

Good People, Growing Great Villages.

2025 ANNUAL REPORT



Long-standing relationships with experienced, capable operators. We fund the building and expansion of high-quality senior living communities to deliver premium returns to our investors.



An online copy is available at:
www.seniortrust.co.nz

SENIOR TRUST RETIREMENT VILLAGE
INCOME GENERATOR LIMITED

This Annual Report reviews the Senior Trust Retirement Village Income Generator Limited ("Income Generator") performance and business achievements for the year ended 31 March 2025. It is a concise summary of our activities and financial position. All figures are expressed in New Zealand currency unless otherwise stated. Revenues and expenses are recognised exclusive of Goods and Services Tax.

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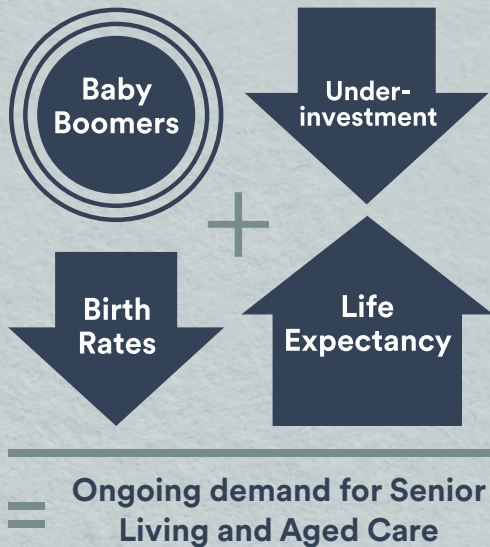
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Meeting a Growing Demand

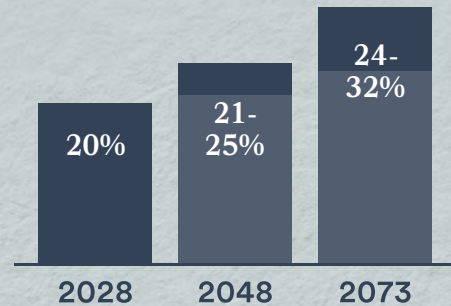
On top of the current development pipeline, JLL anticipates a supply shortage of 8,367 units by 2033, and 23,302 units by 2048. An additional 932 units needs to be built each year for the next 25 years for the industry to meet its demand by 2048.*

The thriving senior living sector is New Zealand’s largest supplier of new dwellings.

Whilst significantly contributing to the easing of New Zealand’s housing shortage, there is still a shortfall. The 65 and over age group is forecast to almost double by 2048, increases in life expectancy and continued popularity growth of senior living communities, present unique investment opportunities.



Population of people aged 65+ years projected to grow



HD HEALTH & DISABILITY COMMISSIONER
TE TOIHAU HAUORA, HAUATANGA
Aged Care Commissioner Report, March 2024

Senior living unit supply projections

UNITS NEEDED
59,611 by 2033

CURRENT PIPELINE
51,285 forecast

UNIT SHORTFALL
approx. 8,000+ units*

*JLL NZ’s annual Retirement Villages Market Review - reported by The Post, 2 September 2024.



FUNDING THE BUILDING AND EXPANSION OF QUALITY SENIOR LIVING COMMUNITIES

Our investors reap the benefits of our experience and sole focus, as specialist lenders to the premium senior living sector. Our team have been instrumental in funding the building and expansion of quality senior living communities throughout New Zealand.

As with a bank mortgage, our lending must meet strict selection criteria and is secured by mortgages over bricks and mortar assets. Interest is earned on our loans which provides income to Senior Trust. Our strategy enables much needed quality housing for senior New Zealanders’ - with the added advantage of being a PIE fund.

\$250.6 million
31 MARCH 2025

Total nationwide portfolio facility limit.



Access to unique investment - thriving senior living sector. PIE Fund.

SPECIALIST EXPERIENCE

Unlike some other industries, the premium senior living sector has proven to be resilient in tough economic times, with a predictable, long-term outlook.

We are specialist lenders to the senior living sector. Our experienced Management Team are well poised to leverage 25+ years of industry experience, to capitalise on senior living sector opportunities for the benefit of our investors, many who have been with us for a number of years.



Lending against mortgage-secured, property assets.



Easy online entry, \$1000 minimum investment.



Good People, Growing Great Villages

The Board of Senior Trust is pleased to present its annual report. Our key message in this year’s report, ‘Good People, Growing Great Villages’, encapsulates the long-standing relationships with experienced capable operators who are investing in high-quality retirement living assets. Our objective is to deliver returns to our investors from this sector.

The Senior Living Sector: A Resilient and Growing Landscape

The New Zealand retirement village sector is underpinned by an ageing population which drives demand despite the current economic headwinds of a softening residential property market. The sector we operate in remains a cornerstone of the nation’s housing and care infrastructure, which we consider presents a compelling long-term investment opportunity that is actively attracting offshore interest and investment.

Our focus at Senior Trust is to partner with operators who build communities where retiree’s want to live and enjoy their retirement, thereby ensuring villages enjoy sustained demand over the long term. We consider the long-term fundamentals are sound, supported by continued demographic growth and increasing sophistication in village offerings.

Great Villages: Strategic Investments in Premium Retirement Living

Our strategy has enabled us to report strong results for this financial year. We are proud to highlight several key developments that underscore our approach.

During the financial year we were pleased to announce a new loan facility with **The Hill Pukekohe**, which is owned and operated by the Sanderson Group. This partnership reinforces our dedication to supporting high-quality developments that offer exceptional living experiences. These thoughtfully designed villages align with our investment philosophy and cater to the growing demand for top-tier retirement solutions.

The Botanic in Orewa is another notable premium village which sets a high standard for contemporary retirement living. This development features high-quality residences,

extensive amenities such as a wellness centre, community hub and beautifully landscaped grounds.

We are also pleased with the significant progress at **Orewa Sands**. The first block of high quality apartments have been completed and the community of residents is growing steadily. Orewa Sands offers impressive community facilities designed to foster engagement and well-being, further enhancing the living experience for its residents. Building the facilities at the outset, exemplifies the commitment to delivering premium senior living.

Our long-standing association with **Quail Ridge Country Club** continues to be a testament to our enduring partnerships. We are pleased to note that Quail Ridge is now being managed by Neville Brummer, an experienced and highly respected figure in the retirement village sector. We consider that Mr Brummer’s proven expertise and commitment will continue the success and growth of Quail Ridge, ensuring it remains a premier destination for seniors.

These are just a selection of the ‘Great Villages’ that make up our lending portfolio of high-quality assets in proven, sought-after locations.



Matt Major
CHIEF EXECUTIVE

Good People: Strengthening Our Management Team and Expertise

At the heart of any successful enterprise are its people. In line with this, Senior Trust has expanded and strengthened its management capabilities.

We were delighted to announce Matt Major’s appointment as the Chief Executive Officer of Senior Trust Management Limited (our Manager). Matt brings a wealth of experience and strategic vision to the team and his leadership will be instrumental in steering the company.

Matt’s appointment complements an already robust and highly experienced specialist team. Our professionals possess deep sector knowledge, financial acumen, and a dedicated approach to managing our investments and serving our stakeholders. This expanded and enhanced team ensures that Senior Trust is well-positioned to identify new lending opportunities, maintain its focus on risk with the aim of generating good profits on behalf of our Shareholders.

continued...

LETTER FROM THE BOARD

Good People, Growing Great Villages

Delivering Value and Retaining Strength

We are delighted to report that Senior Trust generated circa \$12.7m of profits which enabled us to pay a 7% (pre-tax) per annum distribution. Total gross distributions paid for the year were \$12.57m.

After payment of the distributions, we also can report **retained profits in excess of \$1 million**. Retained earnings strengthen the company’s financial position, building reserves to weather economic downturns or unexpected challenges.

We remain committed to our over-arching objective of **maintaining a constant share price of \$1.00** and delivering returns to our investors.

In addition to generating profits, other achievements during the year included;

- Fully repaying all bank debt
- Holding circa \$11 million cash in the bank at 31 March 2025
- Reporting an equity position of circa \$198 million.

We also note that having made some operational changes to our business we have recently lodged a new Product Disclosure Statement (PDS). The updated PDS reflects these amendments and provides comprehensive, up-to-date information for our investors. We encourage our investors to familiarise themselves with our new offer document.

We extend our sincere gratitude to our investors for their continued trust and support.

On behalf of the Board,



John Jackson

John Jackson
EXECUTIVE DIRECTOR



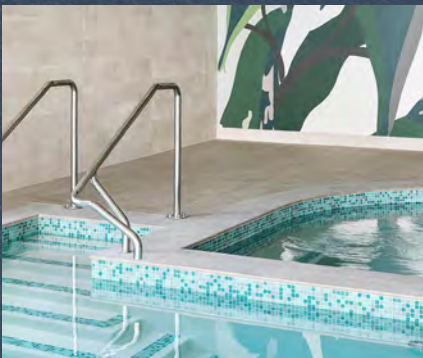
Scott Lester

Scott Lester
EXECUTIVE DIRECTOR



 The Hill
Pukekohe

NEW LOAN FACILITY



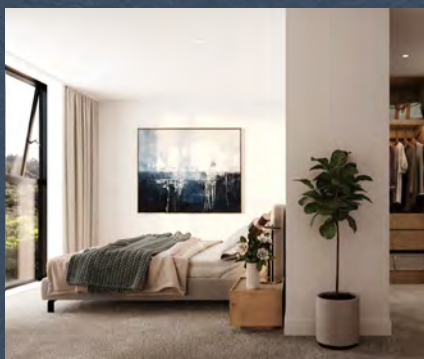
THE BOTANIC
SILVERDALE

PREMIUM COMMUNITY
FACILITIES



 Orewa
Sands
nestle into nature

RESIDENTS ONSITE



 QUAIL RIDGE
COUNTRY CLUB

EXISTING LOAN
INCREASE

Key Highlights

Nationwide Loan Portfolio

\$250.6m total facility limit

2

new loans

»



The Hill Pukekohe

+

SENIOR CARE LIMITED PARTNERSHIP

9

loan facilities

|

2

loans fully repaid

PAID

7%
RETURN
(pre-tax) per annum

PIE FUND

All bank debt fully repaid

SHARE PRICE MAINTAINED

\$1

SINCE 2020

HOLDING CASH IN BANK

\$11m

AT 31 MARCH 2025

As at June 2025, Senior Trust amended its business processes. This needs to be considered when reviewing Senior Trust’s track record.

2025

Retained Profits

\$1.06m
Post Payment of Distributions

Revenue

\$22.7m

Total Equity

\$198m

Total Gross Distributions Paid for the Year

\$12.57m

“Following the payment of quarterly distributions, we report retained profits. Operating profitability with no debt and holding cash in the bank we consider demonstrates the Boards’ focus on ensuring strong commercial performance whilst remaining laser focused on mitigating risk.”

SCOTT LESTER
EXECUTIVE DIRECTOR

NOTE: Figures as at 31 March 2025. Some figures have been rounded for clarity.

