Arvida

2022

Annual Report

To 31 March 2022

About this Report

SCOPE, BOUNDARY AND REPORTING CYCLE

This Annual Report and Financial Statements (Annual Report) of Arvida Group Limited (Arvida or Group) are prepared in accordance with the International Financial Reporting Standards, NZX Listing Rules and Corporate Governance Code, Companies Act 1993 and with due consideration of the International Integrated Reporting Council's (IIRC) International Integrated Reporting Framework.

The information is supplemented by additional disclosures, including:

- 2022 Annual Results Presentation
- 2022 Notice of Annual General Meeting,

which are also available on the Group's website (www.arvida.co.nz).

Additionally, audit reports for each of our care facilities are available at the Ministry of Health's website (www.health.govt.nz) along with audited financial statements for each of our retirement villages at the New Zealand Companies Office website (www.companiesoffice.govt.nz).

We have continued to focus on selected elements of the Integrated Reporting <IR> framework in a pragmatic approach to improving our reporting.

TARGET AUDIENCE AND APPLICATION

This report has been primarily prepared for current investors to outline how we are delivering on our strategy. The report is also relevant for prospective investors or any other stakeholder who has an interest in our performance and prospects.

EXTERNAL AUDIT AND ASSURANCE

An audit of Arvida's consolidated annual financial statements was performed by the Group's independent external auditor, Ernst & Young in accordance with International Standards on Auditing (New Zealand).

The rest of this Annual Report has not been subjected to independent audit or review. Information reported, other than that mentioned above, is derived from Arvida's own internal records and publicly disclosed information.

The Executive Management and the Board have collectively reviewed the contents of this Annual Report and agree that it reflects a balanced view of business performance and outlook.

FORWARD-LOOKING STATEMENTS

The Annual Report contains certain forward-looking statements with respect to Arvida's financial position and operational results. This involves a degree of risk and uncertainty because they relate to events and depend on circumstances that may or may not occur in the future.

Factors that could cause our actual results to differ materially from those in the forward-looking statements include global, national and regional economic conditions; levels of securities markets; interest rates; credit or other risks of lending and investment activities; pandemic events; as well as competitive and regulatory factors. Because of this uncertainty, all forward-looking statements have not been reviewed or reported on by our auditor.

We welcome your feedback on this report. Please address any queries or comments to the Investor Relations team at info@arvida.co.nz.

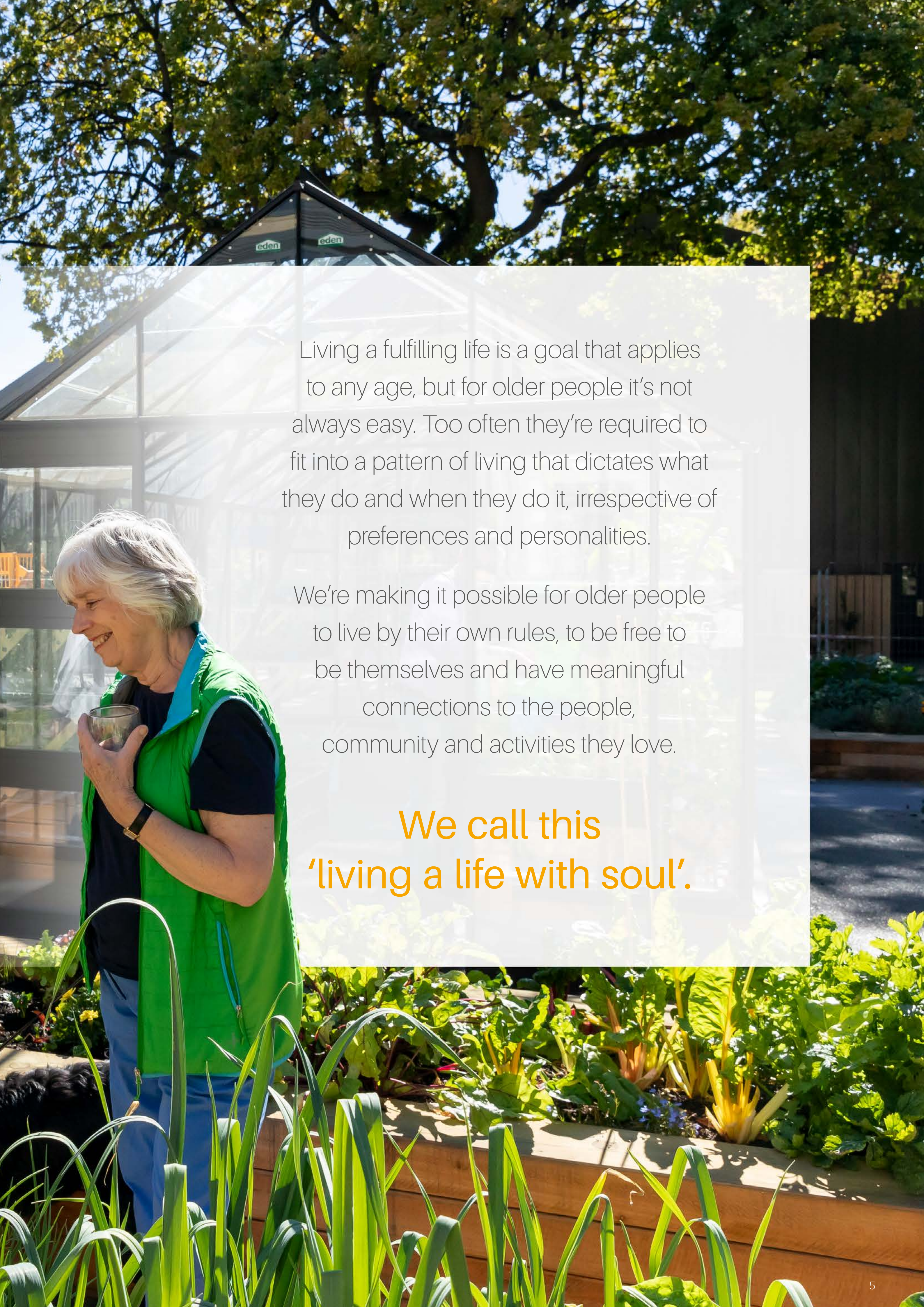
TOITŪ CARBON REDUCE ISO 14064-1 ORGANISATION

Arvida is a Toitū carbonreduce certified organisation in line with ISO 14064-1.

Produced on paper that uses ECF (Elemental Chlorine Free) FSC® Certified pulp from Responsible Sources.

Contents

Living Well Park Lane, Christchurch.



Living a fulfilling life is a goal that applies to any age, but for older people it's not always easy. Too often they're required to fit into a pattern of living that dictates what they do and when they do it, irrespective of preferences and personalities.

We're making it possible for older people to live by their own rules, to be free to be themselves and have meaningful connections to the people, community and activities they love.

We call this 'living a life with soul'.

Arvida at a Glance

We were formed in 2014 when we listed on the New Zealand stock exchange with 18 retirement villages. Since then, we have grown to become a group spread across 35 locations nationally, and two sites for future development.

Arvida now offers retirement living accommodation and aged care services to over 6,750 residents. We are one of the largest providers of aged care services in New Zealand.

We are creating thriving retirement communities where older New Zealanders can lead connected and fulfilling lives.

Our mission, which guides us in what we do and why, is to improve the lives of New Zealanders by transforming the ageing experience. We are doing this by breaking free from institutional models to put our residents' quality of life at the centre of everything we do.

Our purpose is to enable a more fulfilling life as people age. Everyday over 2,700 team members strive to improve the lives and wellbeing of our residents, making it possible for older people to live by their own rules.

Our way of working ensures they're free to be themselves, have meaningful connections to the things they know and love – and live a life with soul.

With this vision, we are reimagining how communities will age and setting strategy accordingly. Our focus is on the resident – we are resident-led in our outcomes. This resonates through strategy from new builds and acquisitions, to our care model which we call The Attitude of Living Well.™

We own and operate all our retirement communities, other than Village at the Park in which we have a 50% interest but manage the operations.

We have support offices in Auckland and Christchurch.

Total Aged Care Beds

763
HOSPITAL

545
REST HOME

236
DEMENTIA CARE

1,544
TOTAL AGED CARE BEDS

94%
OCCUPANCY OF AGED CARE BEDS

Total Retirement Units

3,912
TOTAL RETIREMENT UNITS

3,056
VILLAS/ APARTMENTS

707
SERVICED APARTMENTS

149
CARE SUITES

82 years
CURRENT AVERAGE AGE OF INDEPENDENT LIVING RESIDENTS

87 years
CURRENT AVERAGE AGE OF SERVICED APARTMENT RESIDENTS

Our Direction

Our Inputs

Capital

Shareholder, bondholder, bank and resident capital

35

retirement communities across New Zealand with two sites for future communities

The Attitude of Living Well™
Good Friends™
Internal development team

2,700+

employees

6,750+

residents

Partnerships

Community and commercial partnerships

OUR VALUES

Passionate
We love what we do; our residents are our family

Authentic
Our care is genuine and we keep things real

Fair
We act with integrity and we respond fairly and consistently

OUR MISSION

Transform the ageing experience

Our Business Model shows our key inputs interacting with our business activities (which has our values at its core) to create outputs of sustainable, commercial value.

The outcomes of our activity are measured and take us towards mid-term and long-term goals that reflect our mission.

Growing Well

Engaging Well

Our Outcomes

Leading
provider of quality retirement accommodation and aged care services in New Zealand

5,456
units/beds with planned future development adding 1,928 units/beds

44%
needs-based

Innovative
We constantly search for better outcomes; we challenge 'normal'

Can do
We're empowered to get things done; we start with 'yes' and focus on solutions

Nimble and flexible
We change things when it makes sense to create great resident outcomes

Our Strategy

Our strategy is to achieve sustainable performance by delivering on our four strategic pillars – Growing Well, Engaging Well, Living Well, Nurturing Well – which has our people at the centre of everything we do.

The approach is underpinned by the values we embrace: passion; authenticity; fairness; can-do; innovative; and nimble and flexible.

Our Vision

Create thriving retirement communities where older New Zealanders can lead connected and fulfilling lives.

Our Purpose

To enable a more fulfilling life as people age. We call this ‘living a life with soul’.

Our Strategic Pillars

Growing Well

We want to grow well by acquiring and building quality assets that will be relevant and attractive for generations to come, because they allow residents to live well as they age.

Engaging Well

We want to attract and retain talented, passionate people who identify with our core values and are obsessed with achieving the best outcomes for our residents. In return, we offer our team an environment where they are valued for their input and supported to be their best.

Living Well

We want every resident to be actively involved with designing their own life and shaping their community. We hope to hear them tell friends and family how much they love their life.

Nurturing Well

We want to reduce the impact of climate change and enhance social equity. We do this by making responsible decisions about resource use, financial management and human rights.

Our Value Outcomes

50 retirement communities of scale offering a continuum of care

A safe workplace with a culture that supports team members to strive for continuous improvement

Thriving communities that express The Attitude of Living Well™

Leader in environmental and social guardianship

Our Values

Passionate; Authentic; Fair; Innovative; Can do; Nimble and Flexible

Our Enablers

Community connection	Passionate people	Brand authenticity	Access to capital	Innovative thinking

Our Sustainability Goals

Portfolio

Grow our portfolio of market leading retirement communities

Our measures:
Embodied carbon; construction waste, healthy homes

People

Empower our people to give their best everyday

Our measures:
Staff retention, staff satisfaction; diversity & inclusion

Residents

Inspire our residents to live their best lives

Our measures:
Engagement; community outreach; Good Friends members

Sustainability

Be a sustainable organisation

Our measures:
Greenhouse gas emissions, energy use, waste to landfill, financial returns

Our Business Model

OUR STRATEGIC PILLARS	FY22 OUTCOMES	MID-TERM GOALS
Growing Well	**221** new units delivered **1,928** units in the development pipeline **6** villages acquired **4** villages divested **2** sites acquired for future communities **17%** development margin	• Navigate an uncertain economic and property market well in the year ahead • Set strategy to best achieve our medium term goal of 300+ new units annually • Look to the future in what and how we build
Engaging Well	**85%** staff engagement indexed **78%** of workforce female **2.3%** gender pay gap **50k+** training modules completed **Nil** notified H&S injury incidents investigated **73%** of care centres with 4 year certification	• Develop and set a compelling people strategy that will endure • Continue to engage and embed The Attitude of Living Well across the business • Lead the sector on proactively adopting diversity & inclusion
Living Well	**+42** NPS village residents **+45** NPS care residents **94%** care occupancy **1** Good Friends community **550** members regularly accessing services	• Keep our residents safe from Covid-19 with their continued wellness paramount • Grow the market proposition of Good Friends™ in Auckland and Christchurch and our new developments • Foster relationships across residents, community and strategic partners
Nurturing Well	**8.2%** reduction in FY21 emissions **50t** of carbon emissions offset **B-** Carbon emissions measured and independently audited; CDP rating of B- **$330m** capital raising completed, DRP Implemented **25%** gearing	• Reflect best practice governance ready for FY24 TCFD reporting • Commit to the sustainability vision and roadmap for the business • Develop a sustainable financing programme underpinned by ESG leadership

HOW WE MEASURE	OUTLOOK	LONG-TERM GOALS
• Portfolio size and needs-based composition • Number of units able to be delivered sustainably over the long term • Brand recognition	• Domestic economic environment impact on construction and residential housing markets uncertain • Building materials supply line disruption possible • Rising inflationary outlook	• 50 retirement communities of scale offering a continuum of care • Track record of building retirement communities with significant IP in designing care centres that deliver resident-led outcomes
• Employee engagement, learning and turnover • Notified injuries and clinical standards • Diversity and inclusion	• Workforce constraints and declining affordability exacerbating tight labour market • New Nga Paerewa health standard introduces additional governance and compliance requirements • Sector funding model continuing to place unsustainable pressure on care margins	• Excellence in the delivery of quality aged care • An employer of choice that offers a safe workplace with a culture that supports team members to strive for better
• Care centre occupancy • Net Promoter Score • Outwardly facing community engagement	• Ongoing DHB restructure and potential access to home & community funding for Good Friends • Lift in enquiry, with communities placing a much greater value on health and wellbeing following Covid-19	• The Attitude of Living Well expressed in our retirement communities • An authentic brand and trusted market position
• Formation of strategic initiatives and management plans to facilitate our longterm approach • Data integrity; governance practice • Capital management initiatives	• XRB finalising proposed climate-related disclosure requirements • Group-wide focus on elevating sustainability initiatives and progressing identified priorities	• A leader in environmental and social guardianship working towards meeting science-based carbon emission target • Underlying profit exceeding $200m with a core profitable New Zealand business • Clear growth potential in other markets

Chair's Letter

Anthony Beverley
Chair

"2022 was a year of significant growth for Arvida, as we continued to develop and enhance our village and care portfolio, and roll out the successful execution of our broader strategy to secure available opportunities."

