Deed"). In addition, Stonepeak has become a guarantor and security provider under the existing composite guarantee and general security deed granted in favour of the security trustee under the Security Trust Deed ("Security Trustee"), and Stonepeak Alps HoldCo Limited, the direct holding company of Stonepeak, has agreed to grant security over all of the shares it owns in Stonepeak in favour of the Security Trustee. The new banking syndicate, Bondholders and the other relevant secured creditors benefit from the new guarantee and security on an equal ranking basis under the terms of the Security Trust Deed. The Loan to Valuation Ratio that is contained in the master trust deed under which the Bonds are issued continues to apply.

Bonds

On 28 January 2021, Arvida Group Limited registered a Master Trust Deed to establish a bond issuance framework, with The New Zealand Guardian Trust Company Limited appointed as the bond supervisor.

On 22 February 2021, the Group issued a 7-year guaranteed, secured, unsubordinated, fixed rate bonds of $125.0 million. The bonds are listed on the NZX Debt Market under the ticker code ARV010. The maturity date of the bond is 22 February 2028. The bond coupon is 2.87% per annum.

Security

On 25 January 2021, Arvida Limited entered into an Amending Deed relating to the Security Trust Deed and the Composite Guarantee and General Security Deed. The Amending Deed appointed NZGT Security Trustee Limited as the security trustee.

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 31 March 2025 ranged from 6.1% to 7.1% pa (2024: 6.1% to 7.1% pa). A separate line fee is charged over the facility limit.

Interest Capitalisation

Interest costs are capitalised if they directly relate to development work in progress. Capitalisation commences when the activities to prepare the development works commence and continue until the asset is substantially ready for its intended use.

Interest costs of $23.1 million (2024: $24.2 million) were capitalised during the year. The weighted average capitalisation rate on the funds borrowed was 7.0% (2024: 6.9%).

Financial Covenants

The financial covenants that the Group must comply with include Interest Cover Ratio and Loan to Valuation Ratio. During the year ended 31 March 2025, the Group was in compliance with its financial covenants (2024: the Group was in compliance with its financial covenants).

Interest Rate Swaps

Interest rate swaps are initially recognised at fair value at the date on which a derivative contract is entered into and are subsequently remeasured at fair value based on market observable inputs (level 2).

$000	2025	2024
Opening balance	780,288	622,825
Proceeds from borrowings	94,399	184,431
Repayment of borrowings	(65,002)	(27,000)
Non-cash increase in borrowings	850,000	0
Non-cash decrease in borrowings	(663,328)	0
Capitalised financing costs movement	1,259	42
Closing balance	**997,616**	**780,298**

Funding facilities	2024 Limit	2024 Drawn Amount
Core Facility A maturing 1 September 2026	$135.0m	$135.0m
Core Facility B maturing 1 September 2027	$90.0m	$67.4m
Core Facility C maturing 1 September 2025	$100.0m	$95.0m
Development Facility A maturing 1 September 2026	$270.0m	$270.0m
Development Facility B maturing 1 September 2027	$180.0m	$90.0m
Total Facilities	**$775.0m**	**$657.4m**

Funding facilities	2025 Limit	2025 Drawn Amount
Facility A maturing 20 November 2029	$340.0m	$340.0m
Facility B maturing 20 November 2029	$510.0m	$510.0m
Facility C maturing 20 November 2029	$225.0m	$23.5m
Total Facilities	**$1,075.0m**	**$873.5m**

14 Reconciliation of Profit after Tax with Cash Inflow from Operating Activities

$000	2025	2024
Profit after tax	**100,793**	**139,363**
Adjustments for:		
Loss on divestment of villages	1,097	0
Changes in fair value of investment property	(140,197)	(164,955)
Changes in fair value of property, plant and equipment	0	(93)
Changes in fair value of interest rate swaps	1,470	488
Share of investment in joint venture	(2,027)	(1,878)
Depreciation and amortisation	8,873	9,125
Impairment of intangibles	3,425	2,059
Movement in deferred tax	(10,207)	6,615
Insurance recoveries included in investing activities	0	(9,150)
Transaction costs included in financing activities	12,611	362
Changes in working capital relating to operating activities		
Trade receivables and other assets	9,477	(4,323)
Trade and other payables	20,998	21,307
Refundable occupation right agreements	152,078	145,503
Other	2,407	1
Net cash inflow from operating activities	**160,798**	**144,424**

