Annual Accounts 2025

Archer Villages Limited

Archer
Villages & Care Homes

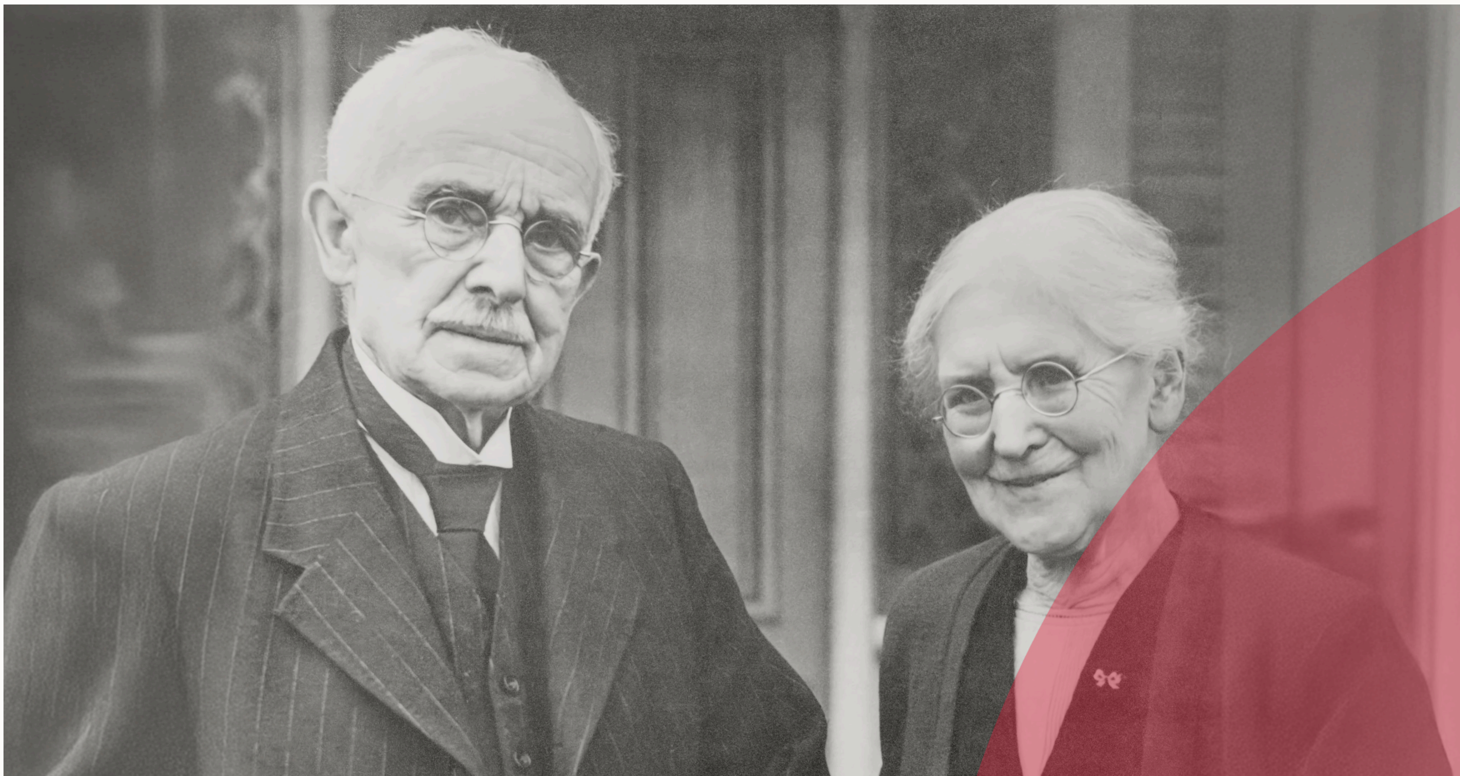
Archer Villages

Archer Villages & Care Homes has a proud history of supporting older adults through affordable, age-friendly, and home-like communities. Since our founding, nearly 70 years ago, we have remained committed to delivering high-quality care that reflects our core values and enhances the well-being of all residents.

We are proud of what we have accomplished together this year, and we are deeply grateful for the support of our residents, their families, our staff, and our wider community.

Your trust and partnership enable us to continue delivering exceptional care while creating a positive, meaningful environment for all.

Thank you for being a part of the Archer Villages & Care Homes family.



Rev. and Mrs. Archer

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Company Directory
as at 31 March 2025

Issued Capital	1,200 Ordinary Shares
Registered Office	166 Colombo Street Beckenham Christchurch 8023
Directors	David J Baines Jennifer A Blackler Bradley V Nicolson Matthew Gray Peter J Davidson Kevin M McDonnell Rachelle A Martin (appointed 1 September 2024)
Company Number	1969711
Date of Incorporation	24 July 2007
Auditors	PKF Goldsmith Fox Audit Limited
Statutory Supervisor	Covenant Trustee Services Limited
Bankers	Westpac
Solicitors	Lane Neave
Nature of Business	Rest Home Facilities & Retirement Villages
Business Location	Christchurch, New Zealand
Shareholders	Archer Memorial Baptist Home Trust

Directors Annual Report

The Directors hereby present their Annual Report including Financial Statements of the company for the year ended 31st March 2025.

Section 211 of the Companies Act 1993 requires the following disclosures:

Directors
David J Baines
Jennifer A Blackler
Bradley V Nicolson
Matthew Gray
Peter J Davidson
Kevin M McDonnell
Rachelle A Martin (appointed 1 September 2024)

The above-named directors held office throughout and since the end of the financial year.

Director Remuneration
Director Fees of $7,600 were paid from the Company. Directors also received Trustee Fees during the period from Archer Memorial Baptist Home Trust.

Directors' Disclosures
The following general disclosures of interest are made by the Directors in terms of section 140(2) of the Companies Act 1993:

David J Baines	Archer Memorial Baptist Home Trust	Chair of Board
J A Blackler	Archer Memorial Baptist Home Trust	Board Member
B V Nicolson	Archer Memorial Baptist Home Trust	Board Member
Matthew Gray	Archer Memorial Baptist Home Trust	Board Member
Peter J Davidson	Archer Memorial Baptist Home Trust	Board Member
Kevin M McDonnell	Archer Memorial Baptist Home Trust	Board Member
Rachelle A Martin	Archer Memorial Baptist Home Trust	Board Member

Donations
No donations were made during the financial year.

For and on behalf of the Board of Directors,

Director Dated: 21 August 2025

Director Dated: 21 August 2025

Statement of Service Performance

The Directors of Archer Villages & Care Homes play a vital role in providing strategic direction and governance to ensure the company fulfills its mission of delivering high-quality care and housing for its residents.