Welcome to Arvida's annual report for the 12 months ended 31 March 2022.

This is my first report as your Chair, having been appointed on Peter Wilson's retirement in July 2021. Jeremy Nicoll also became chief executive during the year with the departure of Bill McDonald at the end of September 2021.

Both of us have a long history with Arvida, extending back to the initial public offering. Over this period we have seen the group grow to become a major participant in New Zealand's aged care and retirement living sector.

The ambition and strategic direction for Arvida remains the same – looking after the best interests of our residents, teams and shareholders. This mission is core to everything we do.

MARKET CONDITIONS

In 2022, the coronavirus pandemic continued to cause significant disruption to New Zealand's economy. It also had a considerable impact on Arvida's business operations throughout the year.

Our purpose of 'enabling a more fulfilling life as people age' has never been more relevant in the current environment. Protecting the wellbeing of our residents and teams, and ensuring their safety has been the priority throughout the last two years of the pandemic.

New Zealand's Omicron outbreak, which occurred through the latter part of the financial year, created some extraordinary work pressures – not just for the Arvida team, but for many health sector participants. Our teams were well-prepared and tirelessly strived to ensure our communities remained safe. Their resolve allowed us to address the challenges of the pandemic effectively.

On behalf of the Board, I would like to acknowledge the considerable effort and commitment of the Arvida team in supporting our residents' wellbeing and maintaining a high standard of care over this recent period.

STRATEGY

The ageing of New Zealand's population will continue to drive demand for aged care services and retirement living options. At the same time, technological change and entry of the 'boomer' generation into retirement mean there is a transition under way to enhanced customer choice.

Some of the traditional advantages of retirement community living have come to the fore as a result of Covid-19, with security, companionship and ready access to care being increasingly important considerations for New Zealanders as they age.

We have defined our strategy through four core pillars: to grow our portfolio of market-leading care centres and retirement communities; to empower our people to give their best effort everyday; to inspire our residents to live their best lives; and to be a sustainable organisation.

By putting people at the centre of our strategy we are building a vibrant and resilient business, and innovating products and solutions that our residents and future generations will need as they age.

We are also investing to provide solutions for those who wish to stay in their own home, supported by home care services and community connections that allow them to maintain their independence.

ARENA ACQUISITION

Our acquisition of the Arena portfolio during the year was a significant milestone for Arvida. It added 1,046 units to the portfolio at five Auckland sites and one Tauranga site, set across a combined 48 hectares.

Strategically, the acquisition delivered meaningful scale in prime Auckland locations – a key New Zealand population growth area – with a range of opportunities identified to enhance the Arvida Living Well proposition over time.

The respective teams have come together seamlessly and the business integration programme has progressed to plan. The Arena team have added capability, experience and, importantly, additional resource to the group across executive, finance, village operations and construction functions.

Pleasingly, the financial performance of the Arena communities has exceeded the Board's expectations set at the time of acquisition.

COMPANY PERFORMANCE

IFRS net profit for the full year improved to $198.9 million, up 52% on last year. The result included the financial contribution of the Arena communities for the approximate 20-week period following settlement.

Underlying profit increased from $51.9 million to $73.5 million, representing earnings per share of 12.0 cents. This was a 25% lift on the 9.55 cents recorded in the previous corresponding period and represented strong accretion in earnings per share, despite the challenging environment.

The Covid-19 impact on revenue and costs continues, and is expected to largely persist as the operating environment settles into a new normal.

A closed border for the past two years has affected the sector's ability to source vital nursing and construction staff. As a consequence of the labour market remaining tight and the nursing shortage becoming more problematic, we have observed a period of very rapid wage growth in some areas of our business.

CARE FUNDING

We have previously expressed concern at the level of funding for residential aged care. That concern has heightened over the course of the year, with additional costs incurred to meet the challenges of operating in a Covid-19 environment, retain nursing staff, and additional governance and compliance requirements.

Funding has not kept pace with the costs of aged care provision in New Zealand. New operating models, such as the care suite product, have the potential to make the investment in care feasible. Financial returns from traditional care will however continue to be eroded and become increasingly less attractive relative to alternative opportunities for investment in the sector without a commensurate change in public policy and care funding.

We would hope to work collaboratively with the government and funding providers to address funding shortfalls and wider industry requirements. The aged care sector must be resourced to address the needs of an ageing population in an environment that rewards high standards of care and compassion delivered in a cost-efficient manner.

CAPITAL MANAGEMENT

Arvida continues to be well-positioned from capital structure and balance sheet perspectives. Total assets increased to $3.4 billion with the inclusion of the Arena communities and uplift from independent valuations carried out by CBRE Limited and Jones Lang LaSalle Limited.

$330 million of new equity capital was raised in the third quarter to part-fund the $345 million acquisition of the Arena communities. This assisted to reduce balance sheet gearing. As at 31 March 2022 our gearing ratio was 25%, which is at the lower end of the Board's target gearing range. With an uncertain economic environment ahead, the Board considers a conservative approach to gearing appropriate.

As we approach our near-term target build rate of 300 units per annum, the capital required for development projects is an important consideration in determining the mix and intensity of our development programme.

DIVIDEND

The Board has declared a dividend of 3.0 cents per share for the second half of our financial year, bringing the full year dividend to 5.5 cents per share. This represents a pay-out ratio of 54% of underlying profit.

Looking forward, the Board expects that dividends for the year to sit towards the lower end of the 40% to 60% full-year underlying profit target distribution pay-out range. This level of dividend takes a measured approach to balancing investment in our longer-term growth aspirations with sustainable dividends for shareholders.

GOVERNANCE

As part of our annual governance work programme, the Board continues to monitor and consider Board composition, performance and succession. This is an ongoing process aimed at monitoring the requirements of the Company and the environment in which it operates against current Board capability and performance. The overall objective is to ensure the Board possesses the right balance and mix of director skills, experience and diversity. The Board regularly reviews the performance of directors at both committee and Board level, in order to identify any areas offering the opportunity for enhancement or improvement.

Michael Ambrose assumed the role of chairing the audit and risk committee following my appointment as Chair. Mr Ambrose has been a member of the committee since inception and is a qualified chartered accountant with extensive experience in the sector.

SUSTAINABILITY

While our purpose is strongly aligned with social and community health aspects of sustainability, an increasingly important component of sustainability is the vital role we play in environmental management, particularly in tackling climate change.

In the wake of the UN Climate Change Conference (COP26) in Glasgow, which resulted in governments around the world setting ever more ambitious targets on carbon reduction, environmental responsibility is moving higher up the agenda. As a listed company we recognise the growing expectations of our stakeholders regarding our environmental, social and governance performance and credentials, including the role we can play in reducing emissions and our broader environmental footprint. As such this has been a key area of focus for the Company during the year.

Our current endeavours are reflected in our Carbon Disclosure Project 2021 rating of 'B-', which demonstrates the active steps we are taking to manage climate change in our business.

Included within this annual report are climate-related disclosures, which have been prepared in accordance with the current recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). Publication of this information is a key step towards meeting future non-financial disclosure requirements (TCFD reporting is shortly to become mandatory for large entities, including listed companies). A summary of some of the excellent work already being done in this area across the business is also provided, as well as an explanation of how we intend to achieve our emissions reduction targets.

We have established a sustainability working group that comprises three directors, three senior executives and the Head of Sustainability & Compliance. A sustainability framework, including embedded targets and performance indicators, has been developed for the group that is aligned with the four pillars of our strategy.

LOOKING TO THE FUTURE

It has been one of our busiest years, despite the various challenges the pandemic has created. We have delivered improved financial performance, successfully integrated a very significant acquisition and achieved our target build rate. Our land bank for future development has been expanded, and we have advanced other commercial and operational opportunities in line with our stated strategy.

Subject to the uncertainties around Covid-19 and prevailing economic conditions, we believe Arvida is positioned to continue to progress and grow shareholder value in the year ahead. The business continues to pursue a clear strategy that addresses short and longer-term objectives through a well-defined business operating and expansion model. This will be enhanced by remaining committed to our strong values and culture, and our priority focus on our people.

Thank you to our shareholders and the Arvida team and their families for the continued support during what has been a very challenging but successful year for the Company.

Anthony Beverley
Chair

Chief Executive's Report

Jeremy Nicoll, Chief Executive

"I am very proud of the progress we have made as an organisation over this last year. While the pace and nature of recovery from the pandemic is not yet clear, I have no doubt that in pursuing a truly differentiated position in the market Arvida is positioned to continue to grow."

We have continued our track record of value-accretive acquisitions by successfully completing the purchase of the six Arena villages during the year. The acquired villages, which are of a high quality and located in areas with attractive demographics, broaden our presence in key growth areas of Auckland and Tauranga.

As part of the transaction we also welcomed the Arena team, a move that enhanced our people resource with experienced and capable team members in key business functions.

Richard Davis, the chief executive of Arena, moved across into the new role of Arvida's chief operating officer. His wealth of experience, obtained locally and overseas, complements the expertise within our executive management team.

Richard's inclusion in the team completed the restructure of our executive management.

GOVERNMENT POLICY

Health sector reform has been high on the government's agenda. This year saw a major announcement by the government to disestablish the District Health Board (DHB) structure and put in place a new governing structure under a new entity – Health New Zealand.

We are supportive of the broad objectives of the government in looking to address shortcomings across New Zealand's health sector. We agree that equity in our health system needs to be addressed to ensure access to care when it is needed. We welcome investment in an appropriate structure to secure sustained delivery of care for the future and innovation by sector participants.

During the year we experienced a more pronounced effect of government policy on bottom line performance, particularly in relation to our care operations where both revenue and cost lines were impacted. In the past year we were required to temporarily close wings at several facilities due to the inability to retain nurses who were being offered higher remuneration in the public health system or while facilities had Covid-19 outbreaks.

To ensure older New Zealanders are able to access aged care into the future, the government must address the underfunding of the sector. Without this, there will be an acceleration in the closure of beds across the country. Registered nurses working in the aged-care sector should be funded to pay parity with those working in the public system.

More recently the government announced its fourth wellbeing budget. While the government revealed the 'largest investment ever in our health system', none was directly allocated to resolving issues in aged care funding.

Government policy will continue to shape the future of aged care in New Zealand, as well as industry investment. While the need for reform in the health sector was present before the emergence of Covid-19, the current context demands decisive action.

FUTURE OF AGED CARE

Our industry's role in the provision of care is going to become more critical in the years ahead. A number of broader trends continue to shape our contribution.

First, a change in the structure of support networks – including reduced inter-generational living, greater geographical mobility and less cohesive communities – is contributing to higher levels of independence as people age. Those living independently are increasingly at risk of loneliness and social isolation.

Arvida's role is to engage beyond the boundaries of our retirement communities to deliver health and aged care services to the wider community in a way that aligns with our values. We are very fortunate to have assembled a wellness team with the passion to embed this culture across the group.

Our pilot community engagement platform, Arvida Good Friends, was launched in Christchurch at the beginning of the year. It is an innovative adaption of the 'virtual village' concept. In an environment where our ability to fully test the platform was curtailed by Covid-19 settings, we are beginning to see signs that evidence proof of concept.

Demographics will shape our business too. Ageing populations will lead to greater demand for care accessibility. Meanwhile, an inability to obtain funding for many will likely lead to a deterioration in health and a need for higher acuity levels of care when accessed. Hospital and dementia level care is provisioned in all our new care centres.

Finally, the long-term legacies of the pandemic are yet to become apparent. As a sector we have largely avoided the level of fatalities that occurred in other countries. Much praise can be attributed to the tenacity of our nursing and caregiver staff, who have laboured under stressed circumstances at times.

High levels of governance and clinical oversight, that in most cases is prescriptive on minimum standards, has assisted. Respective aged care and retirement living bodies are strong advocates for the sector and have also ensured a collegial response to Covid-19. With a highly-vaccinated community and well-understood infection prevention and controls, we are well-positioned to emerge from the last two years of the pandemic.

FINANCIAL PERFORMANCE

Much improved financial performance was reported this year, driven principally by increased sales of units and the inclusion of the Arena portfolio.

We continued to operate through the lockdowns as an essential service, with disruption across our care, sales and construction functions.

A total of $5.0 million (2021: $3.0 million) was spent on Covid-19 related costs in 2022, which were mainly employee related.

Revenue was impacted through the deferral of settlements and lower care occupancy. During some periods new residents were unable to visit our communities or care centres, move in or settle their properties. Construction also paused at times, but was possible out of lockdown with additional health and safety precautions. This impacted the timing of some new unit deliveries.

The sell down of both our new care suite developments at Aria Bay and Copper Crest exceeded expectations.

Provision of care is a core sales proposition. Care centres, such as at Aria Bay and Copper Crest, provide residents with an option to access flexible needs-based care as they age. The care suite product is a relatively new innovation in New Zealand. It allows us to execute our care strategy and earn the required return on our capital investment.

This year we will be delivering care at Lauriston Park in Cambridge with the completion of a 63 care suite centre. Similar care developments are also planned at Bethlehem Shores, Waimea Plains, Queenstown Country Club and our other greenfield developments.

DEVELOPMENT PROGRAMME

Our development programme continues to grow. Work is in progress across eight of our communities and at three greenfield sites.

While we anticipate continuing challenges for construction, as a result of interruptions to product supply continuity and labour shortages, our development programme this year is targeting delivery of 250+ units. Much of this planned delivery has moved into the last quarter of the financial year, as a result of the cumulative effects to on-site works over this past year.

Despite disruptions, we reached an exceptional milestone for the first time when we recorded 100 settlements at an individual community. In total, we settled 580 unit sales under an occupation right agreement, up 44% on the prior year. This included 243 new unit sales, up 77%, with a gross value of $155.0 million.