Our Loan Portfolio



TOTAL FACILITY
LIMIT
\$250.6m
as at 31 March 2025

Senior Trust maintains a geographically diversified loan portfolio across New Zealand. We lend to high-quality senior living facilities in various demographically proven locations.



Key:
○
2025 LOAN CONTRACTS

SENIOR TRUST MANAGEMENT TEAM
TRACK RECORD OF LENDING

Long-established Industry Relationships

Senior Trust has a strong association with many highly experienced, retirement village operators who focus on the premium end of the market. Due to our long established relationships in the sector, some spanning two decades, we consider these add significant value to our investors.

Sanderson Group



A family-owned and operated company that has been developing and operating luxury retirement villages in New Zealand since 1987. They are considered by some to be pioneers in the market and are committed to providing beautifully designed, high-quality retirement properties. They have a long history in the retirement village sector and have also expanded into other large scale developments such as aged care facilities.

In 2019 Arvida, a major New Zealand retirement village operator, acquired three villages from the Sanderson Group for \$180 million dollars. The Management Team relationship started in 2014 funding Bethlehem Shores with Senior Trust recently funding the early stage development at Matamata, with the facility being fully repaid.

We are now funding **The Hill Pukekohe**, another Sanderson village, which is a modern retirement village designed to provide a luxurious and comfortable living experience.

Wright Family



The Wright Family are key shareholders and funders of The Botanic Limited Partnership who are developing **The Botanic**, a large-scale master-planned retirement community currently under development in Silverdale. It's owned and operated by a consortium which includes Alan Edwards, former CEO of Metlifecare.

The Wright Family, who enjoyed great success with their former business, publicly listed Kiddicorp, involvement extends beyond financial backing; they bring considerable expertise and business acumen, contributing significantly to the operational success of both The Botanic and Longridge Retirement Village in Paeroa, a retirement village which Senior Trust also lend to.

Sandy Foster



With a background in civil engineering, operator and part-owner of **The Grove Orewa**, Sandy brings a wealth of experience and proven track record of success. Instrumental in the creation of over 1,000 retirement village dwellings across New Zealand, some of which include:

- Waitakere Gardens, West Auckland
- Dannemora Gardens, East Auckland
- Forest Lake Gardens, Hamilton
- Kerikeri Gardens, Bay of Islands
- Papamoa Beach Gardens, Bay of Plenty
- Whitby Lakes Retirement Village, north of Wellington

Neville Brummer



Having taken over operation of **Quail Ridge Country Club Limited**, Neville is also associated with Senior Care Limited Partnership. Amassing extensive experience across the retirement village and aged care sector, his project involvement and developments include;

- McKenzie Lifestyle Village & McKenzie Healthcare, Geraldine
- Althorp Village, Tauranga
- Lochlea Lifestyle Village, Ashburton
- Golden View Lifestyle Village, Cromwell
- Papamoa Beach Gardens, Tauranga
- Beetham Village and Healthcare, Gisborne
- Longridge Country Estate, Paeroa
- Amberley Country Estate, Amberley

Exceptionally well-versed in both construction and operational aspects, Neville possesses specialised expertise in the financial and commercial facets of developing and managing, ensuring robust and well-managed communities.

Joseph van Wijk



Director of the General Partner of **Amberley Country Estate Limited**, the Operator of Amberley Country Estate, Joseph is a qualified Chartered Accountant (NZ) with a Bachelor of Business (NZ) and a Masters of Business Administration (UK). With a diverse range of international experience in investment, accounting, taxation and financial roles, including mergers and acquisitions (UK & USA), he is also a Chartered Member of the Institute of Directors.

Previously held Non-Executive Directorships include:

- Director, Pulse Energy Ltd (NZAX Listed)
- Director, TRS Investments Ltd (NZX Main Board listed)
- Deputy Chairman, Lateral Corporation Ltd (NZAX Listed)
- Manager, Senior Trust Retirement Village Listed Fund

Set on over 33 acres the Estate will feature 250 luxury, energy-efficient villas, a resort-style community centre, comprehensive life-care and medical facilities.

Our People

Our team have strong expertise and experience, providing the sufficient resources necessary to thoroughly assess opportunities, mitigate risks, with the objective of delivering returns to our investors.

The retirement village sector is uniquely complex, driven by regulations, evolving resident needs, and distinct financial models. Successfully navigating this environment demands a deep understanding of its intricacies, from property valuation and development cycles to the intricacies of aged care provision and legal frameworks. Recognising this specialised knowledge requirement, Senior Trust has further strengthened our specialist team.



John Jackson
EXECUTIVE DIRECTOR

A real passion for the sector, adviser, manager of securities and director in the retirement village and commercial property sectors since 1998.

Service: 15 years



Scott Lester
EXECUTIVE DIRECTOR

A qualified Chartered Management Accountant, Scott has held directorships in both listed and non-listed entities. Was Executive Director of the Senior Trust Retirement Village Listed Fund, (listed NZX). In-depth understanding of retirement village funding, the financial sector and its regulatory landscape.

Service: 10 years



Leveraging our collective, specialist experience for the benefit of our investor's.



Matt Major
CHIEF EXECUTIVE

New Appointment

Matt Major was appointed Chief Executive of Senior Trust Management Limited (our Manager) in March 2025. A commercially astute finance leader, Matt brings a wealth of experience in building robust finance functions, optimizing operational processes, and driving significant gains in reporting accuracy and insight.

His background includes working for a FTSE 100 Alternative Asset Manager with USD\$101b in Assets under Management and overseeing a EUR\$700m pan European real estate fund. Throughout his career, Matt has demonstrated expertise in financial strategy, business partnering and team building, while consistently increasing profit through incisive analysis and business acumen.

Matt is a Chartered Accountant (CAANZ) with a strong educational foundation from Victoria University.



Alex Ceban
COMMERCIAL MANAGER

Service: 5.5 years



Pratthana Rachu
ACCOUNTANT

Service: 5.5 years



Maggie Jackson
INVESTOR RELATIONS

Service: 5 years



Alberta O'Regan
REGISTRY SERVICES MANAGER

Service: 3 years



Neeraj Chandra
FINANCIAL ACCOUNTANT

Service: 2 years

Ageing Population, Continued Strong Demand

The fundamental driver of the retirement village sector’s growth is New Zealand’s rapidly ageing demographic. The proportion of people aged 65 years or older is steadily increasing.

Number of people aged 65+ doubled between 1997 & 2024 to reach 874,000. This is projected to double by around 2059.



Within the 65+ age group, the number of people aged 85+ is expected to increase significantly:

AGED 85+ YEARS
2024: 95,000
2051: 275,000 to 322,000

StatsNZ reported that **population ageing** is not only caused by the baby boomers (generally considered as those born in 1946 to 1965), but also by the transition to **lower birth rates and lower death rates**.

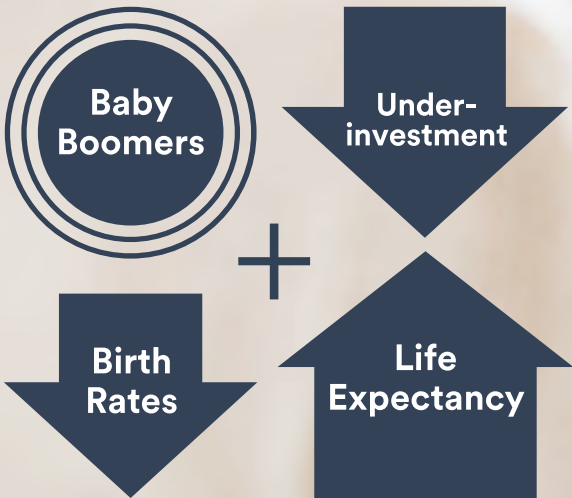
The projections indicate that once the baby boomers have moved through the age structure, the New Zealand population will not revert to a younger age structure – barring major changes in childbearing patterns (fertility rates).

These statistics collectively underscore the robust demographic tailwinds supporting the New Zealand retirement village sector, ensuring continued strong demand for high-quality living options for seniors.

Despite this consistent growth in the ageing population, projections indicate a **significant future supply shortage**.

Commercial real estate firm JLL annual Retirement Villages Market Review forecast that **New Zealand will be short nearly 8,400 retirement village units by 2033** if the sector does not boost development to keep up with demand.

We see the ongoing and urgent need for increased development of high-quality “Great Villages” to meet this demand as a strong opportunity for Senior Trust.



= Ongoing demand for Senior Living and Aged Care

These statistics collectively underscore the robust demographic tailwinds supporting the New Zealand retirement village sector, ensuring continued strong demand.

Protecting Your Investment

Protecting your investment is paramount at Senior Trust. We take a number of steps from the initial assessment of a loan through to continual oversight and if necessary enforcement, to ensure your capital is secure.

Our Investment Protection Steps

- 1

Rigorous Due Diligence

It all starts here. Before any loan is approved, our specialist team conducts due diligence. We thoroughly assess the planned retirement village development and the underlying assets to ensure viability and identify any potential risks upfront. This assessment forms the bedrock of our investment protection strategy.
- 2

Loan Agreements

Every loan is secured by a comprehensive loan agreement. These documents are carefully crafted with clauses specifically designed to protect Senior Trust's interests. This provides a clear and legally sound framework for the lending relationship.
- 3

Continual Monitoring

We don't just set and forget. We continually monitor our investments. This involves ongoing assessment of project progress, the financial health of our borrowers, and relevant market conditions. This proactive approach allows us to identify and address any emerging risks or deviations from agreed-upon terms quickly.
- 4

Proactive Enforcement (if required)

Should a borrower default or fail to meet their obligations, Senior Trust is prepared to take decisive enforcement action. Our commitment to protecting investor capital means we will pursue necessary remedies. For example, as seen with Stoney Creek, we listed the property for mortgagee sale. We are resolute in ensuring our investors' interests are protected.

Investor Care Focus

At Senior Trust, we place immense value on our investors and are committed to providing a first-class investor experience.

In line with this commitment, we have invested in technology to improve your experience. We are actively developing and refining our new Investor Portal, which will serve as a secure, comprehensive hub for your investment information.

This portal is designed to provide you with direct, 24-hour access to your investment details and statements. We are focused on making this technology easy to use, as we know that a seamless and intuitive experience significantly enhances investor satisfaction and overly complicated systems can be frustrating.

Our dedicated Investor Care team is always available to answer any questions you may have. We welcome your enquiries and are committed to providing timely, clear, and helpful responses, ensuring you feel fully informed and supported throughout your investment journey with Senior Trust.



New Zealand will be short nearly 8,400 retirement village units by 2033 if the sector does not boost development to keep up with demand.*

*JLL NZ's annual Retirement Villages Market Review - reported by The Post, 2 September 2024.