Directors oversee the management of assets, ensure compliance with regulations specific to retirement villages and care homes while managing financial resources prudently to support the ongoing operations of the villages and care facilities. Additionally, the directors assess risks, support the management team, and act as advocates for the company, promoting its services and helping secure funding or partnerships to sustain and enhance its offerings to residents. Their primary responsibility is to act in the best interest of Archer Villages & Care Homes, ensuring it operates effectively, ethically, and sustainably to deliver exceptional care and living environments for its residents.

David Baines (Chair)

David Baines, a Chartered Accountant, holds a Bachelor of Commerce in Accounting. He is currently the Chief Executive of Kingdom Resources Ltd and has previously held significant leadership roles, including General Manager at Alliance Group Ltd, Joint General Manager and Director at Porkcorp NZ Ltd, Chief Executive of NZ Pork, and Forensic Accountant at Sedgwick. David's governance experience includes chairing the Archer Group (from May 2024) and the Upper South Baptist Association, as well as serving as a trustee for the National Building Financial Capability Trust (FinCap). He has also been a Director at Beef & Lamb NZ Inc, a Board Member of the GIA (Government Industry Agreement) Committee, and a Director at CanCern, a community earthquake recovery NPO.

David and his wife Jill are members of Parklands Baptist Community Church, where David has served as an Elder for over 25 years. They have three adult children and eight grandchildren.

Matthew Gray (Deputy Chair)

Matthew Gray is a Chartered Professional Engineer specialising in mechanical building services. With 30 years of experience, he has worked on various projects across sectors such as healthcare, retail, industrial, and education. Matthew is a Technical Director at Powell Fenwick Consultants, where he also served as a Director and shareholder for over 25 years. He continues to work part-time in key projects after retiring from his directorship.

Originally from Invercargill, Matthew moved to Christchurch to study engineering at Canterbury University. He and his wife Kathryn, who have been married for 30 years, are members of Wairakei Road Bible Church and have three adult children.

Peter Davidson

Peter Davidson, a professional with a background in manufacturing, has held senior leadership roles in both public and private sectors across New Zealand and Australia. Currently, he runs his own consultancy supporting manufacturing businesses. Peter has a Bachelor of Engineering (Mechanical) and is a Graduate of the Australian Institute of Company Directors (GAICD).

Peter has extensive experience in church governance, having chaired a large aged care organization in NSW from 2008 to 2014, Windsor Park LifeCare Trust until 2022, and currently chairs the Glenfield Action Trust. Peter and his wife Joanne, members of Windsor Park Baptist Church, have three adult daughters and three grandchildren. They have been foster carers for many years, fostering over 60 babies and young children.

Kevin McDonnell

Kevin McDonnell recently retired as Executive Director of Independent Fisheries Ltd, a private commercial fishing company he was with for over 40 years. During his tenure, Kevin was responsible for finance, administration, and legal matters, helping to lead a team of 300 staff. He currently serves as a director for six private companies, including Independent Holdings Ltd and Independent Producers Ltd, and is a trustee for the NZ Head and Neck Cancer Research Foundation and Te Waiora Christian Trust.

Kevin and his wife Gaye have five adult children and eight grandchildren. They are members of South West Baptist Church and have previously been involved with St Augustine's Anglican and Opawa Baptist Church, where Kevin served as Treasurer for 20 years. He has also been a Justice of the Peace for the past 28 years.

Bradley Nicolson

Bradley Nicolson, a Registered Director NZ IoD, holds a Bachelor of Commerce in Finance and Accounting and is a Registered Member. He has served as Treasurer, Trustee, or Director for various Baptist Church boards over the past decade, including Delta, Glenroy, the Baptist Missionary Society, and the Upper South Baptist Association. Bradley currently leads Baptist Resources Ltd, which manages administration, finance, property, and building developments for churches and trusts.

Bradley lives in Christchurch with his wife Priscilla and their daughter, Astrid. They are active members of Oxford Terrace Baptist Community, where Bradley has served as Treasurer for 10 years.

Jennifer Blackler

Jennifer Blackler has been actively involved in leadership and governance roles throughout her work in the not-for-profit sector. She has been a member of the Archer Board since 2013 and is passionate about upholding Archer's values and helping residents live life to the fullest.

Jennifer and her husband Paul, who have three children, a daughter-in-law, and two grandchildren, are members of Lincoln Baptist Church, where they lead a life group. Jennifer has also been a Girls' Brigade officer for 40 years, serving at local, area, and national levels, including on the National Governance Board of Girls' Brigade New Zealand.

Dr. Rachelle Martin

Dr. Rachelle Martin is a Senior Lecturer in Rehabilitation at the University of Otago and a dedicated disability researcher. With a background as a neurorehabilitation physiotherapist spanning 25 years, Rachelle has extensive experience working alongside individuals recovering from stroke, brain injury, and spinal cord injury. Her clinical expertise informs her academic work, where she continues to contribute to advancements in rehabilitation and disability research.

Rachelle has been an active member of Ilam Baptist Church since 1991, serving in various leadership roles over the years. Currently, she focuses her contributions on service leading. She is also a member of the Assembly Council of the NZ Baptist Union, where she supports governance and strategic decision-making.

Rachelle is married to Mike, who is the director of a land surveying and development firm. They have two adult children who are currently living abroad in the UK and Japan.

Archer Villages & Care Homes

Special character

Archer is a faith-based organisation guided by purpose, not profit. We aim to uphold Christian values in everything we do, and, if comfortable, we encourage people to explore their own faith journey.

Vision

For older people to live fully and age well in our villages and care homes.

Mission

To provide affordable, age-friendly, home-like communities that enhance well-being, supported by a motivated and engaged workforce.

Our values

Togetherness

- Promoting an inclusive environment where everyone, from every culture and belief feels comfortable and welcomed.
- Providing environments for social connectedness and enabling families to stay connected.

Holistic Care

- Reflecting the principles of Te Whare Tapu Whā physical, spiritual, family and mental health, we will deliver care to the best possible standard.

Respect

- Recognising and celebrating the inherent worth and contributions of every resident.
- Creating communities free of elder abuse and ageism, where every resident has a voice and meaningful engagement.

Integrity & Equity

- Upholding ethical standards in all aspects of care, with care that is culturally safe, meaningful, responsive, and resident-led.
- Doing what we say we will.

Vitality

- Empowering residents to maintain their autonomy and independence for as long as possible, respecting their choices and preferences.
- Encouraging an active and vibrant lifestyle filled with engaging activities, social connections, and opportunities for personal growth to help navigate this new 'length of life'.

Empathy & Compassion

- Approaching care with kindness, understanding and a loving attitude.

