



Annual Report 2026

Archer Villages Limited



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, over 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	Company Directory
3	Directors' Annual Report
4 - 10	Statement of Service Performance
11	Statement of Comprehensive Revenue and Expenses
12	Statement of Financial Position
13	Statement of Changes in Net Assets
14	Statement of Cash Flows
15 - 27	Notes to the Financial Statements
28- 30	Auditors' Report

Company Directory

as at 31 March 2026

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
Company Number	1969711
Date of Incorporation	24 July 2007
Auditors	PKF Goldsmith Fox Audit Limited
Statutory Supervisor	Covenant Trustee Services Limited
Bankers	ANZ
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 2026.

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

Director Remuneration

Director Fees of \$75,000 were paid from the Company.

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

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

Donations of \$50,000 were made during the financial year.

For and on behalf of the Board of Directors,

Director



Dated: 20 August 2026

Director



Dated: 20 August 2026

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, holds a Bachelor of Commerce in Accounting and was a Chartered Accountant for 40 years. 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 Director of Baptist Resources Ltd 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 has served as a Director and shareholder of Powell Fenwick Consultants 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 listed and private organisations across New Zealand and Australia. Currently, he runs his own business supporting manufacturing companies. Peter has a Bachelor of Engineering (Mechanical) and is a Member of the NZ Institute of Directors.

Peter has extensive experience in church governance, having chaired a large aged care organization in NSW from 2008 to 2014 and served on several church and denomination boards. He currently chairs Baycrest Village (a Baptist owned retirement village in Auckland) and also chairs Baptist Foundation Ltd.

Peter and his wife Joanne, members of Windsor Park Baptist Church, have three adult daughters and five 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 works at the University of Otago and in a consulting capacity as a health, disability and rehabilitation researcher. With a background as a neurorehabilitation physiotherapist spanning more than 25 years, Rachelle has extensive experience working alongside people and whānau affected by stroke, brain injury, spinal cord injury, and other long-term health and disability experiences.

Her work focuses on strengthening health, rehabilitation and community systems so that disabled people and people with long-term conditions have equitable opportunities to live well and participate fully in their communities. Rachelle is particularly interested in service design and participatory research that supports meaningful change in policy and practice.

Rachelle has been an active member of Ilam Baptist Church since 1991 and has served in a range of leadership and service roles over that time. She is also Deputy Chair of the National Council of the Baptist Churches of New Zealand, where she supports governance, strategic decision-making, and the wider life of the Baptist movement.

Rachelle is married to Mike, who is the director of a land surveying and development firm. They enjoy staying connected with their adult children, who are currently living overseas in the United Kingdom 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

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.

Service Objectives & Key Achievements

Community & Social Connectedness

Our vibrant community includes residents from our Independent Living Villages, as well as those in our Care Home, which provides rest home, hospital, and dementia-level care. Centrally located community centres in each Village, along with cosy lounges in our Care Homes, create welcoming spaces for residents to gather, connect, and build meaningful relationships.

	2026	2025
Independent living units available	174	167
Assisted living studios available	-	3
Residential care units available	52	104
Rental units available	1	1
Total Units	227	275
Residential care annual occupancy rate	83%	67%

During the year, following years of unsustainably low occupancy levels in our Thorrrington Care Home, our care offering was **centralised to our Beckenham Clinical Hub** and the Thorrrington Care Home closed.

Our **Archer Thrive** program offers a diverse array of activities and events tailored to meet the interests and abilities of our residents. The program's primary goal is to encourage 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

During the year, we also added a **new sensory room** to our dementia ward. This calming and interactive space is designed to support residents living with dementia, providing comfort, stimulation, and moments of peace through light, sound, and texture experiences.

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

In our 2025 survey of village residents, 15% of respondents identified as an ethnicity other than NZ Pākehā (2024: 20%).

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 home, 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.

	2026	2025
Average Village weekly fee (as at period end)	\$129.94	\$126.24
Average / Medium Villa price (as at period end)	\$533,000	\$513,000
Number of standard (non-premium fee) care rooms	14	51

During the 2025/26 financial year, we continued to invest in improvements across our villages and care homes to ensure our environments remain safe, modern, and well-suited to the evolving needs of older adults.