FOR THE YEAR ENDED 31 MARCH 2025

Financial Statements

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SENIOR TRUST RETIREMENT VILLAGE
INCOME GENERATOR LIMITED
NZCN:7861299

Company directory

IRD number	130-975-348
Nature of business	Investment
Registered office	Foley Hughes Level 1, 20 Beaumont Street Freemans Bay Auckland, 1110
Directors	John Llewelyn Jackson Scott Daniel Lester
Manager	Senior Trust Management Limited
Bankers	Bank of New Zealand
Auditors	William Buck Audit (NZ) Limited
Accountants	Baker Tilly Staples Rodway Auckland Limited

Directors’ report

The Directors present their report together with the financial report of Senior Trust Retirement Village Income Generator Limited for the year ended 31 March 2025 and auditor’s report thereon.

Directors’ names

The names of the Directors in office at any time during or since the end of the year are:

John Llewelyn Jackson appointed 20 December 2019

Scott Daniel Lester appointed 20 December 2019

The Directors have been in office since the start of the year to the date of this report unless otherwise stated.

Results

The profit of the Company for the year amounted to \$12,717,463.

Review of operations

The Company continued to engage in its principal activity, the results of which are disclosed in the attached financial statements.

Principal activities

The Company was incorporated to lend money in the form of loans to the entities that own Retirement Villages, Senior Living and Aged Care Facilities.

No significant change in the nature of these activities occurred during the year.

Distributions paid, recommended and declared

Distributions of \$9,929,457 were made during the financial year.

No recommendation has been made for the payment of a dividend.

Audit fees

Audit fees of \$48,300 were paid and/or accrued during the year.

Directors’ remuneration and other benefits

John Jackson received directors fees of \$36,000 during the year

Scott Lester received directors fees of \$36,000 during the year.

Interests

No Director has given notice to the Company of an interest in any transaction with the Company. No Director has sought authorisation to use Company information.

Donations

The Company made no donations during the period.

Signed in accordance with a resolution of the board of directors, dated 27 June 2025.

Director: 


Director: 

SCOTT DANIEL LESTER

JOHN LLEWELYN JACKSON

Independent auditor’s report to the shareholders of Senior Trust Retirement Village Income Generator Limited

Report on the audit of the financial statements

**Our opinion on the financial statements**

In our opinion, the accompanying financial statements of Senior Trust Retirement Village Income Generator Limited (the Company), present fairly, in all material respects:

- the financial position of the Company as at 31 March 2025, and
- its financial performance and its cash flows for the year then ended

in accordance with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) and International Financial Reporting Standards (IFRS).

What was audited?

We have audited the financial statements of the Company, which comprise:

- the statement of financial position as at 31 March 2025,
- the statement of profit or loss and other comprehensive income for the year then ended,
- the statement of changes in equity for the year then ended,
- the statement of cash flows for the year then ended, and
- notes to the financial statements, including material accounting policy information.

Basis for opinion

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

We are independent of the Company in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards)* (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, the Company.

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info@williambuck.co.nz
williambuck.com

William Buck is an association of firms, each trading under the name of William Buck across Australia and New Zealand with affiliated offices worldwide.
*William Buck (NZ) Limited and William Buck Audit (NZ) Limited



Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Recoverability of financial assets	Area of focus (refer also to note 10)	How our audit addressed the key audit matter
	The Company has significant Finance Receivable with nine parties, totalling \$188m. The largest four loans total \$134m (71%).	Our audit procedures included: <ul style="list-style-type: none">— A review of all the underlying loan agreements, to ensure that all aspects of the loans have been accounted for correctly;— Review and consideration of the early repayment clauses and whether any had been triggered;— Review of the Directors’ credit assessment;— Review of the collateral value of the security over the loans and determined the adequacy of the LVR’s and other factors;— Review of independent valuations completed on the underlying retirement villages provided as security— Assessing the adequacy of disclosures
	There is a significant risk over recoverability of these loans, and this requires management judgement and continuous monitoring.	
	The valuation of these assets has a direct impact on the Comprehensive Income and equity of the Company and accordingly we have given specific audit focus and attention to this area.	

Other information

The directors are responsible for the other information. The other information comprises the information included in the Company’s annual report for the year ended 31 March 2025, but does not include the financial statements and our auditor’s report thereon from page 26 to 56. Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

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

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

Directors’ responsibilities for the financial statements

The directors are responsible on behalf of the Company for the preparation and fair presentation of the financial statements in accordance with NZ IFRS, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor’s responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located at the External Reporting Board’s website: [Audit Report 2 » XRB](#). This description forms part of our auditor’s report.

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

Restriction on distribution and use

This independent auditor's report is made solely to the shareholders, as a body. Our audit work has been undertaken so that we might state to the shareholders those matters which we are required to state to them in the independent 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 shareholders, as a body, for our audit work, this independent auditor's report, or for the opinions we have formed.

William Buck Audit (NZ) Limited
Auckland

27 June 2025

Statement of Profit or Loss and Other Comprehensive Income for the Year Ended 31 March 2025

	Note	2025 \$	2024 \$
Revenue and other income			
Interest income	4	21,286,140	20,138,765
Other income	4	1,463,354	558,979
		<u>22,749,494</u>	<u>20,697,744</u>
Less: expenses			
Administration and compliance expenses	5	(6,745,559)	(5,842,405)
Finance costs	5	(612,447)	(1,745,216)
Impairment loss	3(a)	(2,674,025)	-
		<u>(10,032,031)</u>	<u>(7,587,621)</u>
Income tax expense	6	-	-
Profit for the year		<u>12,717,463</u>	<u>13,110,123</u>
Other comprehensive income for the year		-	-
Total comprehensive income		<u>12,717,463</u>	<u>13,110,123</u>
Earnings per share			
Basic and diluted earnings per share (cents)	15	7.1	8.1

The accompanying notes form part of these financial statements.

Statement of Financial Position
as at 31 March 2025

	Note	2025 \$	2024 \$
Current assets			
Cash and cash equivalents	7	11,470,147	5,054,028
Receivables	9	3,175,150	2,512,744
Finance receivables	10	16,200,001	48,089,939
Prepayments		123,842	60,136
Total current assets		<u>30,969,140</u>	<u>55,716,847</u>
Non-current assets			
Finance receivables	10	171,980,200	136,218,314
Intangible assets	11	85,108	110,846
Total non-current asset		<u>172,065,308</u>	<u>136,329,160</u>
Total assets		<u>203,034,448</u>	<u>192,046,007</u>
Current liabilities			
Borrowings	13	-	20,000,000
Payables	12	3,740,334	4,405,600
Unallotted subscriptions		1,162,103	40,001
Total current liabilities		<u>4,902,437</u>	<u>24,445,601</u>
Total liabilities		<u>4,902,437</u>	<u>24,445,601</u>
Net assets		<u>198,132,011</u>	<u>167,600,406</u>
Equity			
Share capital	14	197,062,374	166,670,540
Accumulated profits		1,069,637	929,866
Total equity		<u>198,132,011</u>	<u>167,600,406</u>

Signed in accordance with a resolution of the board of directors, dated 27 June 2025.

Director: 
SCOTT DANIEL LESTER

Director: 
JOHN LLEWELYN JACKSON

The accompanying notes form part of these financial statements.

Statement of Changes in Equity
for the Year Ended 31 March 2025

	Note	Share Capital \$	Retained Earnings \$	Total Equity \$
Balance as at 1 April 2023		156,524,955	(474,954)	156,050,001
Profit for the year		-	13,110,123	13,110,123
Total comprehensive income for the year		<u>-</u>	<u>13,110,123</u>	<u>13,110,123</u>
Transactions with shareholders in their capacity as owners:				
Net proceeds from shares issued	14	10,145,585	-	10,145,585
Distribution to shareholders		-	(9,038,444)	(9,038,444)
Tax paid or accrued on behalf of shareholders	6	-	(2,666,859)	(2,666,859)
Total transactions with shareholders in their capacity as owners		<u>10,145,585</u>	<u>(11,705,303)</u>	<u>(1,559,718)</u>
Balance as at 31 March 2024		<u>166,670,540</u>	<u>929,866</u>	<u>167,600,406</u>
Balance as at 1 April 2024		166,670,540	929,866	167,600,406
Profit for the year		-	12,717,463	12,717,463
Total comprehensive income for the year		<u>-</u>	<u>12,717,463</u>	<u>12,717,463</u>
Transactions with shareholders in their capacity as owners:				
Net proceeds from shares issued	14	30,391,834	-	30,391,834
Distribution to shareholders		-	(9,929,457)	(9,929,457)
Tax paid or accrued on behalf of shareholders	6	-	(2,648,235)	(2,648,235)
Total transactions with shareholders in their capacity as owners		<u>30,391,834</u>	<u>(12,577,692)</u>	<u>17,814,142</u>
Balance as at 31 March 2025		<u>197,062,374</u>	<u>1,069,637</u>	<u>198,132,011</u>

The accompanying notes form part of these financial statements.

Statement of Cash Flows for the Year Ended 31 March 2025

	Note	2025 \$	2024 \$
Cash flow from operating activities			
Interest and other fees received from customers		19,674,672	19,288,956
Payments to suppliers		(6,640,514)	(5,729,612)
Finance cost paid		(612,447)	(1,745,216)
PIE tax paid on behalf of unitholders	6	(2,691,958)	(2,550,478)
Net cash from operating activities	8	<u>9,729,753</u>	<u>9,263,650</u>
Cash flow from investing activities			
Payment for intangible assets	11	(8,812)	(38,572)
Net loans advanced to Retirement Villages		(3,485,166)	(6,279,480)
Net loans advanced to related party		(550,200)	(606,364)
Net cash from (used in) investing activities		<u>(4,044,178)</u>	<u>(6,924,416)</u>
Cash flow from financing activities			
Proceeds from share issue		30,319,354	10,185,586
Proceeds in respect of unallotted shares		1,122,102	-
Repayment of borrowings		(20,000,000)	-
Distributions to shareholders		(10,710,912)	(8,890,595)
Net cash from financing activities		<u>730,544</u>	<u>1,294,991</u>
Reconciliation of cash and cash equivalents			
Cash at beginning of the financial year		5,054,028	1,419,803
Net increase in cash held		<u>6,416,119</u>	<u>3,634,225</u>
Cash and cash equivalents at end of financial year	7	<u><u>11,470,147</u></u>	<u><u>5,054,028</u></u>

Notes to the Financial Statement for the Year Ended 31 March 2025

NOTE 1: Material Accounting Policy Information

These financial statements are for Senior Trust Retirement Village Income Generator Limited (‘the Company’).

The Company is domiciled and incorporated in New Zealand and registered under the Companies Act 1993. The Company is an FMC reporting entity for the purposes of the Financial Markets Conduct Act 2013.

The Company’s business activity is to invest and to provide secured lending to retirement villages, senior living and aged care facilities.

The Company is a for-profit entity for the purpose of complying with New Zealand Generally Accepted Accounting Practice (‘NZ GAAP’).

The financial statements were authorised for issue by the Board of directors of the Company on 27 June 2025.

The following are the material accounting policies adopted by the Company in the preparation and presentation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated.