Cash comprises cash at bank, bank overdraft, cash on hand and call deposit facilities with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

The following are definitions of the terms used in the cash flow statements:

- operating activities include all transactions and other events that are not investing or financing activities;
- investing activities are those activities relating to the acquisition, holding and disposal of property, plant and equipment, investment properties and other investments. Investments can include securities not falling within the definition of cash; and
- financing activities are those activities which result in changes in the size and composition of the capital and funding structure of the Group.

15 Trade and Other Payables

$000	2025	2024
Trade creditors	20,933	20,086
Sundry creditors and accruals	25,613	17,392
Employee entitlements	19,076	19,518
Total trade and other payables	**65,622**	**56,996**

Trade and other payables are carried at amortised cost. Due to the short term nature they are not discounted.

Employee Entitlements

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A provision is made for benefits accruing to employees in respect of wages, salaries, annual leave, bonuses and profit-sharing plans when it is probable that settlement will be required and the amount can be estimated reliably.

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"). A provision of $2.8 million as the current estimate has been recognised during the year within Employee Entitlements.

16 Share Capital

Shares 000	2025	2024
Opening balance	730,985	723,578
Shares issued	971	7,407
Closing balance	**731,956**	**730,985**

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 (2024: $0.0 million), with no costs related to the issue of new shares deducted from equity(2024: $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 2023, Arvida Group Limited issued 4,398,137 ordinary shares pursuant to the Company's dividend reinvestment plan.

On 21 December 2023, Arvida Group Limited issued 3,009,435 ordinary shares pursuant to the Company's dividend reinvestment plan.

On 30 October 2024, Arvida Group Limited issued 970,733 ordinary shares pursuant to the Company's long term incentive plan.

Dividends

During the year no dividends (2024: 1.2 cents per ordinary share) were declared to shareholders. No imputation credits were attached to the 2024 dividends.

17 Earnings per Share

$000	2025	2024
Profit attributable to equity holders	100,793	139,363
Basic earnings per share		
Weighted average number of ordinary shares on issue (thousands)	731,387	727,809
Basic earnings per share (cents)	**13.78**	**19.15**

Diluted earnings per share		
Weighted average number of ordinary shares on issue (thousands)	731,387	729,880
Diluted earnings per share (cents)	**13.78**	**19.09**

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.

18 Financial Risk Management

Financial Instruments

A financial instrument is recognised if the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group 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 Group's obligations specified in the contract expire or are discharged or cancelled.

$000	2025	2024
Financial assets		
Cash and cash equivalents	14,213	4,679
Trade receivables and other assets	8,211	5,891
Related party receivable	186,672	0
Total	**209,096**	**10,570**
Financial liabilities		
Trade and other payables	46,546	37,478
Interest rate swaps	12,426	10,956
Bank loans	873,500	657,431
Retail bonds	125,000	125,000
Residents' loans	1,805,774	1,653,696
Total	**2,863,246**	**2,484,561**

The Group's principal financial instruments comprise loans and borrowings, bonds, residents' loans and cash and short term deposits. The main purpose of these financial instruments is to raise finance for the Group's operations.

The Group also holds other financial assets and liabilities such as trade receivables and trade payables, which arise directly from operations.

All financial instruments currently held by the Group 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.

Prepayments are excluded from trade receivables and other assets. Employee entitlements are excluded from trade and other payables.

Financial Risk Management Objectives and Policies

The Group's activities expose it to a variety of financial risks: market risk (including interest rate risk), credit risk, liquidity risk and capital risk. The exposure to interest rate risk is not considered to be material to the Group. The Group's management programme considers financial market's volatility and seeks to minimise potential adverse effects on the financial performance of the Group.