Archer
Villages & Care Homes

Service Objectives & Key Achievements

Community & Social Connectedness

Our vibrant community includes residents from our Villages, offering independent and assisted living, as well as those in our Care Homes, which provide rest home, hospital, and dementia-level care. Centrally located community centres in each Village, along with cozy lounges in our Care Homes, create welcoming spaces for residents to gather, connect, and build meaningful relationships.

	2025	2024
Independent living units available	167	167
Assisted living studios available	3	3
Residential care units available	104	104
Rental units available	1	1
Total Units	275	275
Residential care annual occupancy rate	67%	70%

Our dedicated Wellbeing / Resident Support team curates a comprehensive schedule of regular activities and events spanning all Archer Villages and Care Homes, complemented by a calendar of collaborative events within the local community and beyond.

This 'Archer Thrive' program offers a diverse array of activities and events tailored to cater to a wide range of interests among our residents.

Our primary goal is to foster active participation and engagement in the meaningful aspects of life for each individual.

Activities and events include:

- Excursions & Outings
- Screenings & Cinemas
- Art & Creativity
- Fitness & Recreation
- Learning & Development
- Spirituality & Cultural Exploration

A new role, Resident Support Services Manager, was established during the year to lead and develop the program, ensuring a cohesive and strategic approach across all operations.

This development underscores our commitment to making Archer Thrive an integral part of our care philosophy, reflecting its importance in enriching the lives of our residents and strengthening our community bonds.

We are commitment to creating an environment where every culture feels comfortable and welcomed.

In our 2024 survey of village residents, 20% of respondents identified as an ethnicity other than NZ Pākehā. Importantly, when comparing responses across different ethnic groups, there was no material difference in the average scores – including in response to the key question "Is your overall well-being improved by living in the Village are/or participating in Village activities?".

This result affirms that Archer Thrive is supporting a broad cross-section of residents in feeling connected, valued, and well.

Affordable & Age-Friendly Communities

We aim to provide Villages that are affordable both in terms of initial entry price and ongoing fees. This is particularly important for residents who rely solely on superannuation. For our care homes, we maintain modest premium room fees where applicable, alongside access to standard rooms that do not attract any additional fees. This balanced approach ensures that a range of financial circumstances are accommodated without compromising the quality of care.

	2025	2024
Average Village weekly fee (as at period end)	$126.24	$124.52
Average / Medium Villa price (as at period end)	$513,000	Not Reported
Number of standard (non-premium fee) care rooms	51	51
Residents supported through the Hardship Fund*	23	20
Value provided under the Hardship Fund	$94,600	$72,333

* Includes provisions of interest-free loans, premium room waivers etc

During the 2024/25 financial year, we undertook several purchases and facility updates to ensure our environments are welcoming, functional, and aligned with the needs of older adults.

This included:

Enhancing Accessibility and Comfort:

- Installed automatic doors at the Archer Leisure Centre.
- Modified the Community Centre at Thorrington Village to better utilise the space and enhance access, with planning underway for similar enhancements at Linrose Village.
- Began replacing villa doors at Thorrington Village to improve accessibility.
- Installed additional heat pumps/air conditioning units in the Beckenham Home, ensuring better temperature regulation in communal spaces.

Upgrading Security and Emergency Systems:

- Installed third-party monitored medical alarms at Beckenham Village and Thorrington Village, providing a modern and robust response system for residents.
- Enhanced security measures with new cameras and gate modifications across our villages.

Improving Way-Finding and Navigation:

- Enhanced way-finding signage at Maryville Village to assist residents and their families in navigating the village more easily.

Investing in Fitness and Medical Equipment:

- Reviewed gym equipment across all sites, replacing items as necessary to ensure they meet the needs of village residents.
- Continued procurement of specialist medical equipment for care homes to support residents with bespoke medical needs.

Quality Care & Well-Being

We delivered person-centred care for 120 residents across rest home, hospital, and palliative care levels.

During the year, we created a new role: Quality and Education Coordinator.

This position enhances the level of clinical expertise across the organisation, with a particular focus on ensuring our staff are equipped to deliver safe, high-quality care.

In addition to supporting staff training and professional development, this role is also responsible for the collection, analysis, and reporting of quality data, including industry benchmarking.

This proactive approach strengthens our commitment to continuous improvement and ensures our care practices reflect current best practice standards.

In our 2024 survey of village residents, we sought to understand how living in our villages impacts well-being and social connection.

Q: We asked, "Does the Village provide a dignified environment, enhancing positive mental health, relationship building and reducing loneliness and isolation?"

An overwhelming 91% of respondents indicated they were either 'satisfied' or 'very satisfied,' with no residents reporting dissatisfaction.

Q: We also explored the broader impact of village life by asking, "Is your overall well-being improved by living in the Village and/or participating in Village activities?"

Of those who responded, 92% answered 'yes,' and 93% said they would recommend their retirement village to others.

Workforce Engagement

Workforce engagement remains a key focus at Archer Villages & Care Homes as we recognise the critical role that a motivated and supported workforce plays in delivering exceptional care to our residents.

By prioritising staff well-being, we aim to foster a workplace culture that promotes job satisfaction, retention, and performance.

Early in the period, we developed and introduced regular staff satisfaction and feedback surveys to better understand staff needs and identify areas for improvement.

Our first staff satisfaction survey, completed in July 2024, recorded an overall engagement score of 64% and a well-being score of 55%, with an engagement rate of 42%.

Based on this feedback, we have:

- Enhanced staff break facilities to improve comfort and relaxation opportunities.
- Introduced quarterly staff forums to encourage open communication and feedback.
- Implemented a smoke-free policy for staff, promoting a healthier work environment.

Faith

Faith has always been a cornerstone of Archer Villages & Care Homes, reflecting our strong commitment to the Christian faith and its values of unconditional love and care. While these values underpin everything we do, we warmly welcome people from all walks of life and beliefs.
We value our partnerships with local churches of all denominations and faith-based groups, which play a significant role in supporting the spiritual lives of our residents should they want it. These collaborations, alongside the presence of dedicated Chaplains on our sites, enrich the daily spiritual experience for many in our community. Chaplains actively participate in village life, leading regular services and offering support to residents and their families.

Feedback & Continuous Improvement

Archer Villages and Care Homes actively gathers feedback from residents, families, and staff to continually improve our services.