(a) Basis of preparation of the financial statements

Statement of compliance

The financial statements of the Company have been prepared in accordance with NZ GAAP. They comply with New Zealand equivalents to International Financial Reporting Standards (‘NZ IFRS’) and other applicable Financial Reporting Standards, as appropriate for profit-oriented entities. These financial statements also comply with International Financial Reporting Standards (‘IFRS’). The Company is designated as Tier 1 for financial reporting purposes.

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Significant accounting estimates and judgements

The preparation of the financial statements requires the use of certain estimates and judgements in applying the Company’s accounting policies. Those estimates and judgements significant to the financial statements are disclosed in Note 2 to the financial statements.

(b) Going concern

The financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realization of assets and the settlement of liabilities in the ordinary course of business.

(c) Functional and presentation currency

The financial statements are presented in New Zealand dollars which is the Company’s functional and presentation currency. All amounts have been rounded to the nearest dollar unless otherwise indicated.

(d) Goods and services tax (GST)

The Company is not registered for Goods and Services Tax (GST) and consequently all components of the financial statements are stated inclusive of GST where appropriate.

(e) Income tax

From 7 April 2020, the Company qualified as and elected to become a portfolio tax rate entity (‘PTRE’) under the portfolio investment entity (‘PIE’) regime. Under the PIE regime, the Company attributes all of the taxable income of a PTRE to shareholders in accordance with their proportional interest in the Company and as such tax payments made on behalf of shareholders are treated as distributions.

(f) Revenue and other income

Interest income

Interest income is recognised in the statement of profit or loss and other comprehensive income as it accrues and is measured in accordance with the effective interest method. The effective interest method calculates the amortised cost of a financial asset and allocates the interest income over the relevant period. The calculation includes all fees received that are an integral part of the effective interest rate. The interest income is allocated over the life of the instrument and is measured for inclusion in profit or loss by applying the effective interest rate to the instrument’s amortised cost.

Notes to the Financial Statement for the Year Ended 31 March 2025

Other income

Other income is recognised in profit and loss when the events triggering the income as described in loan or other agreements have taken place.

(g) Cash and cash equivalents

Cash and cash equivalents include cash on hand and at banks, short-term deposits with an original maturity of three months or less held at call with financial institutions, and bank overdrafts.

(h) Intangible assets

Separately acquired intangible assets

Separately acquired intangible assets are recognised at cost and amortised over their estimated useful lives commencing from the time the asset is available for use. The amortisation method applied to an intangible asset is consistent with the estimated consumption of economic benefits of the asset. Subsequent to initial recognition, separately acquired intangible assets are measured at cost, less accumulated amortisation (where applicable) and any accumulated impairment losses.

Share management software is amortised over 5 years.

(i) Borrowing costs

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance date. Borrowings are analysed in accordance with the borrowing policy of the Company.

(j) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the Company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value adjusted for transaction costs, except where the instrument is classified as fair value through profit or loss, in which case transaction costs are immediately recognised as expenses in profit or loss.

Classification of financial assets

Financial assets recognised by the Company are subsequently measured in their entirety at either amortised cost or fair value, subject to their classification and whether the Company irrevocably designates the financial asset on initial recognition at fair value through other comprehensive income (FVtOCI) in accordance with the relevant criteria in NZ IFRS 9.

Financial assets not irrevocably designated on initial recognition at FVtOCI are classified as subsequently measured at amortised cost, FVtOCI or fair value through profit or loss (FVtPL) on the basis of both:

- (a) the Company’s business model for managing the financial assets; and
- (b) the contractual cash flow characteristics of the financial asset.

Financial assets consist of finance receivables, other receivables and cash and cash equivalents. The Company classifies its financial instruments as amortised cost.

Classification of financial liabilities

Financial liabilities classified as held-for trading, contingent consideration payable by the Company for the acquisition of a business, and financial liabilities designated at fair value through profit or loss (FVtPL), are subsequently measured at fair value.

All other financial liabilities recognised by the Company are subsequently measured at amortised cost.

Financial liabilities include trade payables and other creditors.

Finance receivables

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a finance receivable that is subsequently measured at amortised cost is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Notes to the Financial Statement for the Year Ended 31 March 2025

Impairment of financial assets

The Company assesses finance receivables for impairment using a forward-looking expected credit loss (ECL) model. Finance receivables are classified into three categories to determine the allowance for credit losses:

- **Stage 1 (not deteriorated):** ECL is based on the 12 month expected credit losses that may occur in the 12 months after reporting date. The expectation is estimated by using a combination of historical losses and forward-looking economic scenarios to assess the entire loan book. Stage one includes financial assets belonging to clients with a low risk of default that have a strong capacity to meet contractual cash flows (interest and/or principal repayments)
- **Stage 2 (deteriorated):** Lifetime ECL is the result from possible default events over the expected life of a financial instrument that are objective and measurable. When such an event occurs, the financial asset is moved from stage one to stage two. A significant increase in credit risk is presumed if the loans and advances are 90 days or more past due in making contractual repayment and the Company does not reasonably expect the receivable to be paid through settlement income or the borrowers injecting additional capital, or when there is reasonable and/or supportable information that there is a significant increase in the risk of default occurring on the asset as at the reporting date.
- **Stage 3 (credit-impaired):** When objective evidence of credit impairments emerges with one or more events having a detrimental impact on future cash flows the financial asset is moved to stage three.

The Company considers observable data indicating a measurable decrease in the estimated future cash flows financial assets since the initial recognition of those assets. Finance receivables are deemed credit impaired when they are 90 days or more past due in making contractual repayments and the Company does not reasonably expect the receivable to be paid through settlement income or the borrowers injecting additional capital. Also when there is objective evidence of the events that indicate the borrower is in significant financial difficulty and/or the Company has exhausted all options to rehabilitate a debt and expects to incur a loss. The loan to value ratio (LVR)

is monitored to evaluate whether sale proceeds from the sale of the security would satisfy the value of the outstanding financial asset. Interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount.

All finance receivables are non-homogeneous and are assessed individually (specific impairment provision).

The Company applies the simplified approach under NZ IFRS 9 to measuring the allowance for credit losses for receivables from contracts with customers. Under the NZ IFRS 9 simplified approach, the Company determines the allowance for credit losses for receivables from contracts with customers on the basis of the lifetime expected credit losses of the financial asset using a provision matrix. Lifetime expected credit losses represent the expected credit losses that are expected to result from default events over the expected life of the financial asset.

The Company measures loss allowance at an amount equal to lifetime ECL, except for the following, for which they are measured as 12-month ECL:

- Finance receivables that are determined to have low credit risk at the reporting date; and
- Other finance receivables on which credit risk has not increased significantly since their initial recognition.

The Company considers the finance receivables to have low credit risk when it considers there is a relatively low risk of default.

Significant increase in credit risk

The Company assesses whether a significant increase in credit risk has occurred for finance receivables at each reporting date. This assessment is based on quantitative and qualitative indicators:

- Quantitative Criteria: for non-homogenous loans significant changes in the value of collateral supporting the loan and for all finance receivables when contractual payments are more than 90 days past due, unless the Company has reasonable and supportable information that demonstrates otherwise.
- Qualitative Criteria: factors such as significant adverse changes in the borrower’s operating results and industry-specific economic conditions.

Notes to the Financial Statement for the Year Ended 31 March 2025

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria can identify a significant increase in credit risk before the amount becomes past due.

(a) Definition of default

The Company considers that default has occurred when a finance receivable is more than 90 days past due and the Company does not reasonably expect the receivable to be paid through settlement income or the borrowers injecting additional capital, unless the Company has reasonable and supportable information to demonstrate that another default criteria is more appropriate, such as borrower bankruptcy.

(b) Credit-impaired finance receivables

Credit-impaired finance receivables are identified based on a combination of quantitative and qualitative criteria, including significant financial difficulty of the borrower, default or delinquency in payments and the Company does not reasonably expect the receivable to be paid through settlement income or the borrowers injecting additional capital, loss of security and observable market indicators of credit risk deterioration.

(c) Write-off policy

The gross carrying amount of a financial asset is written off (i.e., reduced directly) when the counterparty is in severe financial difficulty and the Company has no realistic expectation of recovery of the financial asset. Financial assets written off remain subject to enforcement action by the Company. Recoveries, if any, are recognised in profit or loss.

(d) Measurement and recognition of ECL

The measurement of expected credit losses is a function of the probability of default (PD), loss given default (LGD) and the exposure at default (EAD).

- PD represents the consideration of forward-looking information on the likelihood of default occurring either over the lifetime of the financial instrument or within the 12 months from the reporting period.
- EAD represents the estimate of the exposure at a future date, taking into account expected changes in the exposure after reporting date for instance due to available borrowing facilities.

- LGD represents the estimate of the loss arising in the case where a default occurs at a given time which is based on the difference between contractual cash flows due and those that the Company would expect to receive, including cash flows expected from the realisation of collateral and other credit enhancements. It is expressed as a percentage of EAD.

The expected credit loss for a finance receivable is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows, after collection/realisation costs, that the Company expects to receive, discounted at the original effective interest rate.

If the Company has measured the loss allowance for a finance receivable at an amount equal to lifetime ECL in the previous reporting period but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Company measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

The Company recognises impairment gains or losses in profit or loss for all finance receivables with a corresponding adjustment to their carrying amount through an impairment provision account.

No significant changes to estimation techniques or assumptions were made during the reporting period.

(k) Dividends payable

Dividend distributions to the Company’s shareholders is recognised as a liability in the financial statements in the period in which the dividend are approved by the Company’s Directors.

(l) Unallotted subscriptions

Deposits received from investors where subscriptions are yet to be finalised, are recognised as a liability in the statement of financial position.

(m) Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

Notes to the Financial Statement for the Year Ended 31 March 2025

NOTE 2: Significant Accounting Estimates and Judgements

In the preparation of these financial statements, Management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements. Actual results may differ from the estimates, judgements and assumptions made.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. Information about significant areas of estimation uncertainty that have the most significant effect on the amount recognised in the financial statements is outlined below:

(a) Impairment of financial assets

When measuring ECL the Company uses reasonable and supportable forward-looking information, which is based on forecasts of economic conditions and their expected impact on the ability of borrowers to service

their debt. The probability of default calculations, a key input in measuring ECL, includes historical data, assumptions and expectations of future conditions. The estimate of the expected loss arising on default is based on the difference between the contractual cash flows due and those that the Company expects to receive, taking into account cash flows from collateral and integral credit enhancements. For details of the key assumptions and inputs used, refer note 3(a).

Management reviews each loan against its internal risk matrix. The categories that are assessed include liquidity, any management issues and security. In addition, Management considers:

- whether all payments have been made as and when they were due.
- that covenants have not been breached.
- the latest valuation report and other relevant information.
- sales, construction, security and any changes to management personnel.
- the retirement village market.