The Group uses different methods to measure the different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rates to determine market risk and ageing analysis for credit risk.

Risk management is carried out centrally by the support office under policies approved by the Board of Directors. The Board and Group 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 and other receivables.

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

Trade receivables are assessed for impairment on an individual basis and any impairment is recognised in the profit or loss when it is incurred.

Cash and cash equivalents of the Company and Group are deposited with one of the major trading banks. Non-performance of obligations by the bank is not expected due to the Standard & Poor's AA- credit rating of the counterparty considered.

The Group receivables represent distinct trading relationships with each of the residents. There are no concentrations of credit risk with residents. The only large receivables relate to the residential care subsidies which are received in aggregate via the various District Health Boards and Work and Income New Zealand. None of these entities are considered a credit risk.

Capital risk

Capital risk is the risk that the Group may not be able to access sufficient capital when it is required. Capital risk arises from changes in local and global market conditions and changes to government policy.

The Group manages its capital risk (which management considers to be total equity) with regard to its gearing ratio (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.

The Group's objectives when managing capital are to safeguard the Group'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 Group targets a gearing ratio of less than 50%. The bank loans are subject to bank covenants. The covenants require the Group to maintain agreed interest cover and loan to valuation ratios, as detailed in note 13.

Liquidity risk

Liquidity risk is the risk that the Group may not be able to meet its financial obligations as they fall due.

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 by Group finance. Group finance monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs, while maintaining headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans and covenant compliance. Surplus cash held by the operating entities is usually used to repay debt.

The following table analyses the Group's financial liabilities into relevant maturity groupings. The amounts disclosed in the tables below are the contractual undiscounted cash flows inclusive of interest payments.

The bank loans are drawn down from the committed bank facilities for fixed periods (typically 1 to 6 months). At the conclusion of the draw down period the loans are rolled over for a further fixed period. The maturities of the committed bank facilities are shown in note 13.

The refundable occupation right agreement is repayable to the resident on vacation of the unit or serviced apartment or on termination of the occupation right agreement (subject to a new occupation right agreement for the unit or serviced apartment being issued to an incoming resident).

In determining the fair value of the Group's investment properties, CBRE Limited and Jones Lang LaSalle Limited estimate the stabilised occupancy period for residents as shown in note 2. Based upon these historical turnover calculations the expected maturity of the total refundable obligation to refund residents is expected to be as noted in the table below.

$000	**Less than 1 Year**	**Greater than 1 Year**
2024		
Trade and other payables	37,478	0
Lease liabilities	749	5,100
Interest rate swaps	(2,269)	13,225
Bank Loans	0	657,431
Retail bonds	0	125,000
Residents' loans	1,653,696	0
2025		
Trade and other payables	46,546	0
Lease liabilities	907	5,057
Interest rate swaps	181	12,245
Bank Loans	0	873,500
Retail bonds	0	125,000
Residents' loans	1,805,774	0

19 Subsidiary Companies

Wholly Owned Subsidiaries

The following entities are wholly owned subsidiaries of the ultimate parent company, Arvida Group Limited, as at 31 March 2025:

Aria Bay Retirement Village Limited
Aria Bay Senior Living Limited
Aria Gardens Limited
Aria Park Retirement Village Limited
Aria Park Senior Living Limited
Arvida Limited
Arvida AL Holdings Limited
Arvida AL Limited
Arvida AL New Zealand Limited
Ashwood Park Lifecare (2012) Limited
Ashwood Park Retirement Village (2012) Limited
Bethlehem Country Club Village Limited
Bethlehem Shores Retirement Village Limited
Copper Crest Living Well Limited
Copper Crest Retirement Village Limited
Glenbrae Resthome and Hospital Limited
Glenbrae Village Limited
Good Friends (2020) Limited
Ilam Lifecare Limited
Ilam Senior Living Limited
Knightsbridge GP Limited
Knightsbridge LP Limited
Knightsbridge RV Limited Partnership
Lansdowne Developments Limited
Lansdowne Park Village Limited
Lauriston Park Living Well Limited
Lauriston Park Retirement Village Limited
Lincoln Land Limited
Mary Doyle Healthcare Limited
Mary Doyle Trust Lifecare Complex Limited
Mayfair (Auckland) RV Limited
Mayfair Lifecare (2008) Limited
Mayfair Retirement Village (2008) Limited
Molly Ryan Lifecare (2007) Limited
Molly Ryan Retirement Village (2007) Limited
Mount Eden Gardens RV Limited
Nelson Land Limited
Oakwoods Lifecare (2012) Limited
Oakwoods Retirement Village (2012) Limited
Ocean Shores GP Limited
Ocean Shores LP Limited
Ocean Shores RV Limited Partnership
Olive Tree Apartments Limited
Olive Tree Holdings Limited
Olive Tree Village (2008) Limited
Park Lane Lifecare Limited
Park Lane Retirement Village Limited
Parklane (Auckland) RV Limited
Peninsula Club RV Limited
Queenstown Country Club Living Well Limited
Queenstown Country Club Village Limited
Rhodes on Cashmere Healthcare Limited
Rhodes on Cashmere Lifecare Limited
St Albans Lifecare Limited
St Albans Retirement Village Limited
St Allisa Rest Home (2010) Limited
SH24 Limited
SLV24 Limited
Te Puna Waiora RV Limited
The Cascades Retirement Resort Limited
The Wood Lifecare (2007) Limited
The Wood Retirement Village (2007) Limited
TML(2005) Limited
TMRV(2005) Limited
Views Lifecare Limited
Waikanae Beach Retirement Village Limited
Waikanae Country Lodge Limited
Waikanae Country Lodge Village Limited
Waimea Plains Living Well Limited
Waimea Plains Retirement Village Limited
Warkworth RV Limited
Whai Mauri Ora RV Limited

Wholly owned subsidiaries are those entities controlled by the Company. Control exists when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In assessing control, potential voting rights that are substantive are taken into account.

The financial results of wholly owned subsidiaries included in the financial statements are from the date on which control commenced until the date control ceases.

All wholly owned subsidiary companies are incorporated in New Zealand with a balance date of 31 March.

All wholly owned subsidiary companies are in the business of owning, operating and developing retirement villages and care facilities for the elderly in New Zealand.

Investment in Joint Venture

The Group has a 50% interest in the joint venture companies Village at the Park Care Limited and Village at the Park Lifecare Limited (2024: 50%). The joint venture companies are incorporated in New Zealand and have a balance date of 31 March. The principal activity of the joint venture companies is owning, operating and developing retirement villages and care facilities for the elderly in New Zealand.

Joint venture companies are accounted for using the equity method. Interests in joint venture companies are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income.

During the year $2.0 million (2024: $1.9 million) of share of profits arising from the joint venture, net of tax, was recognised. Of this, $1.7 million (2024: $2.3 million) related to the change in fair value of the joint venture's investment property.

20 Related Party Transactions

Key Management Personnel Compensation

Key management personnel compensation for the year ended 31 March 2025 and the year ended 31 March 2024 is set out below. The key management personnel are all executives with the greatest authority for the strategic direction and management of the Company. The directors are remunerated through directors' fees and expenses.

$000	2025	2024
Salaries and other short term benefits	5,490	4,351

Identity of Related Parties

The Board of Directors at 31 March 2025, comprising William (Bill) McDonald, Norah Barlow, Yuexin (Peter) Han, Darren Keogh and Simon Moutter.

Executives of the Group, including, but not limited to, Jeremy Nicoll and Mark Wells.

Joint Venture, during the year $0.4 million (2024: $0.4 million) was received as management and director fees from the joint venture companies, Village at the Park Care Limited and Village at the Park Lifecare Limited. A dividend of $0.6 million was received from Village at the Park Lifecare Limited(2024: $1.2 million).