We delivered 221 new units in 2022, exceeding our delivery target of 200+ new units for the year, and we continue to add to our land bank and build out our development programme. Currently we have land for another 1,928 units, which is spread geographically and includes a high proportion of broadacre single-storey village development. This gives us the flexibility to adapt our build rate, depending on market conditions.

Master planning work at the Arena sites is ongoing. We recently presented a redevelopment proposal to the residents of Mayfair in Auckland that will deliver 57 apartments. Additional opportunities to further enhance the proposition at other Arena communities include:

- Advancing re-development plans for boutique high-quality retirement residences in the desirable Auckland inner-city suburb of Mt Eden
- Accelerating our care suite strategy in Auckland, with initial scoping identifying the potential brownfield development of more than 100 premium care suites across the Auckland sites over time
- Further brownfield development of more than 150 units over time at low-density high-value central North Shore and Whangaparaoa sites

While we continue to see a range of potential acquisition opportunities, our growth focus is primarily directed to deploying capital from operations and bank facilities to accelerate our development programme.

CONTINUED MOMENTUM

We have seen the level of enquiry for care and retirement living increase over the last couple of years, particularly from families interested in assisted living options for their parents. As has been reinforced in feedback through our resident surveys, aspects of security, community and care are key considerations as people age and rank high in decisioning to move into retirement living.

While our focus throughout the Covid-19 pandemic has been clear – ensure our people are fully prepared and safe, safeguard the health and wellbeing of our residents, and protect our business – we have continued to make progress against our other objectives and delivered a high standard resident-led service.

We have not lost sight of the areas that are important to our strategic objectives, which include increasing and improving diversity and inclusion, attracting and developing talent across the group, and pursuing a culture of continuous improvement.

LOOKING FORWARD

The continuation of the Covid-19 pandemic through 2022 has not only impacted our business, but has had a profound effect on almost every aspect of our lives. We have all been faced with lockdowns and varying levels of restrictions over the past year. Even when restrictions were eased, government guidance still required a level of prudence.

Downstream corollaries have been wide-reaching. They have meant a change to normal routines and, as an organisation, we have had to adapt to have a more flexible approach in managing our business.

Our priority over the coming months is to reset our people strategy; look for ways to better support our teams, particularly those working in care; and configure an enduring employer-of-choice proposition.

The last 12 months has demonstrated that having the right attitude is at the core of what Arvida does well. The resilience of many aspects of the business was tested again, including the resolve of our people. We have an important and worthwhile purpose, strong values and culture, and a clear strategy set for sustainable growth.

Jeremy Nicoll
Chief Executive

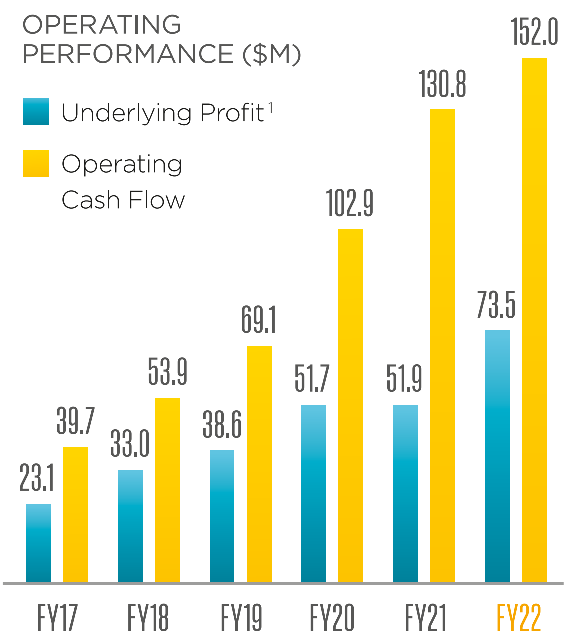
Financial Commentary

Arvida recorded improved financial performance for the financial year ended 31 March 2022 (FY22) in comparison to the prior corresponding financial year.

Covid-19 continued to have a significant influence on the Company's financial performance, particularly in relation to the additional operating costs incurred and impact of government settings on normal business operations.

Acquisitions completed during FY22 included the Arena Living portfolio of six retirement communities, which was completed on 15 November 2021.

During the year, the Company also divested four retirement communities.



Financial Performance

IFRS NET PROFIT AFTER TAX

Arvida achieved a net profit after tax of $198.9 million for the year ended 31 March 2022, up 52% from $131.1 million in 2021.

This included a fair value movement on investment property of $158.9 million (2021: $123.5 million). The value of the six Arena villages acquired on 15 November was $70.3 million higher than the acquisition price.

The fair value movement reflects positive impacts from the acquisition of Arena, an additional 221 new units delivered during the year and the increase in existing unit pricing. In broad terms, the valuers have maintained comparable assumptions to the prior year but lowered the near term property growth rates. Discount rates at some retirement communities have been lowered to reflect a maturing of business or addition of amenity.

UNDERLYING PROFIT RECONCILIATION $000 [1]	FY22	FY21	VARIANCE
IFRS Net profit after tax	**198,882**	**131,113**	**68,338**
Change in fair values	(162,917)	(127,360)	(35,519)
Deferred tax	(1,139)	2,037	(3,782)
Impairment of goodwill	10,794	3,729	7,065
Gain on acquisition of villages	(43,900)	0	(43,900)
One-off costs [2]	3,162	119	3,043
Gain on resale	43,411	25,951	17,460
Development margin on new units	25,217	16,275	8,942
Underlying profit	**73,510**	**51,864**	**21,647**

1. *Underlying Profit is a non-GAAP (unaudited) financial measure and differs from NZ IFRS net profit after tax by replacing the unrealised fair value adjustment in property values with the Board's estimate of realised components of movements in investment property value and to eliminate other unrealised, deferred tax and one-off items.*
2. *Non-operating one-off items that relate to transactional activity.*

UNDERLYING PROFIT [1]

Underlying profit of $73.5 million was reported for 2022 (2021: $51.9 million). The underlying profit contribution from Arena at $14.9 million for the approximate four and a half month period since acquisition exceeded the proforma range set out at the time of acquisition.

Relative to the prior corresponding period, underlying profit per share increased 25% to 12.0 cents per share.

Underlying profit is a non-GAAP unaudited financial measure used by Arvida to monitor financial performance and determine dividend distributions. In general terms, underlying profit removes the fair value movement of investment property, other unrealised items, deferred tax and one-off items from reported net profit after tax and adds back the realised gains associated with our resales and the development margin associated with our new sales.

REVENUE

Our revenue for the year grew 16% to $201.7 million (2021: $174.5 million), reflecting the addition of the Arena villages and continued financial performance across core village operations despite the impact of Covid-19 and a national lockdown.

Arvida generates revenue from providing village and care services, and deferred management fees. An increase in the number, occupancy and value of units, reflective of the scale and growth of our operations, plus an increase in daily bed funding rates and premium bed rates underpinned revenue growth.

Care and village service fee revenue of $144.7 million (2021: $133.6 million) was reported in financial year 2022.

Occupancy across care centres averaged 94% for the year. However, in the fourth quarter of the financial year, occupancy was lower as new admissions at some care centres were restricted. This reflected settings implemented under our Covid-19 pandemic plan. Staff shortages through the Omicron outbreak also had an impact. Revenue from care fees is sensitive to the level of care occupancy. This is a key performance indicator for our care operations.

Deferred management fees relative to last year, were up 45%. This reflected contributions from the six villages acquired in the period, high occupancy across our villages, increased unit pricing and the addition of new stock to the portfolio.

Government Covid-19 subsidies (rest home relief and essential worker subsidies) received in the prior year were not available this financial year.

EXPENSES

Total operating costs increased 18% to $181.0 million (2021: $152.8 million).

An estimated $5.0 million of operating costs relating to Covid-19 were incurred from additional staff and rostering costs, additional employee leave entitlements, additional supplies of rapid antigen tests and personal protective equipment and enhanced cleaning routines.

A $2 per hour wage increase was paid to frontline staff during the level four lockdown and red setting of the government's Covid-19 protection framework.

We expect to incur a similar level of operating costs if events related to Covid-19 arise in subsequent financial years.

Outside of the additional Covid-19 costs, operating costs were broadly higher as a result of being a larger group. The increase in employee costs included the Arena support and village teams, higher nurse pay and legislated increases to caregiver pay. Staffing levels across existing villages remained comparable to the prior year and in some instances were lower due to staff shortages.

An increase in property costs included higher insurance costs mainly attributable to higher building replacement costs, higher council rates and the increase in asset base.

CASH FLOW

Operating cash flow reached $151.8 million (2021: $130.8 million) for the year. The increase of $21.0 million reflected greater sales activity but also the cash flows generated from our care operations. Care fees continue to represent a core source of recurring cash flow.

Capital expenditure attributable to investment properties was $191.8 million (2021: $140.4 million) for the year.

SALES ACTIVITY	FY22	FY21
Number of ORA resales	337	267
Value of ORA resales	$170m	$118m
Resale margin	26%	23%
Number of new ORA sales	243	137
Value of new ORA sales	$155m	$109m
Development margin	17%	15%

Sales Activity

Sales activity was again disrupted at the government's higher alert level settings and by the requirements of the Covid-19 protection framework. Despite the disruption, enquiry levels for independent living units were elevated over the second half of the financial year. This momentum assisted to achieve record sales volumes and proceeds.

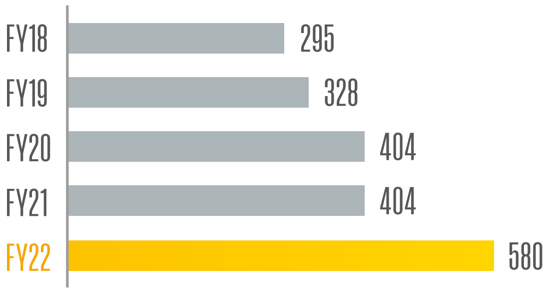
The volume of resales and new sale occupation right settlements was up 44% on the prior year to a total of 580 settlements. This brought the gross sales value of settlements for 2022 to $325.2 million, up $97.7 million on the prior year.

Resale gains increased to $43.4 million (2021: $26.0 million), with average gross proceeds per settlement of $505,000 up 14% from 2021. This reflected a change in sales mix by unit type and region, and increasing unit pricing across the portfolio. On average, resale prices achieved were 6% above valuer estimates assumed at 31 March 2021. The resale margin was higher at 26%. Uncontracted resale inventory represented less than 2% of the total ORA portfolio at the end of the year.

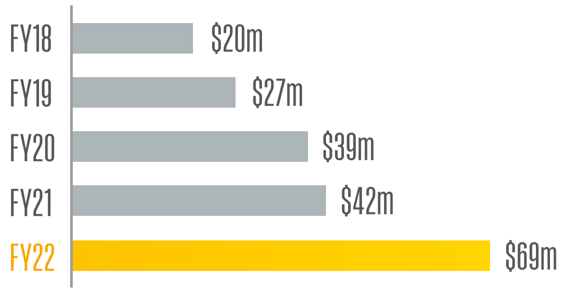
We settled 243 new sales for a gross sales value of $155.0 million. This was up strongly from 137 new sales and a gross sales value of $109.4 million in the prior year. The sell down of new care suites and apartments at Copper Crest and Aria Bay supports the continued development of this type of product. The current programme sees similar product at Lauriston Park, Bethlehem Shores, Queenstown Country Club and Waimea Plains over the next five years. At year end, new unit inventory available for sale was less than 2% of total ORA units.

Gains generated from the resale of occupation right agreements on existing units and the sale of occupation right agreements on new units are two key components of the underlying profit calculation.

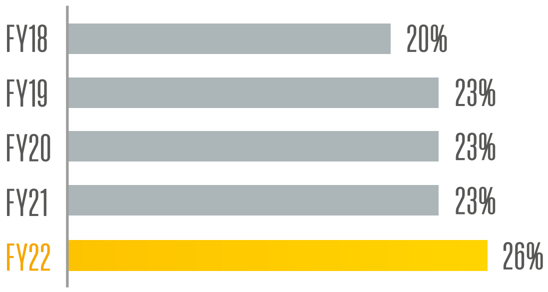
TOTAL ORA SALES (UNITS)



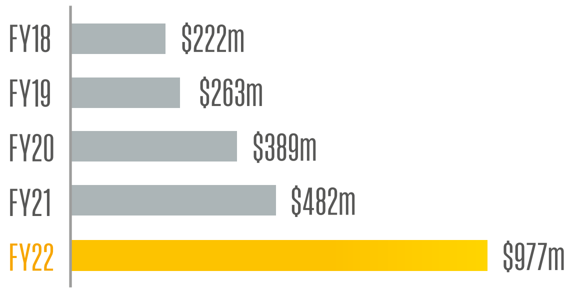
TOTAL GAINS ON ORA SALES ($M)



RESALE MARGIN (%)



EMBEDDED VALUE ($M)



Financial Position

Total drawn interest bearing debt including the bond issue (ARV101) was $455.0 million (2021: $367.5 million) at year end, on an aggregate funding limit of $650 million. Including both drawn bank debt and the retail bond, gearing at 25% (2021: 30%) was at the low end of the target gearing range.

During the year a total of $330 million was raised through the issue of 173.8 million new shares to part fund the acquisition of Arena. The balance was funded through an extended $100 million facility with the existing ANZ and BNZ banking syndicate. Settlement proceeds from the divestment of The Maples Lifecare (2005) Limited, The Maples Retirement Village (2005) Limited, Bainlea House (2013) Limited, Bainswood House Rest Home Limited and Bainswood Retirement Village Limited were applied to bank debt.

The weighted average tenure of the Company's current bank facilities excluding the bond is 2.9 years.

Total assets grew to $3.4 billion, up from $2.2 billion at the start of the financial year. Key movements were attributable to the addition of the Arena villages, completed development activity adding 221 units, development work in progress and an increase in the value of investment property. The annual revaluations of our investment property undertaken by CBRE Limited and Jones Lang LaSalle Limited delivered a revaluation movement of $158.9 million (2021: $123.5 million).

Embedded value in the portfolio, which calculates future cash that can be generated when a unit is relicensed, grew strongly to $977.2 million (2021: $482.4 million).