Statement of Comprehensive Revenue & Expenses

Archer Villages Limited
Statement of Comprehensive Revenue and Expenses
for the year ended 31 March 2025

	Note	2025	2024
		$	$
Revenue from Exchange Transactions			
Interest Received		2,199	5,182
Care Fees		543,159	-
Rental Income		1,360	-
Rest Home Resident Services		2,507	-
ORA Resident Service Charges		272,766	202,508
Sundry Income		372	-
Village Contribution		543,818	465,439
		1,366,181	673,129
Other Income			
Fair Value Increase on Investment Property	8	293,822	111,440
		293,822	111,440
Total Revenue		**1,660,003**	**784,569**
Less Expenses			
Audit Fee	14	54,225	9,200
Depreciation	7	8,028	-
Donations		-	-
Interest Paid (Villa Settlements)		2,835	-
Finance Costs		75,441	-
Operating Expenses		434,648	189,739
Property Expenses		627,867	297,878
Salaries and Wages		413,021	-
Total Expenses		1,616,065	496,817
Total surplus/(deficit)for the year		**43,938**	**287,752**
Other Comprehensive Revenue and Expenses			
Fair value (decrease)/increase on Property, Plant & Equipment	7	-	-
Total Comprehensive Revenue and Expenses for the year		**43,938**	**287,752**

NOTE: This Statement is to be read in conjunction with the Notes to the Financial Statements.

Archer Villages Limited
Statement of Financial Position
As at 31 March 2025

	Note	2025	2024
		$	$
CURRENT ASSETS			
Cash and cash equivalents	4	707,915	116,147
Receivables from Exchange Transactions	5	505,947	3,224
Prepayments		12,160	52,771
Advance: Archer Memorial Baptist Home Trust	13	-	2,993,944
Advance to Residents	6	186,096	90,000
Total Current Assets		1,412,118	3,256,086
NON-CURRENT ASSETS			
Property, Plant and Equipment	7	6,781,149	-
Investment Properties	8	89,387,390	16,165,129
Total Non-Current Assets		96,168,539	16,165,129
Total Assets		**97,580,657**	**19,421,215**
CURRENT LIABILITIES			
Accounts Payable	9	1,374,439	23,977
Occupation Right Agreements	10	50,437,911	9,414,707
Revenue Received in Advance	10	2,530,408	530,422
Loan: Archer Memorial Baptist Home Trust	13	1,483,660	-
Total Current Liabilities		55,826,418	9,969,106
NON-CURRENT LIABILITIES			
Non-Current Loans	11	11,606,023	-
Total Non-Current Liabilities		11,606,023	-
Total Liabilities		**67,432,441**	**9,969,106**
NET ASSETS		**30,148,216**	**9,452,109**
EQUITY			
Special project reserve	12	1,504,789	482,718
Accumulated comprehensive revenue and expense		28,643,427	8,969,391
Total net assets attributable to the owners of the controlling entity		**30,148,216**	**9,452,109**

For and on behalf of the Archer Villages Limited

______________________ Director 21 August 2025 Date

______________________ Director 21 August 2025 Date

NOTE: This Statement is to be read in conjunction with the Notes to the Financial Statements.

Archer Villages Limited
Statement of Changes in Net Assets
As at 31 March 2025

	Note	2025 $	2024 $
Equity at start of year			
Special project reserve		482,718	448,310
Accumulated comprehensive revenue and expense		8,969,391	8,681,639
		9,452,109	**9,129,949**
Special projects reserve transfer		**1,022,071**	**34,408**
Surplus/(Deficit) for the year		43,938	287,752
Amalgamation: net equity acquired	3	19,630,098	-
Other comprehensive revenue and expenses for the year		-	-
Total Comprehensive Revenue and Expense		**19,674,036**	**287,752**
Equity at end of period			
Special project reserve	12	1,504,789	482,718
Accumulated comprehensive revenue and expense		28,643,427	8,969,391
Total Equity		**30,148,216**	**9,452,109**

NOTE: This Statement is to be read in conjunction with the Notes to the Financial Statements.

Archer Villages Limited
Statement of Cash Flows
for the year ended 31 March 2025

	Note	2025	2024
		$	$
Cash Flows from Operating Activities			
Receipts:			
Care Fees & Service Charges		1,118,142	202,850
Rent Income		1,360	-
Interest Income		2,199	5,182
Receipts for Occupation Right Advances		2,099,880	1,729,500
Other Operating Receipts		892	-
		3,222,473	1,937,532
Payments:			
Operating & Property Expenses		(1,121,013)	(473,342)
Wages & Salaries		(401,100)	-
Repayments for Occupation Right Advances		(1,148,885)	(1,335,367)
Other Operating Payments		-	-
		(2,670,998)	(1,808,709)
Net Cash Flows from Operating Activities		**551,475**	**128,823**
Cash Flows from Investing Activities			
Receipts			
Cash acquired on Amalgamation		517,574	-
		517,574	-
Payments			
Purchase of Investment Properties & PPE		(4,947)	-
		(4,947)	-
Net Cash Flows from Investing Activities		**512,627**	**-**
Cash Flows from Financing Activities			
Receipts			
Resident Loans Repaid		85,501	46,065
Advance from Archer Memorial Baptist Home Trust		65,000	-
		150,501	46,065
Payments			
Interest Paid		(2,835)	-
Advance to Archer Memorial Baptist Home Trust		(600,000)	(360,334)
Resident Loans New		(20,000)	(30,000)
		(622,835)	(390,334)
Net Cash Flows from Financing Activities		**(472,334)**	**(344,269)**
Net Increase/(Decrease) in cash		591,768	(215,446)
Cash at beginning of year		116,147	331,593
Cash at end of year		**707,915**	**116,147**
Cash comprised:			
Cash and Bank accounts	4	707,915	116,147
Cash at end of year		**707,915**	**116,147**

All the cash is available to the Company without restriction apart from as set out in Note 4.

NOTE: This Statement is to be read in conjunction with the Notes to the Financial Statements.

1. Reporting Entity

Archer Villages Limited (the Company) is a company incorporated in New Zealand, registered under the Companies Act 1993. The Company's principal activities included operating two rest homes, a dementia unit, four retirement villages and rental properties. The registered office is located at 166 Colombo Street, Christchurch. Archer Memorial Baptist Home Trust is the ultimate reporting entity.

The financial statements are for the Company only and have been prepared in accordance with the Financial Reporting Act 2013. The Company has charitable status with the Charities Commission.

The Company changed its name during the period. The Company was previously known as Archer Village Limited.

These financial statements for the year ended 31 March 2025 were authorised for issue by the Directors on 21 August 2025.

2. Statement of Compliance

The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand ('NZ GAAP'). They comply with the Public Benefit Entity Standards Reduced Disclosure Regime ("PBE Standards RDR") as appropriate for Tier 2 not-for-profit public benefit entities, and disclosure concessions have been applied where considered appropriate. For the purposes of complying with NZ GAAP, the Company is a public benefit not-for-profit entity and is eligible to apply Tier 2 Not-For-Profit PBE IPSAS on the basis that it does not have public accountability and it is not defined as large.

The information is presented in New Zealand dollars. All amounts are rounded to the nearest dollar (unless specified otherwise).