Key initiatives included:

Enhancing Safety and Resident Support

- Upgraded the call-bell system at the Beckenham Home, providing a more reliable and responsive communication system for residents and staff.
- Reconfigured the Beckenham Care Home to support our dedicated dementia care offering, creating spaces that promote safety, comfort, and familiarity for residents with cognitive impairment.

Improving Living Environments

- Supported three residents to install double glazing in their villas to improve warmth, comfort, and energy efficiency.
- Continued the programme of replacing and upgrading villa doors at Thorrington Village to enhance accessibility and security.

Strengthening Connectivity & Infrastructure

- Installed fibre to every unit at Beckenham Village, significantly improving internet access and digital connectivity for residents.

Enhancing Independent-Living Options

- Upgraded the studios at Thorrington Village into fully self contained, one bedroom, independent living apartments, increasing resident choice and quality of accommodation.

Optimising Village Grounds and Shared Spaces

- Demolished the derelict “white house” at Thorrington Village and transformed the area into a temporary green lawn space for resident recreation and community use.

Planning for Future Improvements

- Engaged with residents at Linrose Village regarding the reconfiguration of the Community Centre to create more functional, usable shared spaces. Detailed planning is now well underway.
- Consulted with Maryville Village residents on proposed improvements to the Village Green, with planning progressing to enhance this central outdoor community space.

Quality Care & Well-Being

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

Our annual Care Home Resident Survey shows that residents continue to feel well supported in our homes. Residents reported high levels of kindness and respect from staff (86%), confidence in how well their health needs are managed (87%), and strong satisfaction with the cleanliness, comfort, and safety of their living environment (91%).

Overall satisfaction with living in the home remained very high at 88%. Survey results are based on a four-point response scale ("Never" to "Always"), converted to a 0–100% score for clarity.

In our 2025 survey of village residents, we sought to understand how living in our villages impacts well-being and social connection. We asked, "Does the Village provide a dignified environment, enhancing positive mental health, relationship building and reducing loneliness and isolation?" An overwhelming 94% of respondents indicated they were either 'satisfied' or 'very satisfied,' with no residents reporting dissatisfaction (2024: 91%).

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, 96% answered 'yes' (2024: 92%), and 92% said they would recommend their retirement village to others (2024: 93%).

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.

During the year, our staff satisfaction survey recorded an overall engagement score of 69% (2024: 64%) and a well-being score of 55% (2024: 55%), with an engagement rate of 35% (2024: 42%).

Given the organisational changes and restructuring that took place during the year, a shift in engagement is not unexpected. We remain committed to strengthening the staff experience and fostering a workplace culture that supports wellbeing, connection, and growth.

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 & care home life, leading regular services and offering support to residents and their families.

Giving

Giving back is an important part of who we are. Through our Hardship Fund and other initiatives, we continue to support residents, staff, and our wider community. Whether through financial assistance, resource sharing, or donations to local charities, our giving reflects Archer’s long-standing values of care, dignity, and community.

	2026	2025
Residents supported through the Hardship Fund*	16	23
Value provided under the Hardship Fund	\$54,020	\$94,600
* Includes provisions of interest-free loans, premium room waivers etc		

With the closure of Thorrington Care Home, we were pleased to ensure that a significant quantity of quality furniture, bedding, household resources, and personal items — including books, DVDs, CDs, and furnishings — were redirected to benefit others. These items were donated to a range of charitable organisations, including Hato Hone St John, the St Vincent de Paul Society, the Salvation Army, Nurse Maude, and the Rotary Foundation.

Staff and Village residents were also given the opportunity to select items at no charge, and a small number of pieces were sold to staff for a voluntary donation to the Residents’ Fund.

It was heartening to see so many items remain within the charitable sector and go on to support those in need across our wider communities - while also directly benefiting our own staff and residents.

