

# Annual Accounts 2025

**Archer Memorial Baptist Home Trust** 



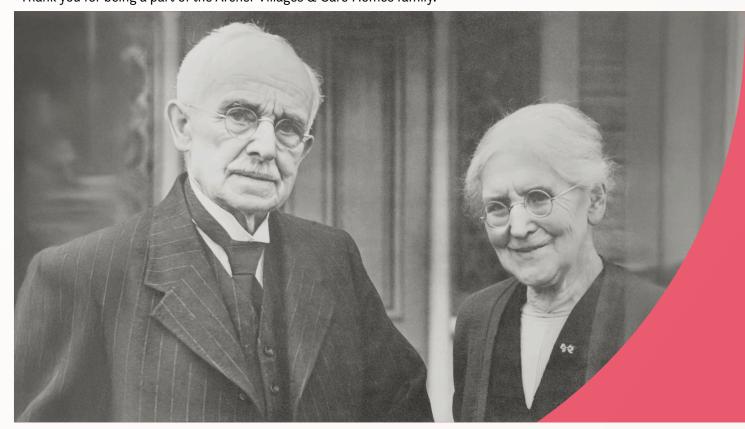
# **Archer Villages**

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

# Contents

2 - 8	Statement of Service Performance
9	Statement of Comprehensive Revenue and Expenses
10	Statement of Financial Position
11	Statement of Changes in Net Assets
12	Statement of Cash Flows
13 - 27	Notes to the Financial Statements
28- 30	Auditors' Report

### **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.



## **Purpose & Values**



**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**

# ogetherness

- 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.

# olistic Care

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

# espect

- 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.

#### ntegrity & 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.

# itality

- 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'.

#### mpathy & Compassion

 Approaching care with kindness, understanding and a loving attitude.





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

<sup>\*</sup> 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.



#### **Archer Memorial Baptist Home Trust**

## Consolidated Statement of Comprehensive Revenue and Expenses

for the year ended 31 March 2025	Note	2025	2024
		\$	\$
Revenue from Non-Exchange Transactions			
Insurance Claim Proceeds		7,520	42,195
modulation of damin in records	=	7,520	42,195
Povonue from Evolunge Transportions			
Revenue from Exchange Transactions Interest Received		14 701	21 644
		14,781	31,644
Care Fees		5,860,675	5,719,622
Rental Income		18,620	18,263
Rest Home Resident Services		35,430	42,014
ORA Resident Service Charges		1,054,519	1,028,413
Sundry Income		54,411	57,028
Village Contribution	-	2,120,901	2,004,129
		9,159,337	8,901,112
Other Income			
Fair Value Increase on Investment Property	8 _	4,421,679	3,057,096
		4,421,679	3,057,096
Total Revenue		13,588,536	12,000,403
Less Expenses			
Audit Fee	14	56,104	62,375
Depreciation	7	181,190	215,069
Donations		-	_
Interest Paid (Villa Settlements)		2,835	61,150
Finance Costs		865,936	827,687
Operating Expenses		3,622,472	2,864,728
Property Expenses		2,307,651	2,270,262
Salaries and Wages		5,178,763	5,303,579
Fair Value Decrease on Investment Property	8	430,000	-
Impairment of Property, Plant & Equipment	7	-	-
Total Expenses	_	12,644,951	11,604,849
Total surplus/(deficit)for the year	-	943,585	395,554
Other Comprehensive Revenue and Expenses			
Fair value (decrease)/increase on Property, Plant & Equipmer	7	413,352	(175,000)