NOTE 3: Financial Risk Management

The Company is exposed to the following financial risks comprising:

- (a) Credit risk
- (b) Liquidity risk
- (c) Interest rate risk
- (d) Refinancing risk

Primary responsibility for identification and control of financial risks rests with the Directors of the Company. The Directors of the Company review and agree policies for managing each of the risks identified above. There is no foreign exchange risk.

Management uses different methods to measure and manage different types of risks to which it is exposed. Ageing analyses and monitoring of specific credit allowances are undertaken to manage credit risk. Liquidity risk is monitored through the development of future rolling cash flow forecasts.

The Company holds the following financial instruments:

	2025	2024
Financial assets		
<i>Amortised cost</i>		
Cash and cash equivalents	11,470,147	5,054,028
Receivables	3,175,150	2,512,744
Finance receivables	188,180,202	184,308,253
	<u>202,825,499</u>	<u>191,875,025</u>
Financial liabilities		
<i>Amortised cost</i>		
Payables	3,131,504	4,405,600
Borrowings	-	20,000,000
	<u>3,131,504</u>	<u>24,405,600</u>

Notes to the Financial Statement for the Year Ended 31 March 2025

Financial instruments not measured at fair value includes cash and cash equivalents, trade and other receivables, trade and other payables, and loans and borrowings. Due to their short-term nature, the carrying value of cash and cash equivalents, trade and other receivables, and trade and other payables approximates their fair value

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Financial instruments that subject the Company to credit risk consist primarily of cash and cash equivalents, other receivables, and finance receivables.

Management performs credit evaluations on all borrowers requiring advances. Management requires collateral or other security to support loans and advances, as set out in the Company’s product disclosure statement.

Management reviews all loans and any overdue loans at the monthly board meeting and any overdue loans are assessed on a regular basis.

Management reviews each loan against its internal risk matrix. The categories that are assessed include liquidity, any management issues and security. Management takes the following steps to manage this risk:

- Focusing on lending to operators with a track record of proven performance and who have a material stake in the entity.
- Undertaking extensive due diligence including assessing credit risk and the nature of any prior ranking securities.
- Ensuring any loans comply with the Company’s lending criteria.
- Closely monitoring the performance of the entity and loan repayments.

- Refinancing the term of the loan, or enforcing our loan, if necessary. Refinancing a loan carries its own risks in that the possibility of future default increases.
- Reviewing valuation reports.
- Reviewing current economic conditions.
- Ensuring maximum of 75% Loan to Value ratio (LVR) restriction.

All cash and cash equivalents are held with a New Zealand registered bank.

Maximum exposure to credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date of recognised financial assets is the carrying amount of those assets, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to financial statements.

Management considers finance receivables to be low credit risk when they have a low risk of default, and the borrower has a strong capacity to meet its contractual cash flow obligations in the near term. To measure the expected credit losses, finance receivables have been assessed individually on the credit risk characteristics relating to arrears and loan to value ratio.

All cash and cash equivalents are held with New Zealand registered banks.

After undertaking the procedures outlined above and including reviewing credit risk characteristics relating to arrears, the loan to value ratio and considering forward-looking information on economic factors affecting the ability of borrowers to settle finance receivables there is a provision for impairment of financial assets of \$2,674,025 (2024: nil).

Collateral and other credit enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are implemented regarding the acceptability of types of collateral and valuation parameters.

Notes to the Financial Statement for the Year Ended 31 March 2025

Management monitors the market value of collateral, requests additional collateral in accordance with the underlying agreement, and monitors the market value of collateral obtained during its review of the adequacy of the allowance for impairment losses. An independent valuation sought by a registered valuer prior to entering into the loan and then on an annual basis thereafter. In addition, quantity surveyors may also be utilised during a development to substantiate work in progress amounts in a valuation.

Risk concentrations of the maximum exposure to credit risk

Concentrations of credit risk exist if a number of counterparties are involved in similar activities and have similar economic characteristics that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions.

The Company has concentration risk as its assets are concentrated in a small number of loans, in a specific sector of the retirement village, senior living and aged care industry.

The Directors manage, limit and control concentrations of credit risk, in particular, to individual retirement villages and geographic location by monitoring on an ongoing basis and subject to annual or more frequent review, when considered necessary. However, the Directors do not allocate asset investment to specific geographic areas but focus on the demographic demand within the catchment area for each retirement village.

The Company has 93% (2024: 96%) of its total assets as loans receivable from 9 entities (2024: 9 entities). The loans to Quail Ridge Country Club, Longridge Village Limited Partnership The Hill Pukekohe Limited, and Amberley Limited Partnership have first ranking registered mortgages, subject to a first ranking encumbrance registered in favour of the Statutory Supervisor. The loan to Stoney Creek GCO Limited has a first ranking registered mortgage. The loan to Palm Grove Partnership Limited has a second ranking registered mortgages, subject to a first ranking encumbrance registered in favour of the Statutory Supervisor. The loan to Forest Glen Limited Partnership has a first ranking registered mortgage. The loan to The Botanic Limited Partnership has a second ranking registered mortgage, subject to a first ranking encumbrance registered in favour of the Statutory Supervisor. The loan to The Senior Care Limited Partnership has a first ranking registered mortgage. Each loan is significant to the Company.

Management closely monitors each loan, does regular site visits to the retirement villages and receives regular sales and financial reports.

The table below shows the maximum exposure to credit risk for finance receivables by geographical region:

	2025	2024
Auckland	96,975,552	89,000,000
Rest of North Island	57,089,429	65,999,661
South Island	34,115,221	29,308,592
10	188,180,202	184,308,253

Notes to the Financial Statement
for the Year Ended 31 March 2025

(b) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Company’s intention is to maintain sufficient funds to meet its commitments based on historical and forecasted cash flow requirements. Management’s intention is to actively manage lending and borrowing portfolios to ensure net exposure to liquidity risk is minimised. The exposure is reviewed on an ongoing basis from daily procedures to monthly reporting as part of the Company’s liquidity management process.

Maturity analysis

The tables below present contractual undiscounted cash flows payable to the Company for financial instruments and unrecognised loan commitments based on contractual maturity (which is the same as expected maturity, refer to note 10 early repayment clauses).

	On-demand	0-12 months	1-5 years	>5 Years	Total contractual cash flows	Carrying amount
31 March 2025						
Cash and cash equivalents	11,470,147	-	-	-	11,470,147	11,470,147
Receivables	3,175,150	-	-	-	3,175,150	3,175,150
Finance receivables	-	35,211,536	187,752,298	23,341,323	246,305,157	188,180,202
Payables	(3,740,334)	-	-	-	(3,740,334)	(3,740,334)
Borrowings	-	-	-	-	-	-
Net maturities	10,904,963	35,211,536	187,752,298	23,341,323	257,210,120	199,085,165
31 March 2024						
Cash and cash equivalents	5,054,028	-	-	-	5,054,028	5,054,028
Receivables	2,512,744	-	-	-	2,512,744	2,512,744
Finance receivables	-	65,915,399	169,151,690	-	235,067,089	184,308,253
Payables	(4,405,600)	-	-	-	(4,405,600)	(4,405,600)
Borrowings	-	(20,135,452)	-	-	(20,135,452)	(20,000,000)
Net maturities	3,161,172	45,779,947	169,151,690	-	218,092,809	167,469,425

The Company intends to make loans and advances subsequent to the reporting date from the available cash and cash equivalents of the Company. Lending opportunities are regularly assessed which ensure the funds are allocated in a timely manner, and until such time as the loan is made the funds are currently lodged in a non-interest bearing bank account.

Notes to the Financial Statement
for the Year Ended 31 March 2025

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates.

The Company is not exposed to fluctuations in market interest rates. It does not receive interest on cash and cash equivalents and interest rates on finance receivables are fixed rates so are not subject to rate change.

The Company’s exposure to interest rate risk in relation to future cash flows and the weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

Financial instruments	Interest bearing \$	Non-interest bearing \$	Total carrying amount \$	Weighted average interest rate \$
31 March 2025				
<i>Financial assets</i>				
Cash and cash equivalents	-	11,470,147	11,470,147	N/A
Receivables	-	3,175,150	3,175,150	N/A
Finance receivables	188,180,202	-	188,180,202	11.50 %
	188,180,202	14,645,297	202,825,499	
<i>Financial liabilities</i>				
Payables	-	(3,740,334)	(3,740,334)	N/A
Borrowings	-	-	-	N/A
	-	(3,740,334)	(3,740,334)	
31 March 2024				
<i>Financial assets</i>				
Cash and cash equivalents	-	5,054,028	5,054,028	N/A
Receivables	-	2,512,744	2,512,744	N/A
Finance receivables	184,308,253	-	184,308,253	11.70 %
	184,308,253	7,566,772	191,875,025	
<i>Financial liabilities</i>				
Payables	-	(4,405,600)	(4,405,600)	N/A
Borrowings	(20,000,000)	-	(20,000,000)	8.24 %
	(20,000,000)	(4,405,600)	(24,405,600)	

(d) Refinancing Risk

Investment Opportunity risk relates to the Manager being unable to identify lending opportunities which adhere to the Company’s lending criteria, which may have an impact on the Company being able to meet the Targeted Distribution Rate and achieve its objectives including in relation to preserving Shareholders’ Capital and maintaining the Share price. To that regard, the Company may refinance a facility if the borrower is performing in accordance with the Company’s expectations and a further loan complies with its lending requirements. The Company considers it probable that it will enter into discussions with a number of existing borrowers, with the exception of Stoney Creek, closer to their respective expiry dates to discuss refinancing the facility. Whether a facility is refinanced depends on a number of prevailing factors at the time. Refinancing a loan carries its own risks in that the possibility of future default increases.