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 2026

	Note	2026 \$	2025 \$
Revenue from Non-Exchange Transactions			
Insurance Claim Proceeds		23,329	-
		<u>23,329</u>	<u>-</u>
Revenue from Exchange Transactions			
Interest Received		4,781	2,199
Care Fees		4,686,549	543,159
Rental Income		18,680	1,360
Rest Home Resident Services		1,391	2,507
ORA Resident Service Charges		1,081,768	272,766
Sundry Income		40,835	372
Village Contribution		<u>1,669,089</u>	<u>543,818</u>
		7,503,092	1,366,181
Other Income			
Fair Value Increase on Investment Property	8	<u>5,272,333</u>	<u>293,822</u>
		5,272,333	293,822
Total Revenue		12,798,754	1,660,003
Less Expenses			
Audit Fee	14	52,813	54,225
Depreciation	7	101,982	8,028
Donations		-	-
Interest Paid (Villa Settlements)		1,220	2,835
Finance Costs		810,376	75,441
Operating Expenses		2,277,255	434,648
Property Expenses		2,397,425	627,867
Salaries and Wages		4,679,108	413,021
Loss on Sale	7	<u>53,574</u>	<u>-</u>
Total Expenses		<u>10,373,753</u>	<u>1,616,065</u>
Total surplus/(deficit)for the year		2,425,001	43,938
Other Comprehensive Revenue and Expenses			
Fair value (decrease)/increase on Property, Plant & Equipment	7	314,691	-
Total Comprehensive Revenue and Expenses for the year		<u>2,739,692</u>	<u>43,938</u>

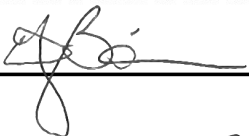
NOTE: This Statement is to be read in conjunction with the Notes to the Financial Statements.



Archer Villages Limited
Statement of Financial Position
As at 31 March 2026

	Note	2026 \$	2025 \$
CURRENT ASSETS			
Cash and cash equivalents	4	35,441	707,915
Receivables from Exchange Transactions	5	200,572	505,947
Prepayments		371,469	12,160
Advance to Residents	6	186,096	186,096
Total Current Assets		793,578	1,412,118
NON-CURRENT ASSETS			
Property, Plant and Equipment	7	7,389,761	6,781,149
Investment Properties	8	95,379,033	89,387,390
Total Non-Current Assets		102,768,794	96,168,539
Total Assets		103,562,372	97,580,657
CURRENT LIABILITIES			
Accounts Payable	9	1,053,569	1,374,439
Occupation Right Agreements	10	53,333,114	50,437,911
Revenue Received in Advance	10	3,122,032	2,530,408
Loan: Archer Memorial Baptist Home Trust	13	1,473,660	1,483,660
Total Current Liabilities		58,982,375	55,826,418
NON-CURRENT LIABILITIES			
Non-Current Loans	11	11,700,715	11,606,023
Total Non-Current Liabilities		11,700,715	11,606,023
Total Liabilities		70,683,090	67,432,441
NET ASSETS		32,879,282	30,148,216
EQUITY			
Special project reserve	12	6,541	1,504,789
Accumulated comprehensive revenue and expense		32,872,741	28,643,427
Total net assets attributable to the owners of the controlling entity		32,879,282	30,148,216

For and on behalf of the Archer Villages Limited

	Director	20 August 2026
	Director	20 August 2026

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 2026

	Note	2026	2025
		\$	\$
Equity at start of year			
Special project reserve		1,504,789	482,718
Accumulated comprehensive revenue and expense		<u>28,643,427</u>	<u>8,969,391</u>
		30,148,216	9,452,109
 Special projects reserve transfer		 (8,627)	 1,022,071
 Surplus/(Deficit) for the year		 2,425,001	 43,938
Amalgamation: net equity acquired	3	-	19,630,098
Other comprehensive revenue and expenses for the year		<u>314,691</u>	<u>-</u>
Total Comprehensive Revenue and Expense		2,739,692	19,674,036
 Equity at end of period			
Special project reserve	12	6,541	1,504,789
Accumulated comprehensive revenue and expense		<u>32,872,741</u>	<u>28,643,427</u>
Total Equity		<u>32,879,282</u>	<u>30,148,216</u>