Related Party Receivable

Arvida Limited has an intercompany loan receivable with Stonepeak Alps Bidco Limited. have an intercompany loan. The loan is interest free and repayable on demand.

$000	2025	2024
Related party receivable	186,672	0
Total	**186,672**	**0**

21 Fees Paid to Auditors

$000	2025	2024
Fees paid to group auditor - Ernst & Young		
Audit of the financial statements		
Audit - Financial Statements	525	516
Other assurance and agreed-upon procedures		
Assurance - Sustainability	48	48
Other Services		
Remuneration Survey	39	0
Modelling services	46	0
Total	**658**	**564**

22 Capital Commitments

As at 31 March 2025, the Group had $40.3 million of capital commitments in relation to construction contracts (2024: $29.5 million).

As at 31 March 2025, the Group had $0.0 million of commitments in relation to the purchase of land (2024: $1.3 million).

23 Subsequent Events

On 30 April 2025, the Group entered into an agreement to sell the assets of St Allisa. Settlement is expected to occur on 30 May 2025.

24 Employment Share Plan

Prior to the delisting of Arvida Shares from NZX, the Board accelerated the vesting date for all outstanding performance share rights under the Company's Long Term Incentive ("LTI") Scheme. The issue of performance share rights was determined on a pro rata basis based on the time-period elapsed since issue of the share rights tranche up to the business day prior to the delisting record date. The performance hurdles associated with each tranche of share rights under the LTI Scheme were not applied. All share rights not issued were cancelled and the LTI Scheme was terminated on 20 November 2024.

The Group operated an equity based share rights scheme for selected senior employees until the Arvida Long Term Incentive Scheme was terminated. If the unlisted performance share rights vested, ordinary shares were issued to the employees at or around the vesting date.

The share rights scheme was an equity settled scheme and was measured at fair value at the date of the grant. The fair value determined at the grant date of the equity-settled share-based payments was expensed over the vesting period, based on the Group's estimate that the share will vest. A simulation-based approach was used to complete the valuation model. For the purposes of the simulation, it was assumed that share returns are normally distributed. The option cost for the year ending 31 March 2025 of $0.0 million has been recognised in the Group's statement of comprehensive income for that period (2024: $0.1 million).

2024

Commencement date	23 June 2021	14 June 2022	15 June 2023
Issue price	$ 1.89	$ 1.57	$ 1.20
% of shares vested	0%	0%	0%
Vesting date	June 2024	June 2025	June 2026
Unlisted performance share rights	395,341	612,893	1,062,929
Volatility assumption	22%	22%	27%

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year. There are no share options outstanding as at 31 March 2025 (2024: weighted average remaining contractual life 1.3 years).

	2025 Number	2025 WAEP	2024 Number	2024 WAEP
Opening balance at 1 April	2,071,163	$ 1.52	1,692,129	$ 1.52
Granted during the year	1,343,687	$ 1.20	1,062,929	$ 1.20
Forfeited during the year	(244,434)	$ 1.70	(123,854)	$ 1.70
Exercised during the year	(970,733)	$ 1.69	0	$ 0.00
Expired during the year	(2,199,683)	$ 1.15	(560,041)	$ 1.15
Closing balance at 31 March	**0**	**0**	**2,071,163**	**$ 1.44**
Exercisable at 31 March	**0**		**0**	

25 Contingent Liabilities

At balance date there are no known contingent liabilities.

Independent auditor's report to the Shareholder of Arvida Group Limited

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Arvida Group Limited (the "Company") and its subsidiaries (together the "Group") on pages 3 to 28, which comprise the consolidated balance sheet of the Group as at 31 March 2025, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flow for the year then ended of the Group, and the notes to the consolidated financial statements including material accounting policy information.

In our opinion, the consolidated financial statements on pages 3 to 28 present fairly, in all material respects, the consolidated financial position of the Group as at 31 March 2025 and its consolidated financial performance and cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards.