3. Amalgamation

On 3 March 2025, the following companies, all subsidiaries of Archer Memorial Baptist Home Trust (the ultimate parent entity), were amalgamated into Archer Villages Limited' under part XIII of the Companies Act 1993:

- Archer Care Facility Limited
- Linrose Village Limited
- Maryville Village Limited
- Thorrington Village Limited
- Vintage Estates Limited

This brought together the ownership of the following operations:

- Archer Beckenham Village and Care Home
- Archer Beckenham Rentals
- Archer Linrose Village
- Archer Maryville Courts
- Archer Thorrington Village and Care Home

Purpose of Amalgamation

The amalgamation was undertaken to improve efficiency and reduce compliance costs. All entities shared complementary missions, and the combination is expected to strengthen operations and deliver greater value to stakeholders.

Recognised Assets and Liabilities

Assets acquired and liabilities assumed on amalgamation are shown below. The values represent the estimated fair values at the amalgamation date.

Cash and cash equivalents	517,574
Receivables	657,613
Prepayments	15,983
Advance to Residents	161,597
Property, Plant and Equipment	6,416,016
Investment Properties	70,060,172
Total Assets	**$77,828,955**
Accounts Payable	1,275,932
Occupation Right Advances	40,440,118
Revenue Received in Advance	2,031,075
Advance: Archer Memorial Baptist Home Trust	13,447,604
Total Liabilities	**$57,194,729**
Net Assets	**$20,634,226**
Special Project Reserve	1,004,129
Accumulated comprehensive revenue and expenses	19,630,098
Total Equity	**$20,634,226**

Accounting Policies

The amalgamation is accounted for in accordance with PBE IPSAS 40: Business Combinations as it meets the criteria of an amalgamation.

The amalgamation is accounted for using the modified pooling of interest's method, as prescribed for amalgamations under PBE IPSAS 40.

- Assets and liabilities: The carrying amounts of assets and liabilities from the combining entities were recognised in the financial statements of the new entity without any adjustments to fair value, except for PPE and Investment Properties which were revalued to market value using the 31 March 2025 valuations as disclosed in notes 7 and 8.
- Goodwill: No goodwill or gain was recognised as a result of this amalgamation.

The financial statements represent the results of the amalgamated operations from 3 March 2025. Comparative information for prior periods has not been restated.

4. Cash and Cash Equivalents

Cash and cash equivalents comprised the following:

	2025	**2024**
Unrestricted cash and bank deposits	682,281	55,031
Long term maintenance (sinking fund) – restricted use	-	61,116
Funds held on behalf of residents – restricted use	10,466	-
Resident Welfare Funds – restricted use	15,168	-
	$707,915	$116,147

Refer to Note 9 for further information regarding Funds held on behalf residents.
Refer to Note 12(c) for further information regarding Resident Welfare Funds.

Accounting Policies

Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand, cash in banks and on demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value and includes all call borrowing such as bank overdrafts used by the Company as part of their day-to-day cash management.

Refer also to the Financial Instruments accounting policy at 18(c).

Statement of Cash Flows

The Cash Flow Statement is prepared exclusive of Goods and Services Tax ("GST"), which is consistent with the method used in the Statement of Comprehensive Revenue and Expenses.

Operating activities represent all transactions and other events that are not investing or financing activities and includes receipts and repayments of occupancy advances. Investing activities are those activities relating to the acquisition and disposal of investments and any other property, plant and equipment or investment properties.

Financing activities are those activities relating to changes in the equity and debt capital structure of the Company and those activities relating to the cost of servicing the Company's equity capital.

In accordance with the nature of Occupation Right Advance receipts and payments, these have been shown in cash flows from Operating Activities.

5. Receivables

Trade receivables are non-interest-bearing and are generally on 30-day terms.

Trade receivables are recognised and carried at the invoice amount less an allowance for any uncollectible amounts.

The Company has a total of $196,000 owing that is greater than 30 days overdue at balance date. A provision of $1,672 has been provided against this balance.

Accounting Policies

Receivables are measured at amortised cost less any impairment. This is equivalent to fair value less appropriate allowances for estimated unrecoverable amounts. Any allowance is measured as the difference between the asset's carrying value and the present value of estimated future cash flows discounted at the effective interest rate calculated at initial recognition.

Refer also to the Financial Instruments accounting policy at 18(c).

6. Advances to Residents

The Company has advanced $186,096 (2024: $90,000) to village residents. The advances do not attract any interest charge. The advances are held against the interest held by the residents in the Occupation Right Agreement as collateral.

Accounting Policies

Advances to residents are measured at amortised cost less any impairment. This is equivalent to fair value less appropriate allowances for estimated unrecoverable amounts. Any allowance is measured as the difference between the asset's carrying value and the present value of estimated future cash flows discounted at the effective interest rate calculated at initial recognition.

Refer also to the Financial Instruments accounting policy at 18(c).

7. Property, Plant and Equipment

At 31 March 2025	Land (Freehold)	Buildings	Plant, Furniture & Vehicles	Total
At 1 April Net of Acc Depn	-	-	-	-
Acquired on amalgamation	3,940,000	2,061,787	414,229	6,416,016
Additions	280,000	88,213	4,948	373,161
Disposals	-	-	-	-
Fair value movement	-	-	-	-
Depreciation Charge	-	-	(8,028)	(8,028)
Net Carrying Amount	$ 4,220,000	$ 2,150,000	$ 411,149	$ 6,781,149

Included in the additions above are several properties acquired from the Parent company. Refer Note 13 for further details.

Revaluation of land and buildings

The Company engaged Samantha Stark BBUS PROP (VAL), MPINZ, Registered Valuer and Lauren Thomas BLPM Valuer of CVAS (CHC) Limited (trading as Colliers), who are independent and have experience in the aged care industry. The valuations are as at 31 March 2025 and are in accordance with PBE IPSAS 16.

The Directors have assessed the Thorrington Care Home for potential impairment, given sustained low occupancy rates and financial losses. An impairment was booked against the Thorrington Care Home prior to amalgamation. The book value of the Thorrington Care Home buildings is recorded at $150,000, against a valuation of $1,000,000.

Care Rest Home Facilities

The Beckenham Care Home is certified for swing rest home/hospital beds for all 54 rooms, with the valuation assuming 27 rest home beds and 27 hospital beds. 38 rooms include an ensuite whilst 16 smaller rooms do not have an ensuite and share toilet and bathroom facilities.

The Thorrington Care Home includes 30 standard rest home rooms and 10 Dementia care rooms.

Fair value for both care facilities and the dementia unit was assessed using a market rental capitalisation approach. The capitalisation rates used were 7.50% for Beckenham Care and 9.50% for Thorrington Care.