Notes to the Financial Statement for the Year Ended 31 March 2025

	Note	2025 \$	2024 \$
NOTE 4: Revenue and Other Income			
<i>Interest income</i>			
The Botanic Limited Partnership		2,278,768	2,869,219
Forest Glen Limited Partnership	17	6,350,481	6,000,280
Ranfurly Manor No: 1 Limited		258,442	700,664
Palm Grove Partnership	17	1,100,000	1,103,014
Quail Ridge Country Club Limited		2,640,973	2,826,567
Clyde Limited Partnership		-	102,841
Amberley Limited Partnership		2,007,478	1,546,764
Longridge Village Limited Partnership		3,012,357	2,803,747
Stoney Creek GCO Limited		2,925,868	1,791,612
Matamata Country Club		346,851	352,589
Senior Trust Management Limited	17	46,907	41,468
The Hill Pukekohe Limited Partnership		203,354	-
Senior Care limited Partnership		114,661	-
		<u>21,286,140</u>	<u>20,138,765</u>
<i>Other income</i>			
Establishment fee income		1,407,500	475,000
Other income		55,854	83,979
		<u>1,463,354</u>	<u>558,979</u>
NOTE 5: Operating Profit			
Profit for the year has been determined after:			
<i>Finance costs</i>			
- Borrowing costs		525,499	1,571,681
- Bank charges		86,948	173,535
		<u>612,447</u>	<u>1,745,216</u>
<i>Administration and compliance expense</i>			
- Administration expenses		122,716	123,009
- Marketing expenses		724,017	491,037
- Compliance expenses		385,726	250,923
- Management fees	17	5,406,550	4,876,462
- Director fees	16	72,000	72,000
- Amortisation	11	34,550	28,974
		<u>6,745,559</u>	<u>5,842,405</u>
<i>Remuneration of auditors for:</i>			
William Buck Audit (NZ) Limited			
Audit services		48,300	44,850
Other services		-	-

Notes to the Financial Statement for the Year Ended 31 March 2025

	Note	2025 \$	2024 \$
NOTE 6: Pie Taxation Payable on behalf of Shareholders			
<i>PIE tax liability</i>			
Profit before PIE tax per statement of profit or loss		12,717,463	13,110,123
Opening balance		652,553	536,172
Taxation (at prescribed investor rates)		2,648,235	2,666,859
PIE tax paid on behalf of unitholders		(2,691,958)	(2,550,478)
PIE tax liability	12	<u>608,830</u>	<u>652,553</u>

NOTE 7: Cash and Cash Equivalents

Transactions account	10,308,056	5,013,937
Applications account	1,162,091	40,091
	<u>11,470,147</u>	<u>5,054,028</u>

NOTE 8: Cash Flow Information

Reconciliation of cash flow from operations with profit before PIE tax per statement of profit or loss		
Profit before PIE tax per statement of profit or loss	12,717,463	13,110,123
PIE tax paid on behalf of unitholders	(2,691,958)	(2,550,478)
<i>Adjustments and non-cash items</i>		
Amortisation	34,550	28,974
Impairment of interest receivables and finance receivables	2,674,025	-
<i>Changes in operating assets and liabilities</i>		
Increase in receivables and prepayments	(3,171,011)	(1,425,003)
Increase in payables	166,684	100,034
Cash flows from operating activities	<u>9,729,753</u>	<u>9,263,650</u>

NOTE 9: Receivables

Current			
Accrued interest		1,965,584	1,855,380
<i>Amounts receivable from:</i>			
Senior Trust Management Limited	17	1,209,566	657,364
		<u>3,175,150</u>	<u>2,512,744</u>

Notes to the Financial Statement for the Year Ended 31 March 2025

	Note	2025 \$	2024 \$
NOTE 10: Finance Receivables			
CURRENT			
<i>Amounts receivable from:</i>			
Quail Ridge Country Club Limited		-	25,695,722
Ranfurly Manor No:1 Limited		-	6,500,000
Stoney Creek GCO Limited		18,874,026	15,894,217
Allowance for expected credit losses		(2,674,025)	-
		<u>16,200,001</u>	<u>48,089,939</u>
NON-CURRENT			
<i>Amounts receivable from:</i>			
Forest Glen Limited Partnership	17	56,978,018	59,000,000
Palm Grove Partnership	17	10,000,000	10,000,000
Amberley Limited Partnership		17,915,220	13,414,375
Longridge Village Limited Partnership		29,360,388	25,181,682
The Botanic Limited Partnership		20,000,000	20,000,000
Matamata Country Club Limited		-	8,622,257
The Hill Pukekohe Limited Partnership		6,897,534	-
Senior Care Limited Partnership		3,100,000	-
Quail Ridge Country Club Limited		27,729,040	-
		<u>171,980,200</u>	<u>136,218,314</u>

The loans from Ranfurly Manor No:1 Limited and Matamata Country Club Limited were repaid in full by the borrowers during the year.

Notes to the Financial Statement for the Year Ended 31 March 2025

Asset quality – gross loan exposures				
	Stage 1	Stage 2	2025 Stage 3	Total
Forest Glen Limited Partnership	56,978,018	-	-	56,978,018
Longridge Village Limited Partnership	29,360,388	-	-	29,360,388
Quail Ridge Country Club Limited	27,729,040	-	-	27,729,040
The Botanic Limited Partnership	20,000,000	-	-	20,000,000
Amberley Limited Partnership	17,915,220	-	-	17,915,220
Palm Grove Partnership	10,000,000	-	-	10,000,000
The Hill Pukekohe Limited Partnership	6,897,534	-	-	6,897,534
Senior Care Limited Partnership	3,100,000	-	-	3,100,000
Stoney Creek GCO Limited	-	-	18,874,026	18,874,026
	<u>171,980,200</u>	<u>-</u>	<u>18,874,026</u>	<u>190,854,226</u>

	Stage 1	Stage 2	2024 Stage 3	Total
Forest Glen Limited Partnership	59,000,000	-	-	59,000,000
Quail Ridge Country Club Limited	25,695,722	-	-	25,695,722
Longridge Village Limited Partnership	25,181,682	-	-	25,181,682
The Botanic Limited Partnership	20,000,000	-	-	20,000,000
Amberley Limited Partnership	13,414,375	-	-	13,414,375
Palm Grove Partnership	10,000,000	-	-	10,000,000
Matamata Country Club Limited	8,622,257	-	-	8,622,257
Ranfurly Manor No:1 Limited	6,500,000	-	-	6,500,000
Stoney Creek GCO Limited	-	15,894,217	-	15,894,217
	<u>168,414,036</u>	<u>15,894,217</u>	<u>-</u>	<u>184,308,253</u>

Asset quality – allowance for expected credit losses				
	Stage 1	Stage 2	2025 Stage 3	Total
Forest Glen Limited Partnership	-	-	-	-
Longridge Village Limited Partnership	-	-	-	-
Quail Ridge Country Club Limited	-	-	-	-
The Botanic Limited Partnership	-	-	-	-
Amberley Limited Partnership	-	-	-	-
Palm Grove Partnership	-	-	-	-
The Hill Pukekohe Limited Partnership	-	-	-	-
Senior Care Limited Partnership	-	-	-	-
Stoney Creek GCO Limited	-	-	2,674,025	2,674,025
	<u>-</u>	<u>-</u>	<u>2,674,025</u>	<u>2,674,025</u>

In 2024 there were no allowances for expected credit losses.

Notes to the Financial Statement
for the Year Ended 31 March 2025

Movement of Allowances or Expected Credit Losses

	Stage 1	Stage 2	2025 Stage 3	Total
Opening balance	-	-	-	-
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Net remeasurement of loss allowance	-	-	2,674,025	2,674,025
Closing balance	-	-	2,674,025	2,674,025

	Stage 1	Stage 2	2024 Stage 3	Total
Opening balance	-	-	-	-
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Net remeasurement of loss allowance	-	-	-	-
Closing balance	-	-	-	-

Impact of Changes in Gross Carrying Amount on Allowance for Expected Credit Losses

In the current year, the loss allowance increased due to the finance receivable from Stoney Creek GCO Limited. The allowance was revised from a Stage 2 to Stage 3 on the basis of offers received for the underlying security. In the prior year, there was no allowance for expected credit losses recognized as the recoverability was deemed to be sound and sufficient to meet the amount owed. Please refer to disclosures further below in note 10.

Notes to the Financial Statement
for the Year Ended 31 March 2025

Forest Glen Limited Partnership

Details of this loan are as follows:

	2025 \$	2024 \$
Amount receivable at balance date	56,978,018	59,000,000
Other Loans included for Loan to value ratio (LVR) purposes:		
Cressida Capital Limited	-	6,525,444
Basecorp Finance Limited	-	1,071,842
Pearl Fisher	9,096,810	7,109,938
Total loans for LVR purposes	66,074,828	73,707,224
Collateral Security Valuation		
25 Annalise Place, Orewa - Land	12,675,000	20,200,000
25 Annalise Place, Orewa - Building Work in Progress	59,705,000	61,280,000
31 Forest Glen, Orewa	-	1,739,130
13 Forest Glen, Orewa	-	1,850,000
Other Property Securities - Matakana	20,250,000	17,200,000
Total Collateral Security Valuation	92,630,000	102,269,130
Loan to Value Ratio	71%	72%
Maximum Loan facility	61,000,000	61,000,000
Expires no later than	31 May 2028	31 May 2028
Interest rate earned	10.50%	11.00%

The loan was to assist with re-financing of mortgage debt and to assist with funding the proposed development of a retirement village.

The loan securities are as follows:

- First-ranking registered mortgage over the village property 488 & 496c Hibiscus Coast Highway granted by Coastal Properties Orewa Forest Glen Limited;
- Second ranking mortgage over the property situated at Lots 1-5 and 7-8, 1 Omaha Flats Road, Tawharanui Peninsula, Matakana,
- An all obligations unlimited guarantee and indemnity from Matakana Country Park Limited
- General security agreement granted by Coastal Properties Orewa Forest Glen Limited.

- General security agreement granted by Senior Trust GP (STGP) Limited.
- Guarantee from Coastal Properties Orewa Forest Glen Limited and STGP Limited.

The fair value of the collateral security at Orewa was based on a valuation performed by Eyles McGough registered valuers as at 31 March 2025 (2024: Eyles McGough, 31 March 2024).

Forest Glen Limited Partnership

Valuation of this residential subdivision is based on a “market value” which is defined as the estimated amount for which an asset is should exchange on the date of the valuation between a willing buyer and a willing seller in an arm’s length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

The fair value of the collateral security at Matakana was based on a valuation performed by Gribble Churton Taylor registered valuers as at 31 March 2025.

On 6 May 2025, the Company executed a variation to its Term Loan agreement with the Borrower and Guarantor. This amendment introduces new terms specifically relating to the Matakana property. The revised agreement requires that the Matakana property be listed for sale. Concurrently, the Borrower is required to arrange new financing from an alternative lender. The purpose of these activities is to facilitate the full repayment of the current Senior Lender for the Matakana property and to achieve a reduction in the debt owed to the Company by no less than \$8 million. The anticipated completion date for this transaction is 24 November 2025.

Valuation of this commercial property is based on a “market value” which is defined as the estimated amount for which an asset is should exchange on the date of the valuation between a willing buyer and a willing seller in an arm’s length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

Forest Glen Limited Partnership is a related party of the Company. See Note 17.

Notes to the Financial Statement
for the Year Ended 31 March 2025

Palm Grove Partnership

Details of this loan are as follows:

	2025 \$	2024 \$
Amount receivable at balance date	10,000,000	10,000,000
Loans included for Loan to value ratio (LVR) purposes		
Bank of New Zealand	24,159,107	25,095,864
Total loans for LVR purposes	34,159,107	35,095,864
Collateral Security Valuation (including operators' interest)	49,600,000	50,061,537
Loan to Value Ratio	69%	70%
Maximum Loan facility	10,000,000	10,000,000
Interest rate earned	11%	11%
Loan expiry date	23 Mar 2027	23 Mar 2027
Operator's Interest Discount rate	14%	15%

The loan securities are as follows:

- All obligations second ranking registered mortgage granted by the Borrower over the land, which is also subject to a prior ranking encumbrance registered in favour of the Statutory Supervisor.
- General security agreement from Palm Grove Partnership, STC Orewa Limited and Orewa Village Limited;
- Guarantee and indemnity from STC Orewa Limited and Orewa Village Limited.