#### Archer Memorial Baptist Home Trust Consolidated Statement of Financial Position

As at 31 March 2025	Note	2025	2024
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	4	751,519	1,181,500
Receivables from Exchange Transactions	5	505,947	796,940
Prepayments	J	12,160	362,052
Advance to Residents	6	186,096	244,160
Total Current Assets	Ŭ <b>-</b>	1,455,722	2,584,652
NON-CURRENT ASSETS			
Property, Plant and Equipment	7	6,781,149	6,117,997
Investment Properties	8 _	89,387,390	85,692,157
Total Non-Current Assets		96,168,539	91,810,154
Total Assets	-	97,624,261	94,394,806
101417100010	-	01,024,201	04,004,000
CURRENT LIABILITIES			
Accounts Payable	9	1,374,440	1,839,085
Occupation Right Agreements	10	50,437,911	50,030,798
Revenue Received in Advance	10	2,530,408	2,482,577
ASB Loan	11 _		10,000,000
Total Current Liabilities		54,342,759	64,352,460
NON-CURRENT LIABILITIES			
Non-Current Loans	11	11,606,023	_
Total Non-Current Liabilities	''-	11,606,023	
Total Non-Ourient Liabilities		11,000,023	_
Total Liabilities	_	65,948,782	64,352,460
	=	<u> </u>	
NET ASSETS	_	31,675,479	30,042,346
	-		
EQUITY			
Special project reserve	12	1,504,789	1,228,593
Accumulated comprehensive revenue and expense	12 _	30,170,690	28,813,753
Total net assets attributable to the owners of the controlling	entity _	31,675,479	30,042,346
	_		

For and on behalf of the Archer Memorial Baptist Home T	rust		
	Trustee	21 August 2025	_Date
Migray.	Trustee	21 August 2025	_ Date
<i>(</i> )			-



3

Consolidated Statement of Changes in Net Assets			
As at 31 March 2025	Note	2025	2024
		\$	\$
Equity at start of year			
Special project reserve		1,228,593	1,051,157
Accumulated comprehensive revenue and expense		28,813,753	28,593,199
	•	30,042,346	29,644,356
Special projects reserve transfer		276,196	177,436
Surplus/(Deficit) for the year		943,585	395,554
Other comprehensive revenue and expenses for the year		413,352	(175,000)
Total Comprehensive Revenue and Expense	•	1,356,937	220,554
Equity at end of period			
Special project reserve	12	1,504,789	1,228,593
Accumulated comprehensive revenue and expense	12	30,170,690	28,813,753
Total Equity		31,675,479	30,042,346



# Archer Memorial Baptist Home Trust Consolidated Statement of Cash Flows

for the year ended 31 March 2025	Note	2025	2024
		\$	\$
Cash Flows from Operating Activities			
Receipts:		7 200 401	6 647 670
Care Fees & Service Charges Rent Income		7,388,401 19,980	6,647,670 22,004
Interest Income		14,781	26,684
Receipts for Occupation Right Advances		6,857,161	9,187,900
Other Operating Receipts		62,451	86,961_
	_	14,342,774	15,971,219
Payments:			
Operating & Property Expenses		(6,000,531)	(4,716,625)
Wages & Salaries		(5,166,842)	(5,075,153)
Repayments for Occupation Right Advances	_	(4,426,135)	(5,792,701)
		(15,593,508)	(15,584,479)
Net Cash Flows from Operating Activities	-	(1,250,734)	386,740
Cook Flows from Investing Activities			
Cash Flows from Investing Activities Payments			
Purchase of Investment Properties & PPE		(62,776)	(119,316)
Taronass of invocational Toporass at TE	_	(62,776)	(119,316)
	_		
Net Cash Flows from Investing Activities	=	(62,776)	(119,316)
Cash Flows from Financing Activities			
Receipts			
Resident Loans Repaid		96,859	116,065
Loans Received	_	11,600,000	110.005
Payments		11,696,859	116,065
Interest Paid		(793,330)	(832,393)
Resident Loans New		(20,000)	(60,000)
Loans Repaid		(10,000,000)	0
	_	(10,813,330)	(892,393)
Net Cash Flows from Financing Activities	_	883,529	(776,328)
<u>-</u>	=		
Net Increase/(Decrease) in cash		(429,981)	(508,903)
Cash at beginning of year	_	1,181,500	1,690,403_
Cash at end of year	=	751,519	1,181,500
Cash comprised:			
Cash and Bank accounts	4	751,519	1,181,500
Cash at end of year	· <b>-</b>	751,519	1,181,500
•	=	- <del>,</del>	,,