The net implied value of the portfolio was $1.86 per share (2021: $1.54), up 20% on the corresponding period. Net tangible asset value per share increased to $1.84 per share (2021: $1.46 per share).

The Operating Environment

COVID-19

The global Covid-19 pandemic continues to present challenges and risks to our business.

As highlighted in previous reporting, Arvida moved quickly at the start of the pandemic in February 2020 to ensure group-wide preparedness. A pandemic response team was formed to monitor and implement infection prevention and control settings, and set strategy for the group.

The expert advice of an independent virologist to the pandemic response team continues to be critical in understanding the potential areas of risk and in formulating appropriate responses.

Our board and senior management have been focused on mitigating the impact of Covid-19 from the outset. We have had three priorities: ensuring our teams are fully prepared and safe; safeguarding the health and wellbeing of our residents; and protecting our business.

All our teams have worked tirelessly to support our residents throughout the pandemic, helping them stay well and connected to their families. During the year they have had to manage a second level 4 national lockdown in August 2021 and then the Omicron outbreak that affected all of New Zealand from February 2022.

The global Covid-19 pandemic continues to present challenges and risk to our business.

A range of measures were implemented to help safeguard residents and our teams through these periods, including:

- Restricted visitor access to care centres and the communal areas of our retirement communities
- Mask wearing in care centres and indoor settings
- Surveillance testing, using rapid antigen tests, and health declarations completed on entry to care centres
- Use of personal protection equipment by our care teams, particularly when in close proximity to residents
- Compulsory standdown periods if infected or a household contact

A successful drive to lift Covid-19 vaccination rates resulted in all staff and nearly all care residents being fully vaccinated. Having a highly vaccinated workforce and resident base, together with introducing surveillance testing latterly, has helped us to mitigate the health outcomes from Covid-19 and keep our retirement communities open to family and visitors.

Our pandemic plan continues to be operative, and has evolved with the changing health risks and associated changing government settings. Dynamic risk assessment continues to underpin our infection prevention and control settings.

REGULATION

HEALTH AND DISABILITY SYSTEM REVIEW

The Health and Disability System Review was commissioned in 2018 to identify reforms across New Zealand's health system.

The review recommended structural change to support clearer lines of accountability and greater national coherence, and to align planning, funding and management arrangements across the system.

A central part of implementing the reform recommendations is the establishment of a new organisation, Health New Zealand (Health NZ), to run the health system across New Zealand, with functions delivered at local, district, regional and national levels. The existing 20 District Health Boards are to be disestablished, and their functions merged into Health NZ, which will lead the day-to-day running of the system. Health NZ will also take over the operational functions of the Ministry of Health, such as managing national contracts.

The overarching objective of the reforms is that 'who you are or where you live should not determine the range and quality of services you receive'. The way health services are planned and commissioned is expected to change. Over time, it is anticipated the new structure will lead to more innovative services that better reflect community priorities and needs, including more accessible digital and virtual care.

Reforms are expected to take three years to complete, with the Ministry of Health indicating its timeline to disestablish the existing 20 District Health Boards by July 2022 is running to schedule. District Health Boards' funding of aged care contracts is not expected to change with the reforms.

AGED CARE COMMISSIONER

In February 2022, the government announced the appointment of New Zealand's first Aged Care Commissioner, who reports through the Health and Disability Commissioner.

The role of the Aged Care Commissioner includes:

- Providing strategic oversight and leadership to drive quality improvement
- Analysing emerging issues and reporting on improvements in the aged care sector
- Advocating on behalf of consumers and their whānau for better services, and supporting the government's commitment to Te Tiriti o Waitangi.

The Aged Care Commissioner is an advocate for the aged care sector, with the mandate to focus on matters that have a direct impact on care.

TE ARA AHUNGA ORA RETIREMENT COMMISSION DISCUSSION

In December 2020, Te Ara Ahunga Ora Retirement Commission (CFFC) released a discussion paper on the retirement village legislative framework. The framework includes the Retirement Villages Act 2003, its regulations and the Retirement Villages Code of Practice 2008.

The paper raised concerns on various aspects of the retirement village sector's operating model and asked for public submissions on these matters.

Following receipt of the more than 3,300 submissions, the CFFC recommended a full review of the legislative framework be carried out highlighting the following areas of focus:

- Re-licensing and buyback process and timing
- Complaints system / voice for residents
- Continuation of weekly fees or other financial charges after the resident leaves
- Transition to care arrangements within a village
- Operator chattels repairs and replacements
- Sharing of capital gains on re-licensing

All of these areas, with the exception of a stated buyback period for a vacated unit and capital gains sharing, are addressed in the terms of Arvida's standard occupation right agreement. If a unit remains vacant six months after agreement termination, Arvida begins accruing interest.

Since release of the CFFC's recommendations in June 2021, no further indication on timeframe or progress has been provided.

The current statutory and operating framework provides a comprehensive and effective resident-focused consumer protection regime. Minimum standards are set out in the Code of Practice, which is regularly reviewed by the CFFC and amended as required to keep it current.

ENVIRONMENT AND CLIMATE RELATED DISCLOSURES

The Financial Sector (Climate-related Disclosures and Other Matters) Amendment Bill was passed in October 2021. The legislation gives the External Reporting Board (XRB) a mandate to develop a climate-related disclosures framework for New Zealand. Climate-related disclosures will be mandatory for a number of entities including listed companies with a market capitalisation of more than $60 million. The XRB aims to issue its first climate standard in December 2022, which will require Arvida to make climate-related disclosures alongside FY24 year-end reporting.

This year we have applied XRB's current guidance and published our climate related disclosures on pages 93-105. Also included in this annual report is a roadmap for how we intend to progress our climate disclosures in preparation for future disclosure in compliance with the XRB's standards.

Currently the XRB intends to publish the full framework in July 2022.

We have worked with the Retirement Village Association (RVA) and other industry members to respond to both the XRB's draft climate-related disclosure standards consultation and the Ministry for the Environment's transforming recycling consultation.

ECONOMIC CONDITIONS

The level of global economic activity continues to be impacted by rising inflationary pressures, exacerbated by ongoing supply disruptions largely driven by Covid-19. The war in Ukraine has significantly added to these supply disruptions, causing prices to spike in internationally-traded commodities and energy. This has added to inflation in food, services, building products and wages.

The pace of global economic activity continues to slow, with an elevated level of uncertainty, and clear signals that monetary and broader financial conditions will tighten over the course of 2022. Added to this is the high level of geopolitical tension.

In New Zealand, underlying strength remains in the economy, supported by sound balance sheets, continued fiscal support and strong export earnings.

There has been some economic disruption due to the recent Omicron outbreak, with the economic uncertainty and rising interest rate environment dampening consumer confidence. Economic capacity pressures remain, with a broad range of indicators highlighting domestic capacity constraints and ongoing inflationary pressures. Employment is above its maximum sustainable level and labour shortages are impacting many businesses.

RESIDENTIAL PROPERTY MARKET

Transactional data released in March 2022 revealed that residential property prices continued to ease, inventory levels increased and sales activity decelerated. A range of New Zealand economic and financial commentators anticipate some contraction in New Zealand's residential property market and a decline in house prices over the next 24 months. The rise in mortgage interest rates, amongst other factors, has acted to reduce mortgage demand/housing credit and house prices.

A key focus for the retirement living sector is liquidity in the residential property market.

Approximately 44% of Arvida's portfolio is needs-based, where some level of assistance can be accessed by residents. Access to additional amenities, such as care services, safety and security, community and lifestyle, is a driver for retirement living.

LABOUR MARKET

A portion of New Zealand's aged care workforce has historically relied on attracting skilled care workers from offshore. Covid-19 border restrictions put in place by the government effectively paused immigration over the last two years. Restrictions have contributed to a very tight labour market for healthcare workers, especially skilled nurse and aged care workers.

New Zealand's borders are planned to progressively reopen throughout 2022. with the government having set out a timeline for lapsing border restrictions through to August.

The industry has actively commenced overseas recruitment processes for healthcare workers, including nurses and care givers.

FUNDING

Government funding provided to the aged care sector under contract continues to lag behind the actual cost and demand for services. This lag has been exacerbated by a government-implemented pay structure that has created a clear disparity between public health and aged care pay rates, which is particularly acute for nursing pay.

The New Zealand Aged Care Association (NZACA), on behalf of industry participants, leads the negotiations with the Ministry of Health and District Health Boards to set funding rates. Changes to funding rates are implemented annually, with an effective date of 1 July.

The NZACA has assessed the cost pressures affecting the sector, which they have categorised into the following key groups:

- Care and support worker wages
- Closing the nurse wage gap with District Health Board rates
- Ongoing cost of Covid-19 precautions
- Increased pay of non-care, non-managerial staff
- General increase in purchased goods and services
- Restore 2018/19 return on capital other than land

The NZACA has commented that 'in all, the cost pressures as estimated in February 2022 amount to $38.60 per resident day (weighted average) or around 19% of the 2021/22 bed-day rate (again, weighted average)'.

Providing care for the elderly is a critical element of society and needs to be appropriately funded.

Engaging with Our Stakeholders

Two separate pieces of stakeholder engagement work, focused on internal and external stakeholders have been completed. These pieces of work formed the basis for an updated materiality assessment and matrix for this annual report.

Monitoring our material issues ensures we address the most important topics for our business and stakeholders. We do this continuously through engagement and dialogue with key stakeholders, by monitoring our business and industry peers and by keeping abreast of relevant trends and market drivers. We also engage with residents and staff regularly through annual meetings, satisfaction surveys, and stakeholder and team meetings.

IDENTIFICATION

Our material topics are reviewed annually and confirmed by senior management. To identify material risks and opportunities, we start with our internal risk register. We then create a list of potential material topics – taking into consideration the domestic and global business environment, and output from senior management and Board – to cover areas of strategic importance to future value creation.

SURVEY

On identifying the material topics, internal feedback is invited on their relative importance. Internal stakeholders include members of senior management, support personnel and village managers. We then distribute the survey externally to a range of investors, suppliers, community organisations and representatives of regulatory authorities, and to the Board.

Completion of the survey is undertaken anonymously by stakeholders. We achieved a 66% participation rate from the survey.

WHAT WE LEARNED THIS YEAR

The stakeholder group represented a relatively small sample for feedback. However, ranking of the top material topics was consistent across both internal and external participant groups. The top five focus areas highlighted as mattering most to stakeholders were:

- Resident safety and wellbeing
- Team safety and wellbeing
- Reputation

Stakeholder groups

6,750+

Residents

More than 6,750 residents

2,700+

People

More than 2,700 team members

8,000+

Investors

More than 8,000 shareholders and bondholders

- Operational excellence
- Clinical management

Given the impact Covid-19 has had on daily lives over the past two years, the feedback is consistent with ranking safety and wellbeing matters high. It is also consistent with strategy where our people are core to what's most importance to us.

We are keen to continue gathering further insights from our stakeholders and are considering further engagement with subsets of the participant group in FY23.

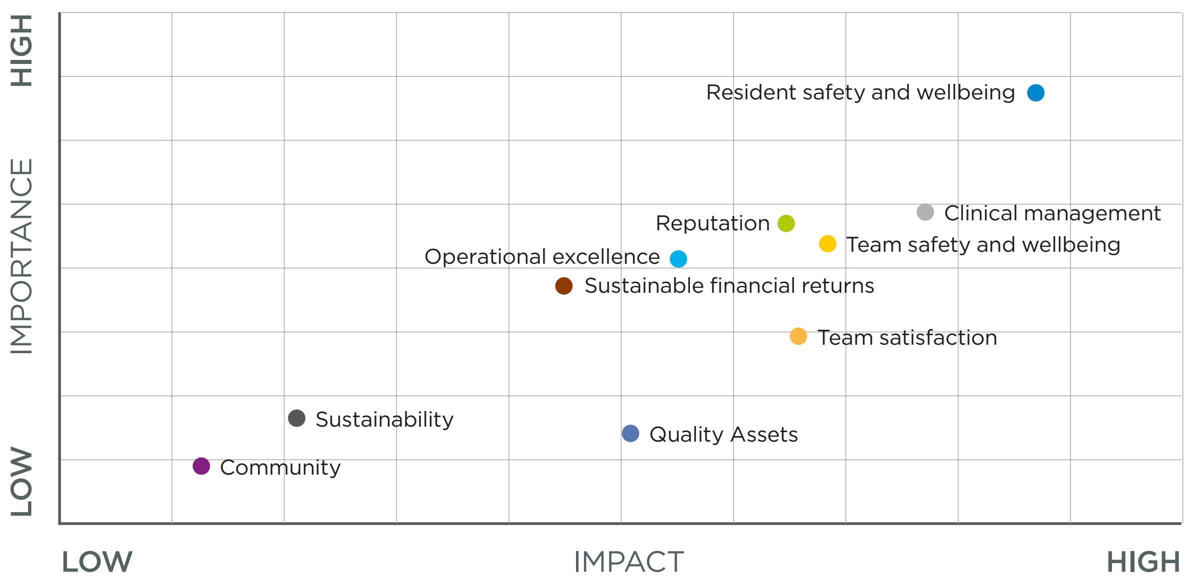
MATERIALITY MATRIX

Arvida's materiality matrix follows a common format in which the significant majority of topics are assigned high scores on both axes. This is typical and underscores the fact that while some topics are more important than others, ultimately all topics on a materiality matrix have an inherent level of significance.

Additionally, Arvida's materiality matrix illustrates a clear trendline from the bottom left of the matrix through to the top right. This indicates an overall positive correlation between stakeholder importance and business impact for the identified topics.

This is encouraging as it suggests that the topics important to stakeholders may have a proportionate impact on the business and vice versa. Internationally, many materiality matrices follow a similar pattern.

Materiality Matrix



$220m+

Suppliers

Total spend of over $220 million

35

Locations

Retirement communities in 35 locations spread across New Zealand

$77m

Regulators

$77m of care revenue from the Ministry of Health

In this sense the materiality matrix considers those topics where Arvida has an opportunity to shift the dial rather than basing all future decisions on the placement of the topic on the matrix.

STRATEGIC FRAMEWORK

Our strategic plan sets out the direction for Arvida over the next five years, particularly the key priorities and activities that will deliver our strategy and create value over time. It tells us where we are going and outlines how we will get there.

The framework is set out on pages 8-11 of this annual report.