The fair value of the collateral security was based on a valuation performed by a registered valuer Eyles McGough as at 31 March 2025 (2024: Eyles McGough, 31 March 2024).

Valuation of the Operator's interest has been performed based on a discounted cash flow methodology whereby the future cash flows expected to be generated from the Operator's interest have been discounted to the valuation date. Other assumptions used by the valuer include average price of Independent Living Units, occupancy periods, growth rates, and estimated disposal costs.

The Company has identified a heightened refinancing risk associated with this loan due to The Grove's upcoming maturity of its senior facility with the Bank of New Zealand (BNZ). The Grove is in advanced discussions with the BNZ to refinance its senior

facility. Management considers that negotiations are progressing well, with initial indicative terms already agreed upon. Given BNZ's history of renewing and extending this facility, management anticipates the renewal will be finalised around 16 July 2025. In the event The Grove is unable to renew its existing facility or secure an alternative lender, there remains a risk that the borrower will be unable to meet its obligations to its lenders, which include paying agreed interest and/or repaying the principal when due. However, based on the progress of negotiations and the agreed initial indicative terms, management considers it likely that the BNZ transaction will be successfully executed. The Company continues to closely monitor the progress of this refinancing and assess its potential impact on the recoverability of the loan.

Quail Ridge Country Club Limited

Details of the loan are as follows:

	2025 \$	2024 \$
Amount receivable at balance date	27,729,041	25,695,722
Total loans for LVR purposes	27,729,041	25,695,722
Collateral Security Valuation (including operators' interest)	42,900,000	38,720,000
Loan to Value Ratio	65%	66%
Maximum Loan facility	33,000,000	27,000,000
Interest rate earned	10.00 %	10.75 %
Loan expiry date	30 June 2027	26 Jan 2025
Operator's Interest Discount rate	14.75%	15.5%

The loan securities are as follows:

- All obligations first ranking registered mortgage granted by the Borrower over the land, which is also subject to a prior ranking encumbrance registered in favor of the Statutory Supervisor.
- General security agreement from Quail Ridge Country Club Limited and Kerikeri Falls Investments Limited;
- Guarantee and indemnity from Quail Ridge Country Club Limited and Kerikeri Falls Investments Limited.

The fair value of the collateral security was based on a valuation performed by a registered valuer (Eyles McGough) as at 31 March 2025 (2024: Eyles McGough, 31 March 2024).

Notes to the Financial Statement
for the Year Ended 31 March 2025

Valuation of the operator's interest has been performed based on a discounted cash flow methodology whereby the future cash flows expected to be generated from the operator's interest have been discounted to the valuation date at a discount rate reflecting the risk of the Operator's interest. Other assumptions used by the valuer include average price of Independent Living Units, occupancy periods, growth rates, and estimated disposal costs.

Amberley Limited Partnership

Details of the loan are as follows:

	2025 \$	2024 \$
Amount receivable at balance date	17,915,220	13,414,375
Total loans for LVR purposes	17,915,220	13,414,375
Collateral Security Valuation (including operators' interest)	30,000,000	22,100,000
Loan to Value Ratio	60%	61%
Maximum Loan facility	26,000,000	17,000,000
Interest rate earned	11.00 %	13.75 %
Loan expiry date	31 Dec 2032	26/03/2026
Operator's Interest Discount rate	14.5%	14.5%

The loan securities are as follows:

- All obligations first registered mortgage over 175 Carters Road, Amberley which is also subject to a prior ranking encumbrance registered in favour of the Statutory Supervisor;
- General security agreement from the Borrower;
- All obligations guarantees from Bartells Family Trust and Timothy Stephen Lawrence Bartells.

The fair value of the collateral security was based on a valuation performed by Eyles McGough registered valuers dated 31 March 2025 (2024: Eyles McGough, 31 March 2024).

Valuation of this residential development site has been performed based on discounted cash flow and investment approach (2024: based on a combination of the discounted cash flow and sales comparison methodology). Other significant assumptions include average resale period, sale price growth rates, refurbishment costs and estimated selling expenses.

Longridge Village Limited Partnership

Details of the loan are as follows:

	2025 \$	2024 \$
Amount receivable at balance date	29,360,388	25,181,682
Total loans for LVR purposes	29,360,388	25,181,682
Collateral Security Valuation (including operators' interest)	41,770,000	36,960,000
Loan to Value Ratio	70%	68%
Maximum Loan facility	33,000,000	26,500,000
Interest rate earned	12.25 %	11.25 %
Loan expiry date	31 Jan 2031	30 Sept 2026
Operator's Interest Discount rate	14.5%	14.5%

The loan securities are as follows:

- An all obligations first registered mortgage over 44 Waimarei Avenue, Paeroa and Norwood Road, Paeroa, subject to first ranking encumbrances in favour of the Statutory Supervisor.

The fair value of the collateral security was based on a valuation performed by Eyles McGough registered valuers dated 31 March 2025 (2024: Eyles McGough, 31 March 2024).

Valuation of the operator's interest has been performed based on a discounted cash flow methodology whereby the future cash flows expected to be generated from the operator's interest have been discounted to the valuation date at a discount rate reflecting the risk of the Operator's interest. Other assumptions used by the valuer include average resale period, sale price growth rates, refurbishment costs and estimated selling expenses.

Notes to the Financial Statement
for the Year Ended 31 March 2025

The Botanic Limited Partnership

Details of the loan are as follows:

	2025 \$	2024 \$
Amount receivable at balance date	20,000,000	20,000,000
Loans included for Loan to value ratio (LVR) purposes		
Merrick’s Capital	76,873,091	60,529,709
Total loans for LVR purposes	96,873,091	80,529,709
Collateral Security Valuation (including operators’ interest)	142,630,128	111,546,682
Loan to Value Ratio	68%	72%
Maximum Loan facility	33,000,000	33,000,000
Interest rate earned	11.75 %	10.75 %
Loan expiry date	31 Mar 2027	30 June 2026
Operator’s Interest		
Discount rate	15%	15%

The loan securities are as follows:

- All obligations second ranking registered mortgage granted by the Borrower over the land, which is also subject to a prior ranking encumbrance registered in favour of the Statutory Supervisor and Hibiscus Limited;
- General security agreement from The Botanic Limited Partnership;
- Guarantee and indemnity from Senes Botanic Limited and KC & ME RV Investments Limited.

The fair value of the collateral security was based on a valuation performed by CBRE registered valuers dated 31 March 2025 (CBRE dated 31 March 2024).

Valuation of the retirement village has been performed using a combination of the direct comparison and discounted cash flow methodology.

Stoney Creek GCO Limited

Details of the loan are as follows:

	2025 \$	2024 \$
Amount receivable at balance date	18,874,026	15,894,217
Total loans for LVR purposes	18,874,026	15,894,217
Impairment	2,674,025	-
Interest rate	11.75 %	16.75 %
Default rate	5.00 %	5.00 %
Total Interest	16.75%	16.75%

The loan securities are as follows:

- All obligations first ranking registered mortgage granted by the Borrower over the land;
- All obligations general security agreement granted by the Borrower.
- Guarantees granted in respect of the obligations of the Borrower by Andrew Roman Bendemski. Deed of guarantee and indemnity from GCO Trust.

Following the non-renewal of the loan facility with Stoney Creek GCO Limited and the borrower’s default on repayment by 29 February 2024, enforcement action commenced, leading to the appointment of Bayleys as sole agency to sell the secured property via mortgagee tender. The tender process closed on 11 June 2024. At the reporting date, the recoverable amount of the loan, and any associated impairment loss, is being determined directly by the offers submitted during the sale process. Consequently, a separate formal valuation report for the property was not deemed necessary as the market-driven tender process is considered as providing an appropriate basis for determining the fair value less costs to sell of the property for impairment assessment purposes. The Board do not consider that a valuation report, which typically assesses value on a going concern basis, would be relevant or useful in this context, given the forced sale nature of the mortgagee tender process following default.

Notes to the Financial Statement
for the Year Ended 31 March 2025

The Second Financier (Senior Trust Capital Limited) has also notified the Borrower that full repayment of their facility was payable on the expiry date, being 29 February 2024. All security proceeds received from the Borrower will first be applied to the Senior Trust Retirement Village Income Generator Limited debt prior to any being applied to the Second Financier debt.

The credit quality of the loan is estimated by the Directors of the Company and is considered to be Stage 3 (2024: Stage 2) based on their knowledge and their consideration of future looking events. After undertaking the procedures outlined in note 3(a) including reviewing credit risk characteristics relating to arrears and loan to value ratio, a provision for impairment as at 31 March 2025 of \$2,674,025 was considered necessary.

At 31 March 2024, the directors expectation at that time was that the net realizable value of the underlying asset was in excess of the carrying amount.

Senior Care Limited Partnership

Details of the loan are as follows:

	2025 \$	2024 \$
Amount receivable at balance date	3,100,000	-
Loans included for Loan to value ratio (LVR) purposes	-	-
Total loans for LVR purposes	3,100,000	-
Collateral Security Valuation	4,108,696	-
Loan to Value Ratio	75%	-
Maximum Loan facility	8,000,000	-
Interest rate earned	12%	-
Loan expiry date	01 Nov 2029	-

The loan securities are as follows:

- Registered 1st ranking mortgage over: 19 Annalise Place, Orewa Z & 13 Forest Glen Road, Orewa and 31 Forest Glen Road, Orewa

- First Ranking General Security Agreement;
- All Obligations & Indemnity from Senior Care General Partner Limited;
- Deed of Priority & Subordination between Senior Care Limited Partnership, Senior Trust Retirement Village Income Generator Limited and Senior Trust Capital Limited.

The loan has been used to acquire three properties: 19 Annalise Place Orewa Auckland, 13 and 31 Forest Glen Orewa, Auckland, in preparation for the development of an assisted care living operation. Upon receipt of valuation report, the borrower made an immediate principal repayment to reduce the LVR below 75%.

The Properties were acquired from Forest Glen Limited Partnership.

The Hill Pukekohe Limited Partnership

Details of the loan are as follows:

	2025 \$	2024 \$
Amount receivable at balance date	6,897,534	-
Total loans for LVR purposes	6,897,534	-
Collateral Security Valuation	14,200,000	-
Loan to Value Ratio	49%	-
Maximum Loan facility	29,000,000	-
Interest rate earned	11.5%	-
Loan expiry date	02 Oct 2029	-

The loan securities are as follows:

- Registered 1st ranking mortgage over 44 and 66 Tuakau Road, Pukekohe;
- A first ranking GSA from the Borrower;
- Limited guarantees from Sanderson Family 2020 Trust, Hammond Trust, The Hill Trust, Sanderson Management Limited, Fraser John Sanderson, Nathan John Sanderson and Samuel Andre John Hammond.