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



#### 1. Reporting Entity

The Archer Memorial Baptist Home Trust and Group is an independent Charitable Trust registered under the Charitable Trusts Act 1957. The Trust is formed and domiciled in New Zealand. The Group's principal activities included operating two aged care homes, four retirement villages and rental properties. The registered office is located at 166 Colombo Street, Christchurch.

The Group consists of Archer Memorial Baptist Home Trust and its subsidiaries Archer Villages Limited and Archer Care Limited. The following subsidiaries were amalgamated into Archer Villages Limited during the period: Linrose Village Limited, Archer Care Facility Limited, Maryville Village Limited, Thorrington Village Limited, and Vintage Estates Limited. All of the subsidiaries are incorporated in New Zealand and 100% owned by the Group.

The financial statements are for the Group including the Trust and its subsidiaries and have been prepared in accordance with the Financial Reporting Act 2013. These financial statements for the year ended 31 March 2025 were authorised for issue on 21 August 2024.

The Trust has charitable status with the Charities Commission.

#### 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 Group 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, 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

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.

The amalgamation was accounted for under PBE IPSAS 40 PBE Combinations using the Pooling of Interest method of accounting. The financial impact of the amalgamation is eliminated on consolidation.



#### 4. Cash and Cash Equivalents

Cash and cash equivalents comprised the following:

	2025	2024
Unrestricted cash and bank deposits Long term maintenance (sinking fund) – restricted use	725,885 -	996,105 145,090
Funds held on behalf of residents – restricted use	10,466	9,933
Resident Welfare Funds – restricted use	15,168	30,372
	\$751,519	\$1,181,500

Refer to Note 9 for further information regarding Funds held on behalf residents. Refer to Note 12(b) 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 Group 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 Group and those activities relating to the cost of servicing the Group'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 Group has a total of \$196,000 owing that is greater than 30 days overdue at balance date (2024: \$33,000 owning). A provision of \$1,672 has been provided against this balance (2024: nil).

#### **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 Group has advanced \$186,096 (2024: \$244,160) 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 Additions Transfer between categories	2,792,000 - 488,000	2,453,000 15,080 (159,645)	872,997 47,697 (328,355)	6,117,997 62,777 -
Transfer from Investment Ppty Disposals	280,000	88,213	· · · · -	368,213
Fair value movement Depreciation Charge Net Carrying Amount	660,000 - \$ 4,220,000	(246,648) - \$ 2,150,000	- (181,190) \$ 411,149	413,352 (181,190) \$ 6,781,149
At 31 March 2024	Land (Freehold)	Buildings	Plant, Furniture & Vehicles	Total
At 1 April Net of Acc Depn Additions Disposals Fair value movement Depreciation Charge	2,662,000 - - 130,000 -	2,758,000 - - (305,000) -	1,009,767 80,466 (2,167) - (215,069)	6,429,767 80,466 (2,167) (175,000) (215,069)
Net Carrying Amount	\$ 2,792,000	\$ 2,453,000	\$ 872,997	\$ 6,117,997

#### Revaluation of land and buildings

The Group 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 17.

The Trustees have assessed the Thorrington Care Home for potential impairment, given sustained low occupancy rates and financial losses. A resulting impairment has been booked, with the book value of the Thorrington Care Home buildings 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 (2024: 7.75% and 9.50% respectively).