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 2026

	Note	2026 \$	2025 \$
<u>Cash Flows from Operating Activities</u>			
Receipts:			
Care Fees & Service Charges		5,930,263	1,118,142
Rent Income		18,680	1,360
Interest Income		4,781	2,199
Receipts for Occupation Right Advances		11,643,619	2,099,880
Other Operating Receipts		66,523	892
		<u>17,663,866</u>	<u>3,222,473</u>
Payments:			
Operating & Property Expenses		(5,243,310)	(1,121,013)
Wages & Salaries		(4,898,711)	(401,100)
Repayments for Occupation Right Advances		(6,342,884)	(1,148,885)
		<u>(16,484,905)</u>	<u>(2,670,998)</u>
Net Cash Flows from Operating Activities		<u>1,178,961</u>	<u>551,475</u>
<u>Cash Flows from Investing Activities</u>			
Receipts			
Cash acquired on Amalgamation		-	517,574
Sale of PPE		34,379	-
		<u>34,379</u>	<u>517,574</u>
Payments			
Purchase of Investment Properties & PPE		(1,203,165)	(4,947)
		<u>(1,203,165)</u>	<u>(4,947)</u>
Net Cash Flows from Investing Activities		<u>(1,168,786)</u>	<u>512,627</u>
<u>Cash Flows from Financing Activities</u>			
Receipts			
Resident Loans Repaid		-	85,501
Advance of Non-Current Loans		1,998,665	-
Advance from Archer Memorial Baptist Home Trust		-	65,000
		<u>1,998,665</u>	<u>150,501</u>
Payments			
Interest Paid		(766,126)	(2,835)
Repayment of Non-Current Loans		(1,905,188)	-
Advance to Archer Memorial Baptist Home Trust		(10,000)	(600,000)
Resident Loans New		-	(20,000)
		<u>(2,681,314)</u>	<u>(622,835)</u>
Net Cash Flows from Financing Activities		<u>(682,649)</u>	<u>(472,334)</u>
Net Increase/(Decrease) in cash		(672,474)	591,768
Cash at beginning of year		707,915	116,147
Cash at end of year		<u>35,441</u>	<u>707,915</u>
<u>Cash comprised:</u>			
Cash and Bank accounts	4	35,441	707,915
Cash at end of year		<u>35,441</u>	<u>707,915</u>

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.



Archer Villages Limited
Notes to the Financial Statements
For the period ending 31 March 2026

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 2026 were authorised for issue by the Directors on 20 August 2026.

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

In the prior year, 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
- Thorrrington 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 Thorrrington 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.

Archer Villages Limited
Notes to the Financial Statements
For the period ending 31 March 2026

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:

	2026	2025
Unrestricted cash and bank deposits	28,900	682,281
Funds held on behalf of residents – restricted use	-	10,466
Resident Welfare Funds – restricted use	6,541	15,168
	<u>\$35,441</u>	<u>\$707,915</u>

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.

Archer Villages Limited
Notes to the Financial Statements
For the period ending 31 March 2026

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 \$6,500 owing that is greater than 30 days overdue at balance date. A provision of \$2,000 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 (2025: \$186,096) 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).

Archer Villages Limited
Notes to the Financial Statements
For the period ending 31 March 2026

7. Property, Plant and Equipment

At 31 March 2026	Land (Freehold)	Buildings	Plant, Furniture & Vehicles	Total
At 1 April Net of Acc Depn	4,220,000	2,150,000	411,149	\$ 6,781,149
Additions	-	355,309	40,594	395,903
Disposals	-	-	-	-
Fair value movement	110,000	204,691	-	314,691
Depreciation Charge	-	-	(101,982)	(101,982)
Net Carrying Amount	\$ 4,330,000	\$ 2,710,000	\$ 349,761	\$ 7,389,761

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
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 for the prior year are several properties acquired from the Parent company. Refer Note 13 for further details.

Thorrington Care Home

During the period, the Thorrington Care Home was closed. The building was recorded at a book value of \$150,000 as at 31 March 2026. As no decision has yet been made regarding its future use, the property continues to be classified as Property, Plant and Equipment.

Revaluation of land and buildings

The Company engaged Samantha Stark BBUS PROP (VAL), MNZIV, Registered Valuer and Warren Glassey FNZIV, Registered 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 2026 and are in accordance with PBE IPSAS 17.

Care Rest Home Facilities

The Beckenham Care Home is certified for swing rest home/hospital beds (38 rooms) and dementia care (14 rooms), with the valuation assuming 11 rest home beds, 27 hospital beds and 14 dementia beds. 38 rooms include an ensuite whilst 16 dementia rooms do not have an ensuite and share toilet and bathroom facilities.