Accounting Policies

<u>Property, plant & equipment</u>

Items of plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Items of property, plant and equipment are subsequently measured either under the cost or revaluation model. Revaluations is performed on a class-by-class basis. If an item of property, plant and equipment is revalued, the entire class to which the asset belongs is revalued.

Land and Buildings, which includes the rest home and dementia unit, are under the revaluation model and are shown at fair value. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the re-valued amount of the asset. Independent valuations are performed with sufficient regularity to ensure that the carrying amount does not differ materially from the asset’s fair value at the statement of financial position date. Previous to this year’s valuation, the last independent valuation was carried out as at 31 March 2024.

Increases in the carrying amounts arising on revaluation of land and buildings are credited to asset revaluation reserve in the equity section of the statement of financial position. To the extent that the increase reverses a decrease previously recognised in the statement of comprehensive revenue and expenses, the increase is first recognised in the statement of comprehensive revenue and expenses. Decreases that reverse previous increases of the same asset are first charged against the asset revaluation reserves directly in equity to the extent of the remaining reserve attributable to the asset; all other decreases are charged to the statement of comprehensive revenue and expenses.

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Company. Ongoing repairs and maintenance is expensed as incurred.

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in the statement of revenue and expenses.

Refer also the Impairment of Assets accounting policy at Note 18(d) and Significant Accounting Estimates & Judgements at Note 18(e).

Depreciation

Land is not depreciated. For plant and equipment, depreciation is based on the cost of an asset less its residual value, and for buildings is based on the revalued amount less its residual value. Buildings are not depreciated for financial years where a revaluation has taken place.

Depreciation is recognised in statement of comprehensive revenue and expenses on a straight-line basis at the following management rates so as to expense the cost of the asset over their useful lives:

Rest Home Buildings	1%
Plant, Furniture and Fittings	4% - 67%
Electronic Equipment	30% - 50%
Motor Vehicles	13% - 40%

The assets' residual value and useful lives are reviewed and adjusted for impairment, if appropriate, at each balance sheet date.

8. Investment Properties

	2025	2024
Operators Interest (per valuation)	36,360,000	6,220,000
Work in Progress	59,071	-
Occupation Rights Agreements Liability	50,437,911	9,414,707
Revenue Received in Advance	2,530,408	530,422
Total Investment Property at Fair Value	$89,387,390	$16,165,129

	2025	2024
Carrying amount at the start of the year	16,165,129	16,053,689
Acquired on amalgamation	70,060,172	-
Additions	2,868,267	-
Fair value movement for the year	293,822	111,440
Carrying amount at end of year	$89,387,390	$16,165,129

Rental Properties

The properties rented to tenants were revalued to fair value using the market value of comparative sales as at 31 March 2025.

Security
The land is subject to an Encumbrance to the Statutory Supervisor. This serves to protect the residents' interests in the villages. See Note 11 for other security over the land of the Company.

Accounting Policies
Investment properties include land and buildings relating to the retirement village operation and rental properties intended to be held long term to earn rental income and for capital appreciation. Investment properties are initially recorded at cost and subsequently measured annually at fair value as determined by the directors, having taken into consideration the valuation conducted by an independent registered valuer. As required by PBE IPSAS 16 – Investment Property, in order to ensure that assets and liabilities are not double counted, the fair value is adjusted for assets and liabilities already recognised in the Statement of Financial Position which are also reflected in the discounted cash flow model.

Gains or losses arising from changes in the fair values of investment properties are included in the Statement of Comprehensive Revenue and Expenses in the year in which they arise. Where an investment property is disposed of, the surplus or deficit recognised in the Statement of Comprehensive Income is the difference between the net sales price and carrying value of the property.

No depreciation is provided for on investment properties. Maintenance costs are accounted for in the period they are incurred.

Refer also the Impairment of Assets accounting policy at Note 18(d) and Significant Accounting Estimates & Judgements at Note 18(e).

9. Accounts Payable

	2025	2024
Trade Creditors	583,466	23,977
Employee Entitlements	563,085	-
GST & PAYE	217,422	-
Residents Funds	10,466	-
	$1,374,439	$23,977

The Resident Funds are administered by the administration staff of Archer on behalf of rest home residents. Residents and their families deposit funds for personal use of the resident. Residents make withdrawals to use during their stay. The funds are held in a bank account designated for the use of this fund only.

Accounting Policies
Trade and other payables are carried at amortised cost and due to their short-term nature they are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Liabilities for wages and salaries, annual leave, alternative leave and long service leave are accrued and recognised in the statement of financial position. Annual leave, alternative leave and long service leave are recorded at the undiscounted amount expected to be paid for the entitlement earned. The amount accrued is equal to all leave payments the Company is obligated to pay for all entitlements earned to balance date.

Refer also to the Financial Instruments accounting policy at 18(c).

10. Occupation Right Agreements

Occupancy Rights Agreements confer to residents the right of occupancy of the retirement village unit for life or when a resident terminates the agreement. Deposits received are recorded in the statement of financial position.

	2025	2024
Balance at the start of the year	9,414,707	9,412,746
Acquired on amalgamation	40,440,118	-
Sales & re-sales during the year	2,244,700	1,729,500
Repurchased during the year	(1,148,885)	(1,335,367)
Village contribution	(512,729)	(392,172)
Balance at end of year	$50,437,911	$9,414,707

Key Terms

Amounts deposited by the residents under Occupancy Right Agreements are non-interest bearing.

Of these deposits a portion is refundable when the resident leaves the complex and after the unit is re-occupied.

The maturity date of each licence is determined by the date that termination occurs, which may be determined by either the licence holder or the Manager of the Scheme.

Security

The amounts are secured by an Encumbrance held by the Statutory Supervisor over property owned by the Company. As at 31 March 2025 there were no unallotted licences at the Villages.

Fair Value

As a resident can terminate their occupancy at their discretion and the advances are non-interest bearing, it has demand features and is therefore carried at fair value.

Accounting Policies

The non-refundable portion of the original advance is amortised to the Statement of Comprehensive Revenue and Expenses as set out below, so that the recorded liability at balance date reflects the total refundable portion of the contributions (plus any unexpired portion of the non-refundable amount) as estimated by the Board, and included in Current Liabilities.

Revenue received in advance represents those amounts by which the Village Contributions recognised over the contractual period exceed the recognition of Village Contributions based on the anticipated period of occupancy, based on the independent valuer's assessment and the directors' estimates.

Refer also to the Financial Instruments accounting policy at 18(c).