Each year the board and senior management review the strategic objectives. This ensures the plan is dynamic and retains a five-year view. Because it's regularly reviewed, the strategic plan is both a valuable tool and an extremely important management benchmark to gauge progress.

The review this year coincided with the Omicron outbreak in New Zealand. As we responded to the challenges of the outbreak within our business, including supporting our residents and staff, the review became an opportunity to rethink our resilience and future success as a business.

We have grown rapidly since listing to become a leading participant in the New Zealand retirement and aged care sector.

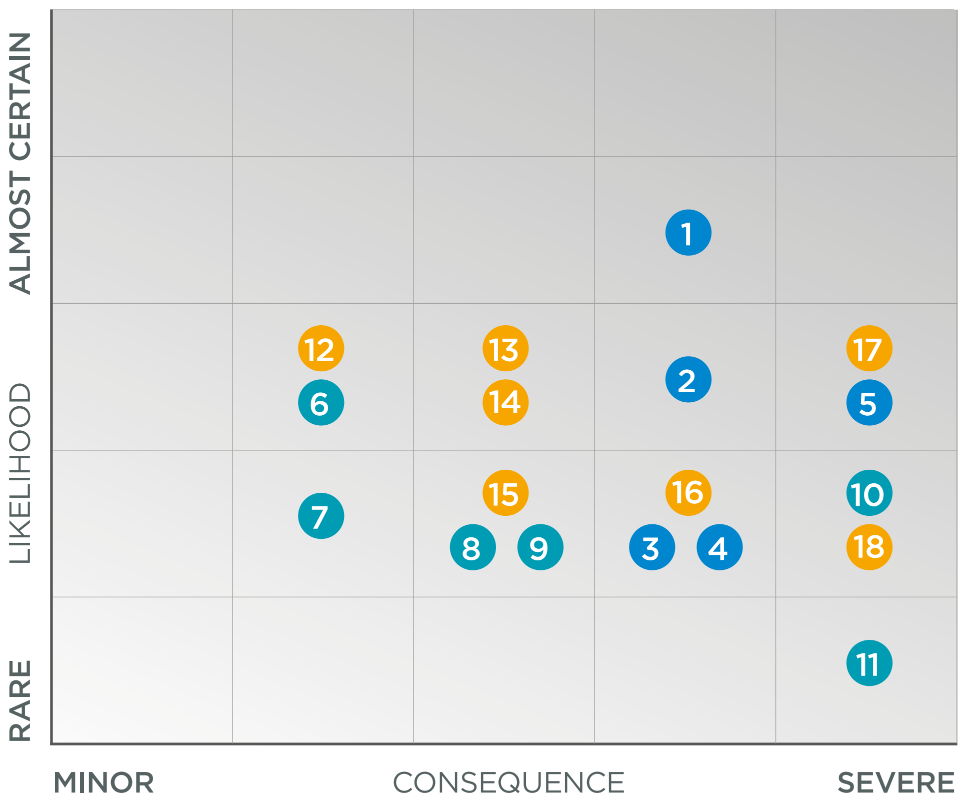
The future landscape will be shaped by ongoing changes specific to us, like our acquisition of the Arena portfolio and additional greenfield sites for future development, and the broader environment, such as decisions around aged care funding.

RISK MATRIX

A robust assessment has been undertaken by the Board of the principal risks that could seriously affect the Company's prospects or reputation. As part of this assessment, consideration was given to those that threaten our business model and could impact on our future performance, solvency or liquidity as well as our strategic objectives.

This heat map shows the relative position of our principal risks to each other. A description of the factors impacting key risks is provided below.

Risk Matrix



EXTERNAL RISKS

1. Government Policy Reforms
2. Loss or breach of IT systems
3. Fire, Disaster or Crisis
4. Climate and Sustainability
5. Pandemic

STRATEGIC RISKS

6. Media Comment
7. Legislative & Regulatory Compliance
8. Acquisitions
9. Innovation & Growth
10. Market Demand
11. Insurance

OPERATIONAL RISKS

12. Resident Experience
13. Clinical Management
14. Conduct
15. Health & Safety
16. Property Management
17. Personnel Retention
18. Development & Construction

KEY RISK AREA	FACTORS IMPACTING	PILLARS
GOVERNMENT POLICY REFORMS	Legislative reforms or policy changes to the existing retirement village regulatory regime, or aged care regime may have a significant impact on our performance and ability to operate.	Growing Well, Nurturing Well
LOSS OR BREACH OF IT SYSTEMS	We operate several IT systems and are responsible for the personal information of residents, staff and other stakeholders. Loss or breach of these systems or data could have a significant impact on the continuity of operations.	Engaging Well, Living Well
PERSONNEL RETENTION	The labour market is highly competitive. Attracting and retaining a skilled workforce is critical to maintaining the quality and level of care at Arvida communities.	Engaging Well, Living Well
PANDEMIC	With very high vaccination rates across the business, the impact of existing Covid-19 variants is mitigated. However, the risk of new variants producing an outbreak at one or more villages and subsequent risk to the health of our residents and staff remains high.	Engaging Well, Living Well
MARKET DEMAND	Inability of Arvida to recognise and keep up with market trends and resident demands may result in a loss of income, lower occupancy, loss in value of asset as a result of assets becoming obsolete, or reputational damage.	Growing Well, Nurturing Well
DEVELOPMENT & CONSTRUCTION	A number of risks are associated with building retirement communities, including new legislation, building material shortages and labour shortages resulting in delays, increased costs, or other issues.	Growing Well

Our Growth: Growing Well

“We want to grow well by acquiring and building quality assets that will be relevant and attractive for generations to come, because they allow residents to live well as they age.”

We have met our year-end delivery target of 200+ new units built, despite the various Covid-related disruptions throughout the year.

We can report that 221 new units were delivered across 10 sites, with 153 of these new units delivered in the second half of the 2022 financial year. This was in a period where construction activity paused for the government’s second level 4 lockdown. Also, activity at some sites was affected during the peak period of New Zealand’s Omicron outbreak.

The investment in our development team over prior years enabled an extensive construction programme to be well-managed across a diverse range of multi-site projects through a complex building environment. Robust planning, procurement and consenting processes assisted in navigating disruptions to building material supply.

Projects of significance completed in FY22

Te Puna Waiora villas

TE PUNA WAIORA, KERIKERI

39 villas

Bethlehem Shores villas

BETHLEHEM SHORES, TAURANGA

24 villas

FUTURE DEVELOPMENT

Development activity is set to lift as we move closer to a sustainable build rate of 300+ new units per year.

Our development programme for FY23 is targeting delivery of 250-300 new units. The delivery range reflects a number of larger projects completing near financial year end, including 120 new units to be delivered at Aria Bay in Auckland and Lauriston Park in Cambridge.

The cumulative impact of Covid-related disruptions over the last two years has pushed the majority of planned FY23 completions into the fourth quarter. Further construction site shutdowns, increased disruption to building material supply lines and constrained availability of skilled labour could impact planned delivery timeframes.

The balance of FY23 deliveries is mainly of villa typology, which typically involves staged construction and is more readily resourced to meet changes in customer demand or external factors.

CONSTRUCTION COST

The New Zealand construction industry is experiencing a heightened level of cost escalation across most construction trades.

Pricing appeared to fluctuate considerably throughout mid-2021, with regular price notifications being received to advise of pending increases from a range of suppliers. Sub-contractors and suppliers are now including cost fluctuation clauses in standard conditions.

Analysis suggests overall construction cost escalation of around 7-8% per annum occurred in Auckland last year, with lower escalation experienced outside of Auckland. High demand for building materials, continued freight and labour cost increases, and offshore supply chain disruption are expected to contribute to similar cost escalation through FY23.

Village at the Park villas

VILLAGE AT THE PARK, WELLINGTON

11 villa townhouses

Waimea Plains villas

WAIMEA PLAINS, RICHMOND

57 villas

FUTURE GREENFIELD DEVELOPMENT

The acquisition of two sites for future development were confirmed in the reporting period.

At over nine hectares each, the sites at Waikanae Beach (settled early April 2022) and Te Awamutu are suitable for our preferred broad-acre villa-led retirement community development. In total, future development at these sites will add over 450 units. Construction of the first villa stages at these sites is planned to commence in FY23.

We continue to evaluate the acquisition of greenfield development sites, with both the volume and quality of land acquisition opportunities increasing. It's desirable to have a mix of regional and urban future development opportunities in our pipeline.

SUSTAINABILITY

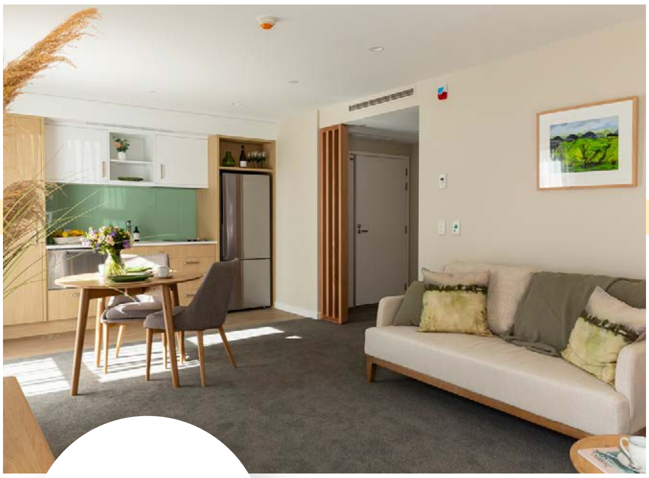
As part of our future build programme, we have reflected on how we can best align design and liveability elements with our sustainability objectives. Important to our consideration is ensuring we adopt a measurable benchmarking framework, so we can easily communicate our approach to a range of stakeholders. The framework, therefore, needs to be relevant to New Zealand and to the sector.

The Homestar and Greenstar frameworks are two of the better understood certification and benchmarking tools used locally. Given their suitability to the domestic market, we have been exploring their application to our future projects.

The diversity of our development programme – from resident clubhouses to care, apartments and independent living villas – means the application of a single framework does not meet all of our requirements. This may change as both frameworks continue to evolve. The merits of alternative frameworks will also continue to be assessed, as our research highlighted some attributes may be better aligned with our purpose.

A number of upcoming projects commencing in FY23 across care, apartment and villa typology have the potential to be built to a Homestar 6 or above rating. Work is still being conducted by the

Projects of significance completed in FY22



Rhodes on Cashmere suites

RHODES ON CASHMERE, CHRISTCHURCH

35 care suites
2 serviced apartments

Queenstown Country Club

QUEENSTOWN COUNTRY CLUB

26 villas and
resident clubhouse

development team to fully scope the processes and procurement specifications required to meet framework requirements.

In addition, we have committed to undertaking a pilot analysis of a clubhouse development to the Greenstar framework. This will help us better understand opportunities when designing against the framework's requirements.

Larger projects commencing prior to FY23 are substantially designed and are either consented or in the process of being consented, so have limited scope to retrospectively meet framework requirements.

Our existing design specifications already include many sustainability elements, from layout to building material choices. An example is our use of cross-laminated timber (CLT), which was used when building the Park Lane apartment complex in Christchurch. Multi-unit CLT apartment and care developments in Tauranga and Queenstown are programmed to commence in FY23.

DEVELOPMENT TEAM

The in-house construction management team is mid way through construction of the new care facility at Lauriston Park in Cambridge. Design, consenting and procurement is advanced for the construction of care centres at Bethlehem Shores in Tauranga and Queenstown Country Club.

On-the-ground construction teams at Bethlehem Shores, Queenstown Country Club and our Te Puna Waiora development in Kerikeri continue to deliver multi-year build programmes. A similar programme is planned to commence in FY23 at Waipa Country Club in Te Awamutu, where bulk earthworks are well advanced.

We see internalised construction capabilities as important to delivery certainty in the Far North, Queenstown, Waikato and Bay of Plenty regions, where we have several years of future development planned. The internalised model allows retention of delivery resource, knowledge and know-how embedded in those teams.

Our development team will continue to fill out over the next couple of years, with the aim of supporting a future build rate of 300+ new units per annum.

PORTFOLIO ACTIVITY

The acquisition of the six Arena Living retirement communities from funds managed or advised by Blackstone was completed on 15 November 2021 for $345 million. Collectively, the communities added 988 independent living units (villas and apartments) and 58 serviced apartments to the portfolio, resulting in a 24% increase in the portfolio by unit number.

Opportunities identified as supporting the acquisition included:

- Advancing re-development plans for a boutique high quality retirement residence in the desirable Auckland inner-city suburb of Mt Eden
- Accelerating our care suite strategy in Auckland, with initial scoping identifying the potential brownfield development of over 100 premium care suites across the Auckland sites over time
- A platform to launch Arvida Good Friends home support and care services into Auckland and Tauranga
- Further brownfield development of 150+ units over time at low-density, high-value central North Shore and Whangaparāoa sites

The unique opportunity to acquire large land holdings in prime retirement living locations was central to the acquisition strategy. As mature broad-acre sites with low density coverage, the communities offered the prospect of future intensification over many years. Master planning work conducted since acquisition has highlighted a higher yield is possible over the medium-to-longer term than initially anticipated.

The acquisition strategy identified the requirement for remediation work to be completed at four of the communities. As part of the remedial works, introduction of a continuum offering will be evaluated. A continuum of care provides residents with the confidence that care services can be accessed by them on a preferential basis, while adding value to the overall community proposition.

Integration of the Arena communities has progressed well, with the bringing together of teams and systems on target for completion this quarter. The ability to acquire and integrate existing communities is core to our growth strategy of accessing immediate new cash flows and new development opportunities.

Other portfolio activity during the period included:

- Adding 35 care beds, with the lease of the Lake Wakatipu Care Centre in Queenstown
- Completing the divestment of 43 units and 161 beds at Maples, Bainswood on Victoria, Bainswood House and Bainlea House
- Acquiring the Glenbrae care centre that was previously leased

The divestment strategy has helped to reweight our portfolio geographically and support a higher independent living composition, as well as increasing our funding capacity to pursue growth opportunities.

LOOKING AHEAD

A total of 20 retirement communities and four greenfield sites have been acquired since IPO, along with the divestment of five communities.

We continue to scan for attractive opportunities that meet our acquisition criteria. Our immediate focus remains adding to our land bank and extending the future development pipeline.