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

Basis for opinion

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

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

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

Ernst & Young provides other assurance related services to the Group. We also provided remuneration advisory assistance and limited financial modelling advice. Partners and employees of our firm may deal with the Group on normal terms within the ordinary course of trading activities of the business of the Group. We have no other relationship with, or interest in, the Group.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of the audit report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Property Valuation

Why significant	How our audit addressed the key audit matter

The Group's retirement village assets and care facility assets have an assessed fair value of $4.3b and account for 92.4% of total Group assets at 31 March 2025.
 	
The Group engaged two third party registered valuers to determine the fair value of these assets at 31 March 2025. After making adjustments for assets and liabilities separately recorded, those value were reflected in the consolidated balance sheet.
 	
The property valuations require the use of judgments specific to the properties, as well as consideration of the prevailing market conditions. Significant assumptions used in the valuation are inherently subjective and a small variation in any one of the key assumptions, when aggregated, could result in a significant change to the valuation of the properties.
 	
For retirement village property assets, which are accounted for as investment properties, the key assumptions are made in respect of:
• discount rate;
• forecast house price inflation;
• the average entry age of residents; and
• the occupancy periods of the units for each village.
 	
For care facility property assets, which are accounted for as property, plant and equipment, the key assumptions are made in respect of:
• capitalisation rates; and
• earnings per care bed.
 	
Retirement village assets under development are carried at cost less any impairment.
 	
Disclosures relating to retirement village assets and care facility property assets and the associated significant valuation judgments are included in Note 6 'Investment Properties' and Note 7 'Property, Plant and Equipment' to the consolidated financial statements.
	Our audit procedures included the following:
	• Holding discussions with management to understand:
	  • sales or purchases of the Group's retirement village and care facility property assets during the year;
	  • changes in the condition of each property; and
	  • their internal review of the third party valuation reports.
	• Holding discussions with the third party valuers to gain an understanding of the assumptions and estimates used and the valuation methodologies applied;
	• For a sample of properties we:
	  • involved our internal real estate valuation specialists to assist with our assessment of the methodologies used and whether the significant valuation assumptions fell within a reasonable range;
	  • assessed property specific information supplied to the third party valuers by the Group, including resident schedules, sales of Occupational Rights Agreements ("ORAs"), occupancy data and earnings per care bed, against the underlying records held by the Group; and
	  • assessed the significant input assumptions applied by the third party valuers compared to previous period assumptions and considering the changing state of the properties and other market changes.
	• Assessed the competence, capabilities and objectivity of the third party valuers;
	• Examined the allocation of costs from work in progress to completed village units, care facilities and other assets;
	• Considered the impact of new development work and the completeness of assets included in the valuations;
	• Considered management's assessment of the carrying value of retirement village and care facility property assets that are under development at balance date;
	• Assessed adjustments made between the third party valuations and amounts recorded in the balance sheet and tested the quantum of these adjustments; and
	• Considered the adequacy of the disclosures in Note 6 and Note 7.

Chartered Accountants

Information other than the consolidated financial statements and auditor's report

The directors of the Company are responsible for the other information. The other information comprises the annual report, which includes the Climate Statement but does not include the financial statements and our auditor's report thereon. We obtained the annual report other than the Climate Statement prior to the date of this auditor's report. The Climate Statement is expected to be made available to us after the date of this report.

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

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

If, based upon the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard. When we read the Climate Statement, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and, if uncorrected, to take appropriate action to bring the matter to the attention of users for whom our auditor's report was prepared.

Directors' responsibilities for the consolidated financial statements

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

In preparing the consolidated financial statements, the directors are responsible for assessing on behalf of the entity the Group'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 Group or cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

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

A further description of the auditor's responsibilities for the audit of the consolidated financial statements is located at the External Reporting Board's website: https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-1-1/. This description forms part of our auditor's report.

The engagement partner on the audit resulting in this independent auditor's report is Lloyd Bunyan.

Ernst & Young

Chartered Accountants
Auckland
28 May 2025