#### **Accounting Policies**

#### Property, plant & equipment

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 Group. 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) Work in Progress Occupation Rights Agreements Liability Revenue Received in Advance Total Investment Property at Fair Value	36,360,000 59,071 50,437,911 2,530,408 \$89,387,390	33,120,000 58,782 50,030,798 2,482,577 \$85,692,157
	2025	2024
Carrying amount at the start of the year	85,692,157	82,594,045
Additions	287	41,015
Transfer to PPE	(368,213) 71,480	=
GST Adjustment Fair value movement for the year	3,991,679	3,057,096
Carrying amount at end of year	\$89,387,390	\$85,692,157
	2025	2024
Villas and Studios Rental Properties Surplus Land	87,018,319 600,000 1,769,071	82,923,374 1,000,000 1,768,783
Carrying amount at end of year	\$89,387,390	\$85,692,157

Investment properties are carried at fair value, which has been determined by the Trustees having taken into consideration the operator's interest per the valuations conducted by 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 retirement village industry. The valuations are as at 31 March 2025 and are in accordance with PBE IPSAS 16.

Some assets were transferred between group entities during the year, which gave rise to some GST adjustments due to the differing GST registration status of the group entities.

#### Villas and Studios

The valuation of the villas and studios are market-based assessments using the discounted cashflow approach and are fully supported by market sales evidence. The discounted cashflow accounts for rental and returns after deducting expenses such as refurbishment costs, marketing and capital expenditure. Occupation Rights Agreement contracts were reviewed when determining the market value to the proprietor.

The discounted cashflow was then adjusted to take into account the residents Occupation Right Agreement liability as recorded in the statement of financial position to determine the overall land and improvements value.

The following key assumptions were used:



	2025	2024
Discounted Cashflow Period	25 Yrs	25 Yrs
Discount Rate	15.50-17.25%	15.00-17.25%
Growth Yr 1	0.50-1.00%	0.00-0.50%
Growth Yr 2	1.00-2.00%	1.00-2.00%
Growth Yr 3	2.00-3.00%	2.00-3.00%
Growth Yr 4 Onwards	3.00-3.75%	3.00%
Village Contribution Amortisation Period	8-9 Yrs	8-9 Yrs
Village Contribution Amortisation Period - Studios	4 Yrs	4 Yrs

If the actual occupancy period for village residents differs significantly from the averages shown above, the unamortised facility fees shown in the financial statement will be affected accordingly.

It is assumed that any unlicensed units will sell down with the first 12 months of cashflow. Unallotted licences (unsold stock) is valued "In One Line" whereby the value assumes the sale of all unsold stock in a single transaction and takes into account holding costs, marketing/legal costs and a profit/risk factor. The net value is in the "In One Line value of the unsold stock".

#### **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 Group.

#### **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** 583.467 540.414 **Employee Entitlements** 563,085 539,753 **GST & PAYE** 217,422 216,459 Residents Funds 19,278 10,466 **ORA Exit Payment** 523,181 \$1,374,440 \$1,839,085

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 Group 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	50,030,798	48,306,126
Sales & re-sales during the year	6,478,800	9,717,800
Repurchased during the year	(3,902,955)	(5,792,700)
Village contribution	(2,168,732)	(2,200,428)
Balance at end of year	\$50,437,911	\$50,030,798

#### **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 reoccupied.

The maturity date of each agreement 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 Group. As at 31 March 2025 there were no unallotted agreements 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

As at 31 March 2025, the following facilities were in place:

Туре	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	10,000,000	10,000,000
New facilities / drawdowns	11,600,000	-
Fees capitalised	6,023	-
Repayments (excluding interest)	(10,000,000)	=
Balance at end of year	\$11,606,023	\$10,000,000

The loans are provided by Christian Savings Limited. The ASB loan was repaid during the year.

#### Security

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

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 Group incurs in connection with the borrowing of funds. The Group 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 Group, measured as the difference between total assets and total liabilities. Equity is made up of the following component:

#### a. Accumulated Comprehensive Revenue and Expenses

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

#### b. Special Purpose Funds Held

These are restricted equity reserves created by the Group 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 Resident Welfare Funds	1,489,621 15,168	1,198,221 30.372
	\$1,504,789	\$1,228,593

#### **Long Term Maintenance Fund**

Each of the Group'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 Operator Contributions Approved Expenditure on Improvements	1,198,221 425,040 (134,891)	1,013,707 291,995 (110,877)
Interest Received Balance at end of year	1,251 \$1,489,621	3,396 \$1,198,221

#### **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

Intra-group related party transactions that have been eliminated in accordance with Note 18(i) have not been disclosed here.