The current land bank has the potential to add 1,928 units to the portfolio over the next six to seven years.

Our acquisition strategy has demonstrated significant brownfield development opportunities can be delivered through acquisition of existing communities. Community acquisitions have presented matured development opportunities with advanced cash flow profiles, scale benefits and greater access to talent. The current climate could present opportunities to acquire quality communities or advance sector consolidation.

Key projects in FY23

TE PUNA WAIORA, KERIKERI

Construction of the next stage of villas is progressing well to an expected FY23 delivery date.

Planning is underway for an 800 sqm clubhouse with lounge, bar and activity amenity for residents' use.

Rejuvenation of a wetland area and stream on the community border is progressively delivering landscaping and replanting.

ARIA BAY, AUCKLAND

The 59 care suite building delivered at the end of FY21 is fully occupied, with a waiting list for vacant units.

The next stage that adds 57 apartments in multi-storey blocks is advancing well to a completion date in the second half of the financial year.

BETHLEHEM SHORES, TAURANGA

16 villas were delivered in FY22 as part of a stage that comprises 59 villas. Construction continues with a further 23 villas to be delivered from this stage in FY23.

Procurement planning is well-advanced for the care and apartment building. It will comprise 54 care suites and 53 apartments. Construction is due to commence in the second half of FY23.

LAURISTON PARK, CAMBRIDGE

15 townhouses were delivered in FY22 adjacent to the care facility currently under construction. These complete the villa build programme at Lauriston Park.

Construction of the care centre is progressing well despite materials and labour challenges. Roofing is advanced and internal fitout is progressing. 63 care suites will deliver up to hospital level care. The facility is programmed to complete in 2H23.

WAIPA COUNTRY CLUB, TE AWAMUTU

The team has been carrying out enabling and bulk earthworks over the summer months. Construction of the first stage of villas is due to commence, with up to 10 villas to be delivered in FY23.

A conditional purchase of 3.8 hectares of adjoining farmland will provide greater flexibility for future expansion.

LANSDOWNE PARK, MASTERTON

Earthworks have commenced on the site that adjoins the existing community.

The master plan includes 48 villas and a small clubhouse for residents. Floor slabs are expected to go down mid-year and the first villas to be delivered during FY23.

WAIKANAE BEACH COUNTRY CLUB, WAIKANAE

A resource consent application for the first stage of villas has been lodged and is progressing. Master planning for the remainder of the village totalling 148 villas, 40 apartments, 60 care suites, residents' clubhouse and living well centre is advanced.

Construction of the first stage villas is planned to commence later this year.

WAIMEA PLAINS, RICHMOND

120 villas have now been delivered since receiving consents in 2019. Villa construction continues, with a further 66 planned over the next three years.

Pre-construction planning is currently underway on the care centre. This is to be constructed commencing 2H23 in conjunction with the next stage of community amenities, which will include an Arvida Good Friends Living Well Community Centre at the front of the community.

QUEENSTOWN COUNTRY CLUB

The new Warren Mahoney designed 1,600 sqm clubhouse was opened in April. This is a first-class facility that combines a pool, gym, lounge and dining area, library and cinema for residents' use.

Ground works have commenced for the care and apartment facility. Construction is to take place in two stages, with the first stage comprising 62 care suites and 29 apartments. Completion is expected in FY24.

Development Staging

BROWNFIELD DEVELOPMENT	UNITS		DESIGN	CONSENTING	CONSTRUCTION	SALES
Bethlehem Shores	150	Villas, Apartments & Care	→	→	→	→
Queenstown Country Club	221	Villas, Apartments & Care	→	→	→	→
Glenbrae	4	Apartments	→	→	→	→
Village at the Park	8	Villas	→	→	→	→
Aria Bay	57	Apartments	→	→	→	
Lauriston Park	63	Care	→	→	→	
Lansdowne Park	48	Villas	→	→	→	
Mary Doyle	6	Villas	→	→	→	
Mayfair Village (Auckland)	57	Apartments	→			
Mt Eden Gardens	69	Apartments	→			
Peninsula Club	131	Villas & Apartments	→			
Parklane Village (Auckland)	58	Apartments & Care	→			
Cascades	80	Apartments & Care	→			
Aria Park	56	Apartments & Care	→			
Waikanae Country Club	51	Apartments & Care	→			
Oakwoods	64	Apartments	→			
TOTAL BROWNFIELD	1,123					

GREENFIELD DEVELOPMENT	UNITS		DESIGN	CONSENTING	CONSTRUCTION	SALES
Waimea Plains	125	Villas, Apartments & Care	→	→	→	→
Te Puna Waiora	237	Villas, Apartments & Care	→	→	→	→
Waipa Country Club	195	Villas, Apartments & Care	→	→	→	
Waikanae Beach	248	Villas, Apartments & Care	→	→		
TOTAL GREENFIELD	805					

TOTAL UNITS 1,928

Our People: Engaging Well

"We want to attract and retain talented, passionate people who identify with our core values and are obsessed with achieving the best outcomes for our residents. In return, we offer our team an environment where they are valued for their input and supported to be their best."

Developing the wellness capabilities through The Attitude of Living Well culture of Arvida has been a natural passion for General Manager of Wellness and Care, Maria Scott-Multani.

The word Attitude plays a significant role in Arvida's culture.

"To truly understand what we are trying to achieve, requires the whole team to stop and think about the attitude they bring to work. The first step begins at a very personal level. Providing space for staff to reflect on what it truly means to live in an Arvida community," says Maria.

An important part of this is to look for and acknowledge the positive. In creating a living well community we are recognising that no matter what your age or stage, you have something of value to offer the community you live and work in. By positively reinforcing examples of the Attitude of Living Well in practice, we strengthen the culture and encourage people to live our Arvida values.

The Wellness and Care team have multiple initiatives in place in order to support this philosophy. This ranges from shared leadership training, monthly networking sessions, wellness challenges, the sharing of good news stories and steering groups to identify opportunities to further improve clinical outcomes for residents.

Two new roles have been incorporated into the wellness and care team this year – a Dementia Wellbeing Coach and Head of Wellness Compliance. Both positions place Arvida in a strong position to embrace the opportunities arising from the new Health & Disability Standard, Ngā Paerewa, whilst further cultivating a resident-led culture for all.

Maria is a firm believer that culture is not something we can ever really stop working at. "I sincerely believe that what you focus on becomes your reality. If we focus on risk, disability and all the negative aspects of ageing we stop seeing the person behind the diagnosis. By keeping individual people at the heart of all we do, we are encouraging our teams to recognise that relationships, empowerment and bringing your whole self to work are key to the success of this living well model."

A positive culture is critical to delivering a truly resident-led service offering that has the ability to transform the ageing experience of our residents and future customers.

PEOPLE STRATEGY

We know engagement is key to our teams delivering a quality resident experience as well as delivering key business metrics such as turnover, retention, attraction, and profitability. The importance of continued investment in our teams has been heightened through Covid-19.

This year substantial focus is being placed on the development of a people strategy and execution plan. The ability to attract, retain and engage talent in a challenging labour market is critical for Arvida to deliver its differentiated resident experience and business goals.

The people strategy will define Arvida's employment brand and culture, mapping out how this will be authentically delivered through all employee touch points. It will also outline how core people operations will be streamlined and automated to improve efficiencies, consistency and the gathering of key people metrics for decision making.

Implementation of our people strategy will occur over the next 2-3 years. Our ambition is to establish a culture that makes Arvida the workplace of choice in the sector.

ENGAGEMENT

The annual staff satisfaction survey completed at the beginning of the financial year showed engagement levels at constant levels to 2021, a good achievement considering the challenges the current environment continues to present.

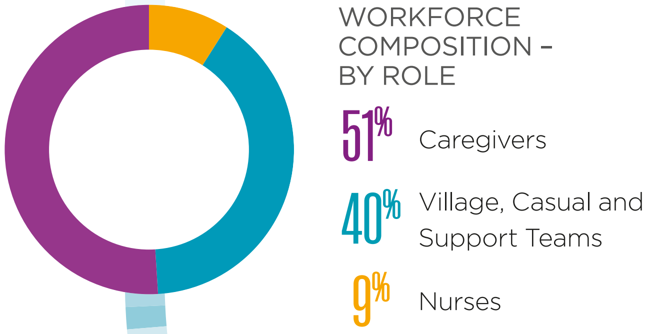
- Staff engagement in their everyday work was indexed at 85% (2021: 85%)
- 95% (2021: 95%) of staff surveyed were determined to give their best effort at work each day
- 82% (2021: 83%) of staff feel motivated to go above and beyond what is required.

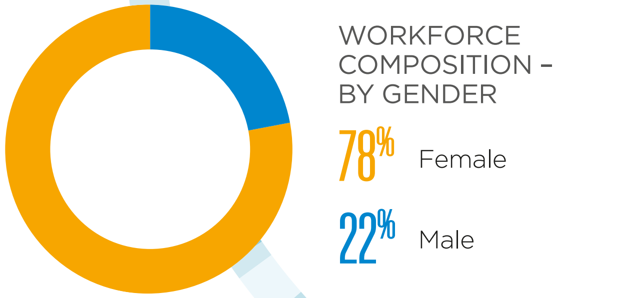
Reporting of results has been provided to our teams to enable functional areas to benefit.

In FY23 we plan to move measuring staff engagement to the Peakon platform with the objective of converting feedback into insights that can be used to improve the experience of our teams.

TRAINING & PEOPLE IMPROVEMENT

Training course completions were up over 25% from last year. Covid-19 related learning materials delivered through Altura, our remote learning platform, has continued to form a large part of staff development. Over 50,000 courses were accessed by staff from Altura.





Ongoing education and training continues to be a core component to developing and sustaining a resident-led culture of care. With limitations on travel and face to face group session due to Omicron, the shared leadership training is now being trialled online in some care centres with great results. Additionally, the option of creating an Arvida specific NZQA training programme for wellness partners is being explored. This would see all care staff having the opportunity to gain a qualification that was recognised as an NZQA standard designed with the Attitude of Living Well at its core. This, along with our requirements under Ngā Paerewa, has seen the Wellness and Care team escalate collaboration with People & Culture to create training that reflects our goal of taking a lead role in the industry in the area of diversity and inclusion.

With the onboarding of new care centres and the opportunity to establish a culture that reflects Arvida Vision and Values from inception, the Wellness and Care team are actively supporting new care centres in the recruitment, orientation and training of teams to ensure an alignment and understanding of what sets Arvida apart from our competitors.

EMPLOYMENT PRACTICES

As a responsible employer, our approach to corporate governance, alongside our values, code of ethics, newly introduced supplier code of conduct, and whistleblowing procedures assist us to mitigate the risks of 'modern slavery' in our operations.

We employ people with a broad range of skillsets, ranging from construction trades to caregivers and nurses to professional services. As at 31 March 2022, Arvida directly employed over 2,700 people split between caregivers (1,378), nurses (243) and other village, casual and support teams. All of the Company's operations and people are located in New Zealand.

Arvida meets the requirements of New Zealand employment law for our direct workforce, and in many cases goes above and beyond statutory requirements. Our policy ensures that 'right to work' checks are undertaken, and work cannot commence without valid documentation.

WHISTLEBLOWING

Through our induction and training efforts, employees are encouraged to report incidents and suspected ethics breaches to their manager or, in certain circumstances, the Chief Executive or Chair.

At any time a person can register their concern using our whistleblowing system – the 'Speak Up Hotline' – where reports can be made confidentially, either by phone or online.

PAY EQUITY

We currently report the remuneration of our directors, Chief Executive Officer and Chief Financial Officer (see the Remuneration section). This year we have also provided reporting on pay between genders utilising two measures, the pay equity gap and gender pay gap.

The pay equity gap is intended to measure whether males and females are paid the same for performing the same role. In order to perform this calculation, staff were classified into 31 roles. Seven roles had only one gender, for example builders are male only roles while beauty therapists are female only. These seven roles were excluded from our analysis. We then determined the average base pay for each of the remaining roles by gender, and then weighted the result for the proportion of our total workforce. In total, 96% of our staff were included in our pay equity gap analysis.

In 2022, our pay equity gap was recorded at -0.1% which indicates that pay is broadly equal between genders for the same role.

The gender pay gap measures the median pay (base pay only) between men and women regardless of the nature of work.

For Arvida, the gender pay gap is 2.3%. That is, women earn $0.98 for every $1 that men earn. The median pay is $52,810.

This gender pay gap is not due to any inequity in pay per role. It is mainly driven by a greater proportion of men in development, construction and executive roles and a larger number of women who work in caregiver and finance administration roles.

Our remuneration framework and practices ensures that all employees are paid rates above the minimum wage.

HEALTH & SAFETY

We continued to make improvements in our health and safety reporting culture; providing greater awareness of issues and enabling a sharing of learnings.

Our teams' health and mental wellbeing has been at the forefront of our health and safety approach as the pandemic continues. Infection prevention and controls, personal protection equipment, vaccination and constant education have aided to keep our teams safe. Access to Employee Assistance services has supported their mental wellbeing.

As part of our FY22-FY24 internal audit plan, a staged review of our health and safety framework was also completed. This identified some key strengths across the group, including:

- A strong collaborative approach
- Good interaction with other sites and the leadership team
- A strong culture supported staff through the challenging environment
- Resourcing is provided when required
- A proactive approach is applied to address key risks such as mental health, and dementia patient behaviour mapping
- A consistent approach is applied in identifying key issues

There were no high risk findings identified in the audit.

During the year Arvida was awarded secondary status in the ACC's Accredited Employers Programme, reflecting our continued emphasis on health and safety. Incidents or accidents that were

required to be notified to WorkSafe New Zealand all occurred in construction. They involved three contractors that were working on Arvida construction sites.

WorkSafe New Zealand did not visit any of the sites or issue any legal notices or recommendations for improvement.

Arvida has around 70 workers in its construction team which includes design, project/site management, trade and procurement. Our policies and practices cover contractor's employees and subcontractors working on sites.

CERTIFICATION

Arvida currently operates 23 care centres, three less than 2021 following divestments of four care centres located in Christchurch and Rangiora and addition of one care centre in Queenstown.

Our care centres provide a range of services: hospital (geriatric medical), rest home, dementia, and residential disability.