11. Loans

During the period, aligned with the Group restructuring and amalgamation, loan facilities with Christian Savings Limited, previously in place with the Parent entity, were restructured into the Company. Following the amalgamation one further facility was entered into. As at 31 March 2025, the following facilities were in place:

Type	Maturity Date	Drawn / Facility	Interest Rate
Fixed Loan 1	30 Aug 2039	$5.00m of $5.00m	7.60% fixed until 30 Aug 2026
Fixed Loan 2	30 Aug 2039	$5.00m of $5.00m	8.10% fixed until 30 Aug 2025
Revolving Credit	30 Aug 2026	$1.60m of $2.00m	6.95% floating
Restructuring Facility	04 Mar 2028	$0.00m of $1.50m	6.95% floating

The two fixed loan facilities are on interest only repayments until 30 August 2026.
The restructuring facility is restricted to costs associated with any restructuring proposals.

	2025	2024
Balance at the start of the year	-	-
New facilities / drawdowns	11,600,000	-
Fees capitalised	6,023	-
Repayments (excluding interest)	-	-
Balance at end of year	$11,606,023	$-

Security
Loans are secured by way of registered mortgages of the rest homes and villages owned by the Company, as well as a general security interest in all present and after acquired property of the Company.

There is also an encumbrance in favour of Covenant Trustee Services Limited.

Accounting Policies
All borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. The Company has chosen not to capitalise borrowing costs directly attributable to the acquisition construction or production of assets.

Refer also to the Financial Instruments accounting policy at 18(c).

12. Equity
Equity is the interest in the Company, measured as the difference between total assets and total liabilities. Equity is made up of the following component:

a. Share Capital
Issued capital consists of 1,200 ordinary shares which are unpaid. All shares have equal voting rights and share equally in dividends and surplus on winding up. The shares have no par value. All shares are held by Archer Memorial Baptist Home Trust.

b. Accumulated Comprehensive Revenue and Expenses
Accumulated comprehensive revenue and expense is the Company's accumulated surplus or deficit since its formation, adjusted for transfers to/from specific reserves.

c. Special Purpose Funds Held
These are restricted equity reserves created by the Company for the purpose of financing special projects. The use of these funds is restricted to the specific purpose of the projects.

	2025	2024
Long Term Maintenance Provision	1,489,621	482,718
Resident Welfare Funds	15,168	-
	$1,504,789	$482,718

Long Term Maintenance Fund

Each of the Company's Villages have a Long-Term Maintenance Provision.

Future expenditure on the long-term maintenance of the village units and infrastructure (excluding the care homes) is estimated based on a detailed study by a professional consultant. The provision is increased each period to reflect a contribution to the long-term maintenance. The provision is decreased as the long-term maintenance is carried out at the Boards discretion.

No funds are separately held against the provision.

	2025	2024
Balance at the start of the year	482,718	448,310
Acquired on amalgamation	987,719	-
Operator Contributions	80,300	39,000
Approved Expenditure on Improvements	(61,602)	(5,856)
Interest Received	486	1,265
Balance at end of year	$1,489,621	$482,718

Resident Welfare Funds

Two separate funds, the Phoebe Elizabeth Fund and the Tui Resident Fund, are administered by the General Manager, expending funds for the betterment of the welfare of Beckenham Care Rest Home and Thorrington Care Rest Home residents respectively. Funds are raised throughout the year and some contributions provided by the wider Archer community.

13. Related Party Transactions

Archer Villages Limited is a member of the Archer Group and a wholly owned subsidiary of Archer Memorial Baptist Home Trust (AMBHT).

Management fees of $99,275 (2024: $131,107) were charged to the Company from Archer Care Facility Limited during the year (prior to amalgamation).

From time-to-time money is advanced by the Company to and from AMBHT in order to assist cash flow of each entity. There are no fixed terms of repayment and the advances are interest free. The balance owed by Archer Villages Limited to AMBHT at balance day is unsecured and has not been written off or forgiven during the year. As part of the Group restructuring during the period, six properties totalling $3,165,000 were acquired by the Company from AMBHT. These properties transacted at the 31 March 2024 valuations less an impairment assessment determined by the Board and were settled through the advance.

Key management personnel of the Company, as defined by PBE IPSAS 20, are the Directors and the six full-time equivalents comprising the Senior Leadership Team. Key management personnel compensation totalled $894,973 (2024: $677,731 for the group). This includes the amount paid to the Board of Trustees of $71,874 (2024: $73,000 for the group).

No amounts with any related parties were impaired in the financial year (2024: Nil).

14. Remuneration of Auditors

During the year the following fees were paid or payable for services provided by the auditor:

	2025	2024
Audit Services – Financial Statements	54,225	9,200
	$54,225	$9,200

15. Contingent Liabilities

The Company has $Nil contingent liabilities at 31 March 2025 (2024: Nil).

16. Capital Commitments

There are no capital commitments in relation to the Company at 31 March 2025 (2024: Nil).

17. Significant Events After Balance Date

Subsequent to balance date, on 22 May 2025, the company commenced a formal consultation process regarding proposed changes to its care home services. Following this process, on 30 June 2025, the Board resolved to proceed with the following:

- The permanent closure of the Rest Home at Archer Thorrington; and
- The relocation of the dementia care unit from Thorrington to Archer Beckenham, following completion of building modifications (expected around September 2025).

These changes are intended to support the long-term sustainability of Archer's care operations and ensure continuity of quality care. No permanent decisions have yet been made regarding the future use of the Thorrington Rest Home building.

This event is considered a non-adjusting subsequent event under PBE IPSAS 14, Events After the Reporting Date, as both the consultation and the decision occurred after balance date and do not provide evidence of conditions that existed at that time. The carrying value of the Thorrington Rest Home building had already been impaired to $150,000 as at year end, and no further accounting adjustments are required.

There are no other significant events after balance date which would have a material effect on the position or performance reflected in the financial statements (2024: Nil).

18. Other Significant Accounting Policies

The accounting policies set out in this report have been applied to all periods presented in these financial statements.

Measurement Base

The accounting principles recognised as appropriate for the measurement and reporting of the financial statements on a historical cost basis are followed by the Company, with the exception that land and buildings classified within property, plant and equipment, and Investments Properties have been revalued and measured at fair value and certain financial assets and liabilities at fair value as detailed in the accounting policies.

Specific Accounting Policies

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concept of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The following specific accounting policies used in the preparation of these financial statements have been applied.

(a) Revenue
Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Company and revenue can be reliably measured. Revenue is measured at the fair value of the consideration received. The following specific recognition criteria must be met before revenue is recognised.

Revenue from Non-Exchange Transactions

Insurance Proceeds
Revenue from insurance claim proceeds are recognised in the accounting period in which the proceeds are receipted.

Revenue from Exchange Transactions

Care fees
Revenue from Rest Home and Dementia Care fees are recognised in the accounting period in which the services are rendered. The fees are met in part by subsidised residents themselves and the balance as a residential subsidy from the Government.