Key management personnel of the Group, 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	56,104	62,375
	\$56,104	\$62,375

#### 15. Contingent Liabilities

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

#### 16. Capital Commitments

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

#### 17. Significant Events After Balance Date

Subsequent to balance date, on 22 May 2025, Archer Villages Limited 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.

#### 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 Group, 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 Group 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 Group entities have charitable status with the Charities Commission and are 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 Trust 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 Group 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 Group 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 Group 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 Group 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 Group 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 Group 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 the duration
  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 Group'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 Group'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.

# <u>Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest</u>

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 Group 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 Group 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 Group'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 Group 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 Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group 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 Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Group 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 Group 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 Group 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 Group 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 trustees 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.

#### (i) Basis of consolidation

#### Controlled entities

Controlled entities are entities controlled by the Group, being where the Group has power to govern the financial and operating policies of another entity so as to benefit from that entity's activities. The financial statements of the Group's controlled entities are included in the consolidated financial statements from the date that control commences until the date that control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

#### Transactions eliminated on consolidation

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full.





#### INDEPENDENT AUDITOR'S REPORT

To the Trustees of Archer Memorial Baptist Home Trust

#### **Report on the Audit of the Consolidated Financial Report**

#### **Opinion**

We have audited the consolidated financial report of Archer Memorial Baptist Home Trust and its subsidiary (the 'Group'), which comprise the consolidated financial statements on pages 9 to 27 and the service performance information on pages 2 to 8. The complete set of consolidated financial statements comprise the consolidated statement of financial position as at 31 March 2025 and the consolidated statement of comprehensive revenue and expenses, the consolidated statement of changes in net assets and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial report presents fairly, in all material respects:

- The financial position of the Group 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 Group'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 Trustees, as a body. Our audit work has been undertaken so that we might state to the Trustees 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 Trustees, 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 consolidated 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 Consolidated Financial Report* section of our report.

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

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

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



#### Trustees' Responsibilities for the Consolidated Financial Report

The Trustees are responsible on behalf of the Group for:

- a) The preparation and fair presentation of the consolidated 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;
- The preparation and fair presentation of service performance information in accordance with the Group'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 Trustees determine is necessary to enable the preparation of a consolidated financial report that is free from material misstatement, whether due to fraud or error.

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

#### Auditor's Responsibilities for the Audit of the Consolidated Financial Report

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 Group's internal controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and the Trustees;
- Obtain an understanding of the process applied by the Group 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 Group's service performance in accordance with NZ IPSAS RDR;
- Evaluate whether the service performance information is prepared in accordance with the Group'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 Trustees
  and, based on the audit evidence obtained, whether a material uncertainty exists related to events or
  conditions that may cast significant doubt on the Group'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 consolidated 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 Group to cease to continue as a going
  concern;
- Evaluate the overall presentation, structure, content of the consolidated financial report and whether
  the consolidated 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; and
- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial
  information and service performance information of the entities or business units within the Group as a
  basis for forming an opinion on the Group financial report. We are responsible for the direction,
  supervision and review of the audit work performed for the purposes of the Group audit. We remain
  solely responsible for the audit opinion.

We communicate with the Trustees 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 Limited** 

PKF Goldsmith Fox Audit.

Christchurch, New Zealand

21 August 2025







166 Colombo Street Beckenham

# Maryville Courts

155 Salisbury Street Christchurch Central

# Thorrington VILLAGE

51 Birdwood Avenue Beckenham

# Linrose VILLAGE

472 Linwood Avenue Woolston



www.archer.org.nz