Notes to the Financial Statement for the Year Ended 31 March 2025

	Note	2025 \$	2024 \$
<u>NOTE 11: Intangible Assets</u>			
Share management software at cost		174,109	165,296
Accumulated amortisation and impairment		(89,001)	(54,450)
		<u>85,108</u>	<u>110,846</u>

NOTE 11: Intangible Assets

Share management software at cost

Accumulated amortisation and impairment

(a) Reconciliations

Reconciliation of the carrying amounts of intangible assets at the beginning and end of the current financial year

Share management software at cost

Opening balance		110,846	101,248
Additions		8,812	38,572
Amortisation expense	5	(34,550)	(28,974)
Closing balance		85,108	110,846

NOTE 12: Payables

CURRENT

Trade creditors		150,105	127,241
Accrued distributions to investors		1,507,247	2,284,083
PIE tax liability	6	608,830	652,553
Accrued expenses		1,474,152	1,341,723
		<u>3,740,334</u>	<u>4,405,600</u>

NOTE 13: Borrowings

CURRENT

Bank loans	-	20,000,000
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NON-CURRENT

Bank loans	-	-
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The facility had a limit \$20,000,000 in 2024 and interest was charged at 8.24%. The advance matured on 31 December 2024 and was secured by all present and after acquired property of the Company. This loan has been fully repaid in 2025.

Notes to the Financial Statement for the Year Ended 31 March 2025

NOTE 14: Share Capital

			2025	2024
Issued and paid-up capital				
Ordinary shares			<u>197,062,374</u>	<u>166,670,540</u>
	2025		2024	
	Number	\$	Number	\$
Ordinary shares				
Opening balance	166,670,540	166,670,540	156,524,955	156,524,955
Shares issued	<u>30,391,834</u>	<u>30,391,834</u>	<u>10,145,585</u>	<u>10,145,585</u>
At reporting date	197,062,374	197,062,374	166,670,540	166,670,540

Shares issued

Shares have been issued under the terms of the continuous offer which opened on 27 January 2020 and has no end date. Under the terms of the share offer, Directors are not obliged to accept applications and can decide to suspend offering shares at any time.

The price at each Valuation Date will be the value of a share as determined by the Directors as fair and reasonable to the Company and the existing shareholders. The Company Value is a significant factor in respect to the determination of the Share Issue Price.

Rights of each type of share

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

At shareholder meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Capital management

The Company's capital, from a management perspective, is its share capital and its Retained Earnings. The Company is not subject to externally imposed capital requirements. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to protect shareholders' capital and provide a return.

Notes to the Financial Statement for the Year Ended 31 March 2025

	Note	2025	2024
NOTE 15: Earnings Per Share			
Cents per share			
Basic earnings per share after tax		7.1	8.1
Diluted earnings per share after tax		7.1	8.1
The Company’s policy states that Targeted Distribution Rate on each Share is an amount equal to a before tax return on the Share Issue Price of each Share at a rate determined by the Board. Shareholders receive cash distributions net of tax however, distributions are fully imputed.			
Basic earnings per share is calculated as profit divided by the weighted number of issued shares for the period. Diluted earnings per share is calculated as profit divided by the weighted number of shares plus any deferred shares which are expected to be issued after balance date.			
Reconciliation of earnings used in calculating earnings per share			
Profit attributable to the shareholders of the Company used in calculating earnings per share		12,717,463	13,110,123
Weighted average number of shares used as the denominator			
Weighted average number of shares used as the denominator in calculating basic earnings per share		180,217,495	161,660,371
Weighted unallotted shares issued after balance date		17,082	328
Weighted average number of shares and potential shares used as the denominator in calculating diluted earnings per share		180,234,577	161,660,699

NOTE 16: Key Management Personnel Compensation

Directors’ remuneration and other benefits

John Jackson		36,000	36,000
Scott Lester		36,000	36,000
	5	<u>72,000</u>	<u>72,000</u>

The names of Directors who have held office during the year are:

Name	Appointment / resignation details
John Llewelyn Jackson	appointed 20 December 2019
Scott Daniel Lester	appointed 20 December 2019

Notes to the Financial Statement for the Year Ended 31 March 2025

NOTE 17: Related Party Transactions

Senior Trust Capital Limited (STC)			
STC is associated with the Company as STC has common shareholders with the Company’s Manager, Senior Trust Management Limited (STML).			
Senior Trust Management Limited (STML)			
STML (Manager of the Company) and the Company are related as one of the Directors of the Company (John Jackson) is a beneficiary of the Dadrew Trust which is the sole shareholder of STML.			
A management services agreement between the Company and STML was entered into on 8 January 2020. The agreement records the terms under which the STML provides investment, management and administrative services to the Company.			
Forest Glen Limited Partnership (FGLP)			
STC is a 73.80% limited partner of Forest Glen Limited. Forest Glen Limited Partnership was established in Nov 2018 between STC Orewa Limited and Coastal Retirement Limited (each with a 50% interest).			
	Note	2025 \$	2024 \$
(a) Transactions with related parties			
STC – Brokerage fees		(230,492)	(86,626)
STML – Management services expense	5	(5,406,550)	(4,876,462)
STML – Interest received	4	46,907	41,468
FGLP – Interest received	4	6,350,481	6,000,280
PGP – Interest received	4	1,100,000	1,103,014
(b) Related party receivables			
FGLP – Finance receivable	10	56,978,018	59,000,000
PGP – Finance receivable	10	10,000,000	10,000,000
STML	9	1,209,566	657,364
The Company offers an alternative means of exit for shareholders where STML has the ability (but not the right) to acquire shares from shareholders wishing to exit. The price at which STML may agree to repurchase shares will be the applicable Share Issue Price as at the date of the request or approval (not as at the date of buy back) and will be subject at all times to STML meeting all necessary approvals and governance requirements.			
As at balance date, STML holds 1,312,057 shares in the Company (2024: 759,855 shares).			
(c) Other balances with related parties			
STC – Brokerage fees in accounts payable		(80,308)	(32,575)
STC – Interest accrued in accounts receivable		177,808	93,425
STML – Interest accrued in accounts receivable		9,317	16,928
STML – Management services expenses in accounts payable and accrued		(10,464)	(16,260)
FGLP – Interest accrued in accounts receivable		523,890	567,479

Notes to the Financial Statement for the Year Ended 31 March 2025

NOTE 18: Capital and Leasing Commitments

There is no material capital or leasing commitments at reporting date (2024: nil).

NOTE 19: Contingent Liabilities

The Company has no contingent liabilities at reporting date (2024: nil).

NOTE 20: Comparative Information

The prior year comparatives include a reclassification between line items in the Statement of Cash Flows. Intention of the reclassification is to align the cash receipts from retirement villages between capitalised interest received in cash rather than repayment of principal previously included in net loans advance to retirement villages. The impact on the financial statements is as follows:

	As Previously Stated	Adjustment	Restated Figure
Interest and Other Fees Received from Customers	15,376,708	3,912,248	19,288,956
Net cash from operating activities	5,351,402	3,912,248	9,263,650
Net loans advanced to retirement villages (receivable)	(2,368,232)	(3,912,248)	(6,279 480)
Net cash from (used in) investing activities	(3,012,168)	(3,912,248)	(6,924,416)

NOTE 21: Regulatory Note

In November 2024, the FMA opened an investigation into Senior Trust Retirement Village Income Generator Limited. At the time of the signing the financial statements the investigation is ongoing. The scope of the investigation includes considering disclosures made by the Company in its previous product disclosure statement (PDS) and associated advertising material and whether those disclosures complied with Parts 2 and 3 of the Financial Markets Conduct Act 2013.

Concurrently with the investigation, the FMA has consulted with the Company about aspects of its business. As part of the FMA’s discussions, the Company has agreed to register an amended new PDS. The FMA did not object to the PDS being lodged in its current form. A new PDS was lodged on 16 June 2025 and it differs substantially from earlier iterations.

NOTE 22: Events Subsequent to Reporting Date

There has been no other matter or circumstance, which has arisen since 31 March 2025 that has significantly affected or may significantly affect:

- (a) the operations, in financial years subsequent to 31 March 2025, of the Company, or
- (b) the results of those operations, or
- (c) the state of affairs, in financial years subsequent to 31 March 2025, of the Company.

CONTACT DETAILS

Company Directory

Senior Trust Retirement Village Income Generator Limited

Level 1, 20 Beaumont Street,
Freemans Bay, Auckland, 1110

ATTENTION: John Jackson
TELEPHONE: 0800 609 600
EMAIL: info@seniortrust.co.nz

www.seniortrust.co.nz

MANAGER:

Senior Trust Management Limited

Level 1, 20 Beaumont Street,
Freemans Bay, Auckland, 1110

ATTENTION: Scott Lester
TELEPHONE: 0800 609 600

COMPLAINTS CAN BE MADE TO:

Senior Trust Management Limited

Level 1, 20 Beaumont Street,
Freemans Bay, Auckland, 1110

ATTENTION: Directors
TELEPHONE: 0800 609 600

Senior Trust Retirement
Village Income Generator’s
offer number is OFR12802.

As a financial service provider
registered under the Financial
Service Providers (Registration and
Dispute Resolution) Act 2008, we are
a member of an approved dispute
resolution scheme (registration
number FSP709572)*.

The scheme is operated by Financial
Services Complaints Limited (FSCL).
There is no charge to you for using
FSCL’s services.

FSCL’S CONTACT DETAILS ARE:

Financial Services Complaints Limited

PO Box 5967, Lambton Quay,
Wellington 6145

TELEPHONE: 0800 347 257
or (04) 472 FSCL (472 3725)
EMAIL: info@fscl.org.nz

www.fscl.org.nz

There is no ombudsman to
whom complaints about the
Shares can be made.



John Jackson
EXECUTIVE DIRECTOR

“We are committed to continuing to leverage
the capabilities of our experienced team to
deliver Shareholder value to our investors, while
contributing to the provision of much-needed,
quality senior living options across New Zealand.”

*Senior Trust Retirement Village Income Generator Limited is not licensed by a New Zealand regulator to provide the service of issuing Shares. Senior Trust Retirement Village Income Generator Limited’s registration on the New Zealand register of financial service providers or membership of the Financial Services Complaints Ltd (FSCL) - A Financial Ombudsman Service does not mean that Senior Trust Retirement Village Income Generator Limited is subject to active regulation or oversight by a New Zealand regulator.



Building wealth and wellbeing, to help Kiwis live more comfortable lives.

SENIOR TRUST RETIREMENT VILLAGE
INCOME GENERATOR LIMITED

EMAIL info@seniortrust.co.nz

FREE CALL 0800 609 600

www.seniortrust.co.nz



When investing, past performance is no guarantee of future performance. A minimum subscription of \$1,000 applies. Applications will only be received on the application form supplied with the Product Disclosure Statement (PDS). Note that the definition of "Retirement Village" used in the PDS is wider than a village which is registered under the Retirement Villages Act and includes other types of residential accommodation for persons above a defined age. The latest information about our current loans is set out in the 'Table of Loans' document on the Disclose Register. The Product Disclosure Statement for the offer is available and can be obtained at www.seniortrust.co.nz