Fair value was assessed using a market rental capitalisation approach. The capitalisation rates used was 7.25% (prior year: 7.50% for Beckenham Care).

The carrying value of the Thorrington Care Home remains impaired against the Colliers assess value.

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 2025.

Archer Villages Limited
Notes to the Financial Statements
For the period ending 31 March 2026

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.

Archer Villages Limited
Notes to the Financial Statements
For the period ending 31 March 2026

8. Investment Properties

	2026	2025
Operators Interest (per valuation)	38,864,816	36,360,000
Work in Progress	59,071	59,071
Occupation Rights Agreements Liability	53,333,114	50,437,911
Revenue Received in Advance	3,122,032	2,530,408
Total Investment Property at Fair Value	<u>\$95,379,033</u>	<u>\$89,387,390</u>

	2026	2025
Carrying amount at the start of the year	89,387,390	16,165,129
Acquired on amalgamation	-	70,060,172
Additions	719,310	2,868,267
Fair value movement for the year	5,272,333	293,822
Carrying amount at end of year	<u>\$95,379,033</u>	<u>\$89,387,390</u>

	2026	2025
Villas and Studios	92,859,033	87,018,319
Rental Properties	615,000	600,000
Surplus Land	1,905,000	1,769,071
Carrying amount at end of year	<u>\$95,379,033</u>	<u>\$89,387,390</u>

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

Investment properties are carried at fair value, which has been determined by the Directors having taken into consideration the operator's interest per the valuations conducted by Samantha Stark BBUS PROP (VAL), MNZIV, Registered Valuer and Warren Glassey FNZIV, Registered 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 2026 and are in accordance with PBE IPSAS 16.

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 discount 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:

Archer Villages Limited
Notes to the Financial Statements
For the period ending 31 March 2026

	2026	2025
Discounted Cashflow Period	25 Yrs	25 Yrs
Discount Rate	15.50-17.25%	15.50-17.25%
Growth Yr 1	1.00%	0.50-1.00%
Growth Yr 2	2.00%	1.00-2.00%
Growth Yr 3	3.00%	2.00-3.00%
Growth Yr 4 Onwards	3.75%	3.00-3.75%
Village Contribution Amortisation Period	8-9 Yrs	8-9 Yrs
Village Contribution Amortisation Period – Studios	n/a	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 2026.

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).

Archer Villages Limited
Notes to the Financial Statements
For the period ending 31 March 2026

9. Accounts Payable

	2026	2025
Trade Creditors	570,011	583,466
Employee Entitlements	343,483	563,085
GST & PAYE	140,075	217,422
Residents Funds	-	10,466
	<u>\$1,053,569</u>	<u>\$1,374,439</u>

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.

	2026	2025
Balance at the start of the year	50,437,911	9,414,707
Acquired on amalgamation	-	40,440,118
Sales & re-sales during the year	11,498,800	2,244,700
Repurchased during the year	(6,342,884)	(1,148,885)
Village contribution	(2,260,713)	(512,729)
Balance at end of year	<u>\$53,333,114</u>	<u>\$50,437,911</u>

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 2026 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.

Archer Villages Limited
Notes to the Financial Statements
For the period ending 31 March 2026

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 2026, 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 29 Aug 2026
Fixed Loan 2	30 Aug 2039	\$5.00m of \$5.00m	5.90% fixed until 29 Aug 2027
Revolving Credit	01 Apr 2027	\$1.70m of \$3.50m	5.80% floating

The two fixed loan facilities are on interest only repayments until 01 April 2027.

	2026	2025
Balance at the start of the year	11,606,023	-
New facilities / drawdowns	1,998,665	11,600,000
Fees capitalised	1,215	6,023
Repayments (excluding interest)	(1,905,188)	-
Balance at end of year	<u>\$11,700,715</u>	<u>\$11,606,023</u>

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:

Archer Villages Limited
Notes to the Financial Statements
For the period ending 31 March 2026

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.

	2026	2025
Long Term Maintenance Provision	-	1,489,621
Resident Welfare Funds	6,541	15,168
	<u>\$6,541</u>	<u>\$1,504,789</u>

Long Term Maintenance Fund

During the year, the Group discontinued the use of a Long-Term Maintenance Fund. Future maintenance expenditure will be recognised as operating or capital expenditure when incurred. The prior balance of the reserve has been reclassified to Accumulated Comprehensive Revenue and Expenses.