All care centres are independently audited to Health and Disability Service Standards.

Of our 23 care centres: one has a provisional certification due to a change of ownership; sixteen have fully achieved the gold standard of four-year Ministry of Health certification; six hold three-year certification. All four care centres divested during the year had four-year Ministry of Health certification.

Audit reports are published by the Ministry of Health for all care centres. Arvida's clinical standard is significantly higher than the national level where only 39% of aged care centres nationally hold four-year certification[3].

CARE CENTRE COMPOSITION	2022	2021	2020	2019
Rest Home	0	2	2	3
Rest Home and Hospital (geriatric, medical)	14	13	13	13
Dementia	0	1	1	1
Rest Home, Dementia and Hospital (geriatric, medical)	9	10	9	9
Total Care Centres	**23**	**26**	**25**	**26**

MINISTRY OF HEALTH CERTIFICATION	2022	2021	2020	2019
Proportion of Care Centres with 4 years	73%	83%	80%	65%
Certification period (Group average, years)	3.7	3.8	3.8	3.7
Average Continuous Improvements[4] per site	1.4	1.4	1.5	1.5
Average PAs[5] (Negligible or low risk) per site	0.8	0.7	0.8	0.9
Average PAs[5] (Moderate risk or above) per site	0.0	0.0	0.0	0.2

3. *Reported by BSI Group NZ, February 2020.*
4. *Continuous Improvements are awarded for achievement beyond the full attainment. Measurement shows results from certification audits only.*
5. *A risk rating is given to standards or criteria identified as partially attained ('PA') or unattained ('UA'). These standards or criteria are rated according to the assessed potential risk for consumers – negligible, low, moderate, high or critical risk.*

   A partial attainment rating does not indicate a failure. The Ministry of Health states that most rest home audits have some standards and criteria assessed as partial attainment. Partial attainment indicates the areas that require improvement. The audits are an opportunity to identify the areas where the rest home should improve and what action is required for improvement. Measurement shows results from certification audits only.

The Attitude of Living Well™ model of care is now well embedded across the Group. As part of care centre audits, our care practice regularly receives positive commendation:

"*[Care centre]* is committed to provide a de-institutionalised environment that aligns with Arvida Attitude of Living Well through the wellness/household model. A central component to the model is person-centred care and resident choice in daily life. The 'living a life with soul' philosophy means a life within Arvida that embraces a holistic view of physical, mental and spiritual health"
(Continuous Improvement – good practice).

NGĀ PAEREWA

The updated Health & Disability standard Ngā Paerewa came into effect on the 28 February 2022.

The new standard introduces a variety of new requirements that focus on addressing equity, particularly for New Zealand's Māori and Pacific Island communities. A large component relates to governance, which incorporates Pae Ora, among other government strategies.

Implementation of Ngā Paerewa requires some 'organisation-wide' consideration, as well as per care centre, to fully meet the requirements. Failure to fully meet the requirements may result in a shorter certification period.

Our Communities: Living Well

"We want every resident to be actively involved with designing their own life and shaping their community. We hope to hear them tell friends and family how much they love living with Arvida."

The average age of New Zealanders continues to rapidly increase and demand for retirement living continues to rise. By 2038, the number of New Zealanders aged over 75 years will grow to be more than 500,000. This will have significant impacts on the healthcare system.

We know that only a small portion of older New Zealanders choose to live in a retirement community, or require the services and support provided in care centres. Even though the number of people living in retirement villages has increased, so has the number who choose not to.

In a modern post Covid-19 world, creation and maintenance of social relationships has become more complicated. The health risks of loneliness and social isolation, which are well-documented as a 'serious public health concern', have been accentuated during the coronavirus pandemic.

It is thought that societal changes – such as reduced inter-generational living, greater geographical mobility and less cohesive communities – have contributed to higher levels of loneliness in the older population.

The challenge for Arvida has been to engage beyond the physical boundaries of our communities, and to deliver health and aged-care services to the wider community in a way that aligns with our values.

COMMUNITY ENGAGEMENT PLATFORM

Arvida Good Friends is our solution to that challenge. It's a unique bundle of services that offers choice to those who want to keep living independently in the homes they know and love, whether they're residing in one of our retirement communities or not. The business model gives meaning to Arvida's mission to transform the ageing experience for all older New Zealanders, regardless of where they choose to live.

The service offers a range of subscription memberships for any combination of:

- Social connection, exercise and activities at Arvida Good Friends Living Well Centre at Park Lane, our first community centre of its kind
- Private home help and in-home care services with intelligent remote care monitoring
- On-demand rideshare transport within a specific geographic area

Services are underpinned by market-leading technology that releases capacity for human connection and support.

Individual needs are monitored in real time, as well as analysed against anonymised cohort data to show where interventions and actions have improved health outcomes over time.

Arvida Good Friends is directly aligned with the national health sector reform goals of localisation, increased management of healthcare in the home, and digitally enabled services and reporting.

CHOOSE TO LIVE WELL

Arvida Good Friends at Park Lane officially opened on 15 April 2021. At the opening, more than 200 people enjoyed seeing the 15-metre swimming pool, spa therapy pool, specialist 50+ gym, large spaces for activities and events, as well as the licensed café and hair and beauty salon.

Commercial tenants in the allied health sector have been secured. On the Go Physio is a well-regarded Christchurch business with CDHB and ACC contracts. Through the Older Adults Health Collective, they offer complementary specialist support for people living with chronic illness, neurological and muscular physiotherapy, speech therapy, dietary advice, podiatry, counselling and oedema massage.

More than 550 members are now accessing wellbeing and social connection services regularly. Our Good Friends Go rideshare transport service has provided around 3,500 rides since launching and continues to grow in appeal.

With a club-like atmosphere, Arvida's first community Living Well Centre is an example of the success of our outwardly focused approach we've been designing into our new developments.

Business plans to support the extension of services into other regions are being prepared. Auckland, Nelson and the Bay of Plenty are key areas of interest, where ageing populations and our existing presence offer the opportunity to engage further with communities.

The health restructure and disestablishment of District Health Boards have posed challenges in securing pilot and contract funding.

At this time, without funding in place, the opportunity for Arvida Good Friends is with those who can self-fund the service. We continue to focus on creating partnerships and opportunities for wider accessibility and value impact of the Arvida Good Friends model and technology on national healthy ageing goals.

BUILDING BRAND

If you've seen our new television advertisement, you would have noticed that people living in an Arvida retirement community are depicted as younger than their years.

The brand campaign brings to life our Attitude of Living Well™ philosophy through the idea of 'living the age you feel'. It shows residents as their younger selves, because they're feeling good and doing things that make them happy and fulfilled.

Our brand storytelling highlights that Arvida communities are safe and trustworthy, have friendly people, offer peace of mind, encourage community connection and are welcoming. These are all emotional drivers for brand consideration in the retirement category.

The campaign was launched nationwide across all major TV channels, digital channels, cinema, radio and outdoor media in February 2022.

RESIDENT SURVEY

In a year where government Covid-19 settings continued to impact our communities and resident experience, insights into the broader resident experience were going to be interesting. We were pleased to see excellent Net Promoter Score[6] (NPS) results recorded across our retirement communities and Good Friends.

6. *Resident satisfaction is primarily gauged using NPS and feedback on a number of key aspects of village living. NPS measures the extent to which an organisation's clients promote the business to friends and people they know. A high proportion of promoters will produce a high NPS score. Because it is calculated on a net basis, the result can be within a range of -100 to +100.*

Our fifth annual resident survey was conducted by independent research house Perceptive in November-December 2021. This was the first year they have conducted the survey to measure resident satisfaction. Surveys for the prior four years were conducted by McCrindle.

For our independent residents, +42 NPS (2021: +48) was recorded and +45 NPS (2021: +43) for residents living in care.

To provide some context, the timing of the survey was delayed by two months, due to Covid-19. This meant the survey took place at a very busy time close to the summer holiday period.

The survey highlighted both independent (88%) and care (87%) residents were more than satisfied with their community's overall response to the restrictions in place due to Covid-19.

It also found independent (80%) and care (82%) residents received support from staff to keep doing the things important to them. This feedback was a slight improvement on the previous year.

We also surveyed our Good Friends members for the first time. A very high +91 NPS was recorded from non-resident Good Friend members, and +35 NPS from Arvida independent residents. Among our Christchurch residents, Good Friends has very high awareness.

We are now looking at ways to increase the frequency of collecting feedback from residents and move to a more active NPS. This will include using pulse surveys and people panels to gauge opinions on our products and services.

Nurturing Well

"We want to reduce the impact of climate change and enhance social equity. We do this by making responsible decisions about resource use, human rights and financial management."

Our sustainability framework reflects the integration of environmental, social and economic value across the Company.

Since adopting our Sustainability Policy in 2020, we have made good progress with developing a framework for our sustainability strategy, especially in terms of scoping our climate-related objectives.

A collaborative approach was used to develop the Company's thoughts and aspirations for sustainability. This involved a number of working groups with a range of internal stakeholders. Feedback was iterative and used to refine and test the input of stakeholders to inform a cohesive strategy.

The process has been valuable in constructing the sustainability framework, but it has also been very useful in engaging the wider team in our sustainability journey.

The next step in this journey is to broaden engagement across the Company, particularly with the residents and teams at each of our retirement communities. We expect to commence this part of the engagement process this year when the Covid-19 associated infection prevention and controls permit.

We are encouraged by the enthusiasm shown through engagement surveys with internal stakeholders. It has reinforced there is a broad desire to get involved in our sustainability journey. This reflects and is consistent with the growing sustainability momentum observed in the external environment.

Our sustainability framework reflects the integration of environmental, social and economic value across the Company. Sustainability is integrated into the four pillars that form our business strategy. Targets under each pillar are set to allow progress to be monitored.

WASTE REDUCTION

Waste reduction is an important part of our sustainability strategy. Our target is a 20% reduction in waste-to-landfill by FY23 (from our base year of FY20).

This year we looked to improve our understanding of waste streams at each of our retirement communities. This included performing a waste audit at selected sites to identify opportunities to divert waste away from landfill. The audits were conducted at an independent living community and a care community. Neither site had any construction in progress.

Our review of the waste streams has indicated some of our communities do not currently have access to services to optimise waste reduction.

Encouraging more separation and providing more waste options are strategies that we will explore over the next year to assist recycling. These requirements form part of a waste tender currently being conducted.

CONSTRUCTION WASTE

With development in progress across multiple sites, construction waste is a significant contributor to the total waste of our business. We have started to consider how to measure and monitor general construction waste more accurately. This will help us form strategies on reducing construction waste.

WASTE STREAM	COMMUNITIES
Recycling (plastic bottles, cans, glass)	34
Paper	19
Cardboard	28
Food waste	10
Green waste	22

Table 1: Available Waste Streams

ELECTRICITY

Our target is to move to 100% renewable electricity by FY25.

A detailed emissions reduction plan is being prepared. The first stage involves reducing our energy use through several projects launched this year.

ENERGY EFFICIENT LIGHTING

While all our new developments are specified with energy-efficient LED lighting, some of our older retirement communities have inefficient lighting infrastructure. We have partnered with a lighting specialist to start rolling out LEDs and superior lighting to these retirement communities.

Our pilot community was Ilam in Christchurch, where replacement of 717 lights was undertaken during February to April 2022. We expect to publish the energy, emissions and cost benefits of this project to our website soon.

The LED lighting upgrade programme will progressively occur across our retirement communities, with the next upgrade planned to commence in June 2022.

ELECTRICITY OPTIMISATION

We have partnered with an electricity provider to improve our understanding of electricity consumption at our retirement communities.

This project tracks the electricity consumption of different pieces of equipment. We will then be able to consider electricity reduction strategies.

SOLAR ENERGY

Our first community with solar generation was Park Lane in Christchurch, where a large 370 panel solar array was installed as part of the build process. Since installation, the panels have produced 358.4 MWh of electricity – the equivalent of powering 51 average New Zealand homes for a year. This has reduced our emissions by 36 tCO_2e.

Sustainability Framework

OUR STRATEGIC PILLARS	LONG TERM GOALS	FOCUS AREAS	OBJECTIVES (& *IMMEDIATE TARGETS)*
GROWING WELL Grow our portfolio of market-leading retirement communities	**Our Portfolio** 50 integrated retirement communities offering a continuum of care	**Healthier and more sustainable homes**	• Sustainability framework for independent buildings *(Review Homestar 6+ rating for selected developments)* • Sustainability framework for care buildings *(Project review of Greenstar or Homestar)* • Sustainability framework for communal buildings *(Pilot project to explore Greenstar rating)*
ENGAGING WELL Empower our people to give their best effort everyday	**Our People** A safe workplace with a culture that supports team members to strive for continuous improvement	**Understand and respond to the needs of our teams**	• Staff engagement *(Improve engagement of lower quartile communities)* • Staff turnover *(Improve staff retention)* • Support diversity and inclusion through obtaining a better understanding of workforce
LIVING WELL Inspire our residents to live their best lives	**Our Residents** Thriving communities that express The Attitude of Living Well	**Active resident and community engagement**	• The Attitude of Living Well model *(All communities at silver rating on Living Well framework)* • Community outreach *(One initiative per community)*
NURTURING WELL Be a sustainable organisation	**Our Sustainability** Leader in environmental and social guardianship	**Clean and resource-efficient operations**	• Waste to landfill *(20% reduction by FY23)* • Quantify Scope 3 emissions *(Mandatory & voluntary Scope 3 emissions)* • Electricity *(100% renewable by FY25)* • Emissions *(Net zero by FY30)*

Our second solar array was installed at Aria Gardens in Auckland this year. This is a 212-panel array capable of producing 141 MWh of electricity each year. This system is expected to reduce our emissions by around 14 tCO_2e annually.

Further opportunities to install solar will be explored as part of our emissions reduction plan.

OUR CARBON FOOTPRINT & EMISSIONS

As reported in the half-year results, our carbon footprint reduced by 107 tonnes between FY20 and FY21. For a detailed breakdown of our emissions, please refer to page 105 within our Climate Related Disclosures report.

Additional climate related disclosures are included in our 2021 Carbon Disclosure Project reporting where we obtained a 'B–' rating: www.cdp.net.

The development of our sustainability strategy included the addition of a new emissions target – net zero emissions for our operations by FY30. For us, this means reducing our operational emissions as much as possible before considering any offsets.