Resident Services and ORA Resident service charges
Revenue from Resident Services and ORA Resident Service charges is recognised in the accounting period in which the services are rendered being on an accrual basis.

Rental Income
Rental Income from investment property is recognised on an accrual basis in accordance with the substance of the relevant agreements.

Village Contribution
The Village contribution fee is amortised over the average expected stay of residents as disclosed in Note 8. At year end the Village Contribution that has yet to be recognised in the statement of revenue and expenses is held in the statement of financial position as a liability.

Interest Income
Interest revenue is recognised on an accrual basis using the effective interest method.

(b) Taxation
The Company has charitable status with the Charities Commission, registration number CC23662, and is exempt from income tax.

Except for accounts receivable and payable, all items are stated exclusive of Goods & Services Tax, except where a claim for recovery of the GST is not allowed by the Inland Revenue Department. In these cases, and in respect of receivables and payables, the amounts are shown inclusive of GST. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of the receivables or payables in the statement of financial position.

(c) Financial Instruments

Recognition and Initial Measurement
Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at FVTSD, transaction costs that are directly attributable to its acquisition or issue. At initial recognition, an entity may measure short term receivables and payables at the original invoice amount if the effect of discounting is immaterial.

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Financial Assets - Classification and Subsequent Measurement
On initial recognition, a financial asset is classified as measured at: amortised cost; Fair value through other comprehensive revenue and expense (FVOCRE) – debt investment and equity investment; or fair value through surplus or deficit (FVTSD). Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its management model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the management model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTSD:

- it is held within a management model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCRE if it meets both of the following conditions and is not designated as at FVTSD:

- it is held within a management model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCRE. This election is made on an investment-by investment basis.

All financial assets not classified as measured at amortised cost or FVOCRE as described above are measured at FVTSD. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCRE as at FVTSD if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

<u>Financial assets – Management model assessment</u>
The Company makes an assessment of the objective of the management model in which a financial asset is held. The information considered includes:

- the stated policies and objectives for the asset and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate, matching the duration of the financial assets to that of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the asset is evaluated and reported to the Company's management;
- the risks that affect the performance of the management model (and the financial assets held within that management model) and how those risks are managed;
- how managers of the business are compensated – e.g., whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTSD.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g., liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets.

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets – Subsequent measurement and gains and losses

Financial assets at FVSD - These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in surplus or deficit.

Financial assets at amortised cost are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, and losses and impairment are recognised in surplus or deficit. Any gain or loss on derecognition is recognised in surplus or deficit.

Financial Liabilities – Classification & Subsequent Measurement

Financial liabilities are classified as measured at amortised cost or FVTSD. A financial liability is classified as at FVTSD if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTSD are measured at fair value and net gains and losses, including any interest expense, are recognised in surplus or deficit. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in surplus or deficit. Any gain or loss on derecognition is also recognised in surplus of deficit.

Derecognition

Financial Assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognised in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial Liabilities
The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in surplus or deficit.

Offsetting
Financial assets and financial liabilities are offset, and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(d) Impairment of assets
At each statement of financial position date, the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately unless the asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately unless the asset is carried at fair value in which case the reversal of the impairment loss is treated as a revaluation increase.

(e) Significant Accounting Estimates & Judgements
In preparing these financial statements the management and directors were required to make judgements, estimates and assumptions. These judgements, estimates and assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

The effect of estimation on these financial statements is greatest in the revaluation of land and buildings included within property, plant and equipment and investment properties and village contributions amortisation periods.

The fair value of land and buildings and investment properties has been determined by an independent qualified valuer. Given that a range of assumptions are used in determining the fair value of Land and Buildings and Investment Properties, the subjectivity of these assumptions to changes could have significant impact on the profit and fair value. Refer to Note 7 and Note 8 for the key assumptions made.

(f) Fair Values
The fair values of financial assets and financial liabilities are considered to equal the carrying values.

(g) Changes in Accounting Policy and Disclosure
The accounting policies adopted are consistent with those of the previous financial year.

(h) Comparative Figures
The comparative figures shown are for the year ended 31 March 2024.

PKF Goldsmith Fox

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Archer Villages Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Archer Villages Limited (the 'Company'), which comprise the financial statements on pages 11 to 29 and the service performance information on pages 4 to 10. The complete set of financial statements comprise the statement of financial position as at 31 March 2025 and the statement of comprehensive revenue and expenses, the statement of changes in net assets and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial report presents 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; and
- The service performance information for the year ended 31 March 2025 in that the service performance information is appropriate and meaningful and prepared in accordance with the Company's measurement bases or evaluation methods

  in accordance with Public Benefit Standards Reduced Disclosure Regime ('NZ IPSAS RDR') issued by the New Zealand Accounting Standards Board.

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

Basis for Opinion

We conducted our audit of the financial statements in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)), and the audit of the service performance information in accordance with the ISAs and New Zealand Auditing Standard (NZ AS) 1 (Revised) *The Audit of Service Performance Information*. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* 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.

Directors' Responsibilities for the Financial Report

The Directors are responsible on behalf of the Company for:

a) The preparation and fair presentation of the financial report in accordance with NZ IPSAS RDR;

b) The selection and elements/aspects of service performance, performance measures and/or descriptions and measurement bases or evaluation methods that present service performance information that is appropriate and meaningful in accordance with NZ IPSAS RDR;

c) The preparation and fair presentation of service performance information in accordance with the Company's measurement bases or evaluation methods in accordance with NZ IPSAS RDR;

d) The overall presentation, structure and content of the service performance information in accordance with NZ IPSAS RDR; and

e) Such internal control as the Directors determine is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, 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 cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is 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) and NZ AS 1 (Revised) 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 this financial report.

As part of an audit in accordance with ISAs (NZ) and NZ AS 1 (Revised), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit of the report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and the Directors;
- Obtain an understanding of the process applied by the Directors to select its elements/aspects of service performance, performance measures and/or descriptions and the measurement bases or evaluation methods;
- Evaluate whether the selection of elements/aspects of service performance, performance measure and/or descriptions and measurement bases or evaluation methods present an appropriate and meaningful assessment of the Company's service performance in accordance with NZ IPSAS RDR;
- Evaluate whether the service performance information is prepared in accordance with the Company's measurement bases or evaluation methods, in accordance with NZ IPSAS RDR;
- Conclude on the appropriateness of the use of the going concern basis of accounting by the Directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and

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- Evaluate the overall presentation, structure, content of the financial report and whether the financial report represents the underlying transactions and events and elements/aspects of service performance in accordance with NZ IPSAS RDR in a manner that achieves fair presentation.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PKF Goldsmith Fox Audit.

PKF Goldsmith Fox Audit Limited

Christchurch, New Zealand

21 August 2025

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