Resident Welfare Funds

Following the closure of the Thorington Care Home, the remaining balance of the Tui Resident Fund was transferred to the Phoebe Elizabeth Fund. As a result, there is now one consolidated Resident Welfare Fund in place.

The Phoebe Elizabeth Fund is administered by the General Manager, with expenditure directed toward initiatives that support and enhance the welfare of residents. Funds are raised throughout the year, with contributions also received from 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).

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 Company repaid \$10,000 of the loan during the year. 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 prior 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 \$920,416 (2025: \$894,973 for the group). This includes the amount paid to the Board of Directors of \$75,000 (2025: \$71,874 for the group).

During the year, board secretarial services were provided by Baptist Resources Limited, an entity of which B V Nicolson, a director of the Company, is the General Manager. Fees of \$5,750 (including GST) were paid or payable for these services during the year. The services were provided on normal commercial terms.



Archer Villages Limited
Notes to the Financial Statements
For the period ending 31 March 2026

No amounts with any related parties were impaired in the financial year (2025: Nil).

14. Remuneration of Auditors

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

	2026	2025
Audit Services – Financial Statements	52,813	54,225
	<u>\$52,813</u>	<u>\$54,225</u>

15. Contingent Liabilities

The Company has \$Nil contingent liabilities at 31 March 2026 (2025: Nil).

16. Capital Commitments

At 31 March 2026, the Company had no outstanding capital commitments, other than the remaining balance payable on completion of the solar panel installation project (\$88,000) for which a deposit has already been paid (2025: Nil).

17. Significant Events After Balance Date

There are no 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 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 received.



Archer Villages Limited
Notes to the Financial Statements
For the period ending 31 March 2026

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

Financial assets and financial liabilities are initially recognised when the Company becomes a party to the relevant contractual terms. They are measured at fair value, plus transaction costs for items not measured at fair value through surplus or deficit.

Financial Assets - Classification and Subsequent Measurement

Financial assets held comprise cash and cash equivalents, receivables, and advances to residents, all of which are measured at amortised cost. These assets are held to collect contractual cash flows that represent solely payments of principal and interest.

The Company holds financial assets solely to collect contractual cash flows and therefore classifies them at amortised cost.

Financial assets at amortised cost are measured using the effective interest method and reduced by expected credit losses. Gains and losses are recognised in surplus or deficit when the asset is derecognised or impaired.

Financial Liabilities – Classification & Subsequent Measurement

Financial liabilities comprise trade and other payables, bank borrowings, and occupation right agreement (ORA) liabilities. Payables and borrowings are measured at amortised cost. ORA liabilities are measured at fair value as they contain a demand feature.

Archer Villages Limited
Notes to the Financial Statements
For the period ending 31 March 2026

Derecognition

Financial assets are derecognised when contractual rights to cash flows expire or are transferred. Financial liabilities are derecognised when the obligation is discharged, cancelled, or expires.

Offsetting

Financial assets and liabilities are not offset unless a legally enforceable right exists to set off the recognised amounts.

(d) Impairment of assets

The Company assesses at each reporting date whether there is any indication that a non-financial asset may be impaired. If any indication exists, the recoverable amount of the asset is estimated. 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 2025.

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 27 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 2026 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 2026, and its financial performance and its cash flows for the year then ended; and
- The service performance information for the year ended 31 March 2026 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 ('PBE Standards 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 PBE Standards 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 PBE Standards 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 PBE Standards RDR;
- d) The overall presentation, structure and content of the service performance information in accordance with PBE Standards 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 PBE Standards RDR;
- Evaluate whether the service performance information is prepared in accordance with the Company's measurement bases or evaluation methods, in accordance with PBE Standards 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



- 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 PBE Standards 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

20 August 2026



 Beckenham
VILLAGE & HOME

166 Colombo Street
Beckenham

 Thorrington
VILLAGE

51 Birdwood Avenue
Beckenham

 Maryville Courts
VILLAGE

155 Salisbury Street
Christchurch Central

 Linrose
VILLAGE

472 Linwood Avenue
Woolston

 **Archer**
Villages & Care Homes

www.archer.org.nz