DECARBONISATION OF GAS

Gas and LPG represent around 40% of our operational emissions and the biggest opportunity to reduce emissions.

Each of our retirement communities is unique in its design and build, with different infrastructure and equipment. We have partnered with engineering specialists to identify the high-use gas assets across our retirement communities and recommend alternatives.

ROADMAP TO 2023

Progress for TCFD reporting is advancing according to plan. Our roadmap to 2023 includes a plan to meet the requirements of TCFD reporting and further our sustainability objectives.

Roadmap to 2023

	2021	2022	2023
GOVERNANCE	Board approved sustainability framework and approach Sustainability topics added to board agendas and reporting	Establish a project to define approach to TCFD Implement governance procedures for climate-related risks and opportunities	Review management's role and board oversight of climate risks and opportunities
	✓	✓	◔
STRATEGY	Conduct review of business strategy to align sustainability objectives	Conduct gap analysis between current <IR> disclosures and TCFD recommendations Identify short, medium and long-term climate-related risks and opportunities	Review results of scenario analysis and impacts on strategy of climate-related risks and opportunities
	✓	✓	◔
RISK MANAGEMENT	Describe current approach to sustainability-related risks Conduct internal stakeholder review of materiality assessment	Systems and data integrity review Conduct external stakeholder review of materiality assessment	Integrate management of climate-related risks and opportunities into the risk framework
	✓	✓	✓
METRICS AND TARGETS	Establish emissions reduction target	Report mandatory scope 1-3 emissions and carbon intensity Report sustainability targets for initiatives implemented and progress	Include sustainability KPIs in performance contracts for leadership team Report all mandatory and voluntary scope 1-3 emissions
	✓	✓	◔
ASSURANCE	Undertake certification of base line emissions	Undertake certification of FY21 emissions	Prepare for assurance over climate-related disclosures
	✓	✓	◔

✓ Complete ◔ In progress

Historical Summary

Key Financial and Operational Statistics

Financial

	2018	2019	2020	2021	2022
Care fees and village services ($000)	109,896	125,580	129,480	133,606	**144,728**
Deferred management fees ($000)	18,147	21,447	29,044	33,541	**48,612**
Total revenue ($000)	132,298	152,437	163,653	174,452	**201,655**
Operating earnings ($000)	23,518	22,602	24,026	21,681	**20,671**
Net profit after tax (IFRS) ($000)	57,637	59,075	42,640	131,113	**198,882**
Underlying profit [7] ($000)	33,019	38,635	51,686	51,864	**73,510**
Annuity earnings [8] ($000)	33,002	39,759	45,990	48,288	**64,579**
Net operating cash flow ($000)	53,877	69,141	102,917	130,776	**151,778**
Total assets ($000)	1,132,380	1,299,648	1,907,070	2,181,651	**3,396,908**
Embedded value per unit ($000)	130	150	178	210	**281**
Underlying profit per share (cents)	8.9	9.3	10.2	9.6	**12.0**
Dividend per share (cents)	5.0	5.4	5.8	5.4	**5.5**
Net tangible assets per share (cents)	109.9	119.8	126.7	146.3	**183.8**
Shares on issue (000)	413,741	413,950	541,892	542,488	**720,061**

Operational

	2018	2019	2020	2021	2022
Number of Villages	29	29	32	33	**35**
Care beds	1,743	1,722	1,688	1,672	**1,544**
Retirement living units	1,850	1,955	2,475	2,695	**3,912**
Needs-based composition	68%	66%	57%	57%	**44%**
Occupancy of care beds [9]	96%	96%	95%	95%	**94%**
New sales of occupation rights	79	70	126	137	**243**
Resales of occupation rights	216	258	278	267	**337**
Total sale of occupation rights	295	328	404	404	**580**
New units/beds delivered	97	113	210	247	**221**
Units/beds development pipeline	1.099	1,357	1,683	1,324	**1,928**

7. Underlying Profit is a non-GAAP (unaudited) financial measure and differs from NZ IFRS net profit after tax. Please refer to 23 for a reconciliation to Reported Profit under IFRS.

8. Calculated as operating earnings plus realised resale gains on occupation right settlement.

9. Measured as an average for each financial year.

Financial Statements

Arvida Group Limited
For the year ended
31 March 2022

Directors' Statement

For the year ended 31 March 2022

The Directors have pleasure in presenting the Financial Statements of Arvida Group Limited for the year ended 31 March 2022.

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

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

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

The Financial Statements presented are signed for and on behalf of the Board and were authorised for issue on 30 May 2022.

Anthony Beverley
Chairman
30 May 2022

Michael Ambrose
Director
30 May 2022

Consolidated Statement of Comprehensive Income

For the year ended 31 March 2022

$000	Note	31 March 2022	31 March 2021
Care fees and village services	2	144,728	133,606
Deferred management fees	2	48,612	33,541
Other income	2	8,315	7,305
Total revenue		**201,655**	**174,452**
Gain on acquisition of villages	19	44,905	0
Loss on divestment of villages		(1,005)	0
Change in fair value of investment property	6	158,919	123,547
Change in fair value of interest rate swaps		(2,956)	(2,237)
Change in fair value in property, plant and equipment		38	7
Share of profit arising from joint venture	18	7,413	6,514
Total income		**408,969**	**302,283**
Employee costs	3	118,364	103,011
Property costs	3	22,354	15,826
Depreciation and amortisation	7, 8	8,371	6,682
Impairment of intangibles	8	10,794	3,729
Finance costs	4	7,915	6,017
Transaction costs		3,162	119
Other expenses	3	40,266	33,934
Total expenses		**211,226**	**169,318**
Profit before tax		**197,743**	**132,965**
Income tax expense / (credit)	5	(1,139)	1,852
Profit after tax		**198,882**	**131,113**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
Net gain on revaluation of property, plant and equipment		15,573	1,174
Total comprehensive income		**214,455**	**132,287**
Earnings per share:			
Basic (cents per share)	16	32.38	24.17
Diluted (cents per share)	16	32.30	24.06

The financial statements should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the year ended 31 March 2022

$000	Note	Retained Earnings	Asset Revaluation Reserve	Share Based Payment Reserve	Share Capital	Total
Opening Balance at 1 April 2020		**146,253**	**24,513**	**826**	**550,974**	**722,566**
Profit for the period		131,113	0	0	0	131,113
Other comprehensive income		0	1,174	0	0	1,174
Total comprehensive income		**131,113**	**1,174**	**0**	**0**	**132,287**
Dividends paid		(28,752)	0	0	0	(28,752)
Share based payments		0	0	(155)	408	253
Share capital issued		0	0	0	0	0
Transaction costs		0	0	0	0	0
Balance at 31 March 2021		**248,614**	**25,687**	**671**	**551,382**	**826,354**
Opening Balance at 1 April 2021		**248,614**	**25,687**	**671**	**551,382**	**826,354**
Profit for the period		198,882	0	0	0	198,882
Other comprehensive income		0	15,573	0	0	15,573
Total comprehensive income		**198,882**	**15,573**	**0**	**0**	**214,455**
Dividends paid		(26,070)	0	0	0	(26,070)
Share based payments	**20**	0	0	(225)	424	199
Share capital issued	**15**	0	0	0	330,236	330,236
Share capital issued dividend reinvestment plan	**15**	0	0	0	5,745	5,745
Transfer revaluation reserve of divestments		1,256	(1,256)	0	0	0
Transaction costs	**15**	0	0	0	(5,839)	(5,839)
Balance at 31 March 2022		**422,682**	**40,004**	**446**	**881,948**	**1,345,080**

The financial statements should be read in conjunction with the accompanying notes.

Consolidated Balance Sheet

As at 31 March 2022

$000	Note	31 March 2022	31 March 2021
Assets			
Cash and cash equivalents		8,154	6,426
Trade receivables and other assets		17,758	9,780
Assets held for sale	9	0	8,670
Tax receivable		1,435	1,836
Resident advances		35,060	18,111
Accrued income		5,344	5,614
Property, plant and equipment	7	208,758	195,529
Investment properties	6	3,061,245	1,872,011
Investment in joint venture	18	37,407	31,194
Intangible assets	8	21,747	32,480
Total assets		**3,396,908**	**2,181,651**
Liabilities			
Trade and other payables	14	40,773	33,867
Employee entitlements	14	14,251	12,464
Revenue in advance	2	110,256	59,646
Interest rate swaps	12	10,903	7,947
Lease liability	11	3,109	4,683
Interest bearing loans and borrowings	12	452,862	364,892
Residents' loans	10	1,415,878	865,872
Deferred tax liabilities	5	3,796	5,926
Total liabilities		**2,051,828**	**1,355,297**
Net assets		**1,345,080**	**826,354**
Equity			
Share capital		881,948	551,382
Reserves		40,450	26,358
Retained earnings		422,682	248,614
Total equity		**1,345,080**	**826,354**

The financial statements should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flow

For the year ended 31 March 2022

$000	Note	31 March 2022	31 March 2021
Cash flows from operating activities			
Receipts from residents for care fees and village services		143,479	144,376
Receipts of residents' loans from resales		158,687	102,140
Receipts of residents' loans from new sales		129,222	100,652
Interest received		83	85
Payments to suppliers and employees		(173,384)	(145,435)
Repayments of residents' loans		(98,705)	(64,214)
Interest paid		(7,915)	(6,328)
Income tax paid		311	(500)
Net cash inflow from operating activities	**13**	**151,778**	**130,776**
Cash flows from investing activities			
Cash acquired from subsidiaries		10,972	0
Purchase of property, plant and equipment and intangible assets		(10,325)	(8,602)
Payments for village acquisitions		(361,390)	0
Purchase of investment properties		(191,813)	(140,387)
Proceeds from sale of assets		19,567	0
Capitalised interest paid		(5,328)	(5,842)
Dividends received		1,200	1,200
Net cash (outflow) from investing activities		**(537,117)**	**(153,631)**
Cash flows from financing activities			
Proceeds from borrowings		252,500	85,500
Proceeds from bond		0	125,000
Repayment of borrowings		(165,000)	(156,000)
Proceeds of share issue		330,435	0
Transaction costs		(9,001)	(119)
Payments for lease liabilities		(1,542)	(589)
Dividends paid		(20,325)	(28,752)
Net cash inflow from financing activities		**387,067**	**25,040**
Net increase/(decrease) in cash and cash equivalents		**1,728**	**2,185**
Cash and cash equivalents at the beginning of the financial period		6,426	4,241
Cash and cash equivalents at the end of the financial period		**8,154**	**6,426**

The financial statements should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2022

1. GENERAL INFORMATION

Arvida Group Limited (the "Group" or the "Company") is a for-profit, limited liability company incorporated and domiciled in New Zealand. Arvida Group Limited is registered under the Companies Act 1993. The Company is an FMC Reporting Entity in terms of Part 7 of the Financial Markets Conduct Act 2013 ("the Act") and is listed on the NZX Main Board (the "NZX"). The Company's registered office is 39 Market Place, Viaduct Basin, Auckland.

The Group is in the business of owning, operating and developing retirement villages and care facilities for the elderly in New Zealand.

These financial statements have been approved for issue by the Board of Directors on 30 May 2022. The financial statements presented are for Arvida Group Limited and its subsidiaries.

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

Basis of Preparation

These financial statements have been prepared:

- in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP") and comply with International Financial Reporting Standards ("IFRS") and the New Zealand equivalents ("NZ IFRS") as appropriate for a for profit entity;
- in accordance with the requirements of the Financial Markets Conduct Act 2013;
- under the historical cost convention, as modified by the revaluation of investment properties, land and buildings (included in property, plant and equipment) and derivatives;
- on the liquidity basis where the assets and liabilities are presented on the balance sheet in the order of their liquidity;
- in New Zealand dollar terms, rounded to the nearest thousand dollars; and
- with all amounts shown exclusive of goods and services tax ("GST"), other than trade debtors and trade creditors, except where the amount of GST incurred is not recoverable from the taxation authority. When this occurs, the GST is recognised as part of the cost of the asset or as an expense, as applicable.

Critical Accounting Estimates and Judgements

The preparation of the financial statements, in line with NZ IFRS, requires the use of certain critical accounting estimates and judgements. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The Directors, in determining the appropriate treatment, have carefully evaluated all of the available information and consider the adopted policies to be appropriate. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are found in the following notes:

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

Basis of Consolidation

The Group's financial statements are prepared by consolidating the financial statements of all entities that comprise the Group, being Arvida Group Limited and its subsidiaries. Consistent accounting policies are employed in the preparation and presentation of the Group's financial statements. All intercompany transactions and balances, and unrealised profits arising within the Group are eliminated in full.

Segment Reporting

An operating segment is a component of an entity that engages in business activities which earn revenue and incur expenses and where the chief operating decision maker reviews the operating results on a regular basis and makes decisions on resource allocation.

The Group operates in one operating segment being the provision of aged-care in New Zealand. The chief operating decision maker, the Board of Directors, reviews the operating results on a regular basis and makes decisions on resource allocation based on the review of Group results and cash flows as a whole. The nature of the products and services provided and the type and class of customers have similar characteristics within the operating segment. All revenue earned and assets held are in New Zealand.

Other Accounting Policies

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

New Standards and Interpretations Adopted

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

New Standards and Interpretations not yet Adopted

There are no new standards, amendments or interpretations that have been issued and are not yet effective, that are expected to have a significant impact on the Group.

Comparative information

No comparatives have been restated.

2. INCOME

Care Fees and Village Services

Care fees and village services fees are recognised over the period in which the service is rendered.

Deferred Management Fees

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

Other Income

Other income includes income derived from resident recoveries and other sundries for services provided to residents such as meals and cleaning which are recognised in the period the service is rendered.

Revenue in Advance

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

Information about Major Customers

The Group derives care fee revenue in respect of eligible Government subsidised aged care residents who receive rest home, dementia or hospital level care. Government aged care subsidies received from the Ministry of Health included in care fees and village services amounted to $77.4 million (2021: $78.6 million).

Key Judgements and Estimates

Deferred management fees are recognised as revenue on a straight-line basis. This requires management to estimate the period of occupancy for units and serviced apartments. The expected periods of tenure, being based on historical results, experience and industry averages, are estimated at 6.5 to 9.2 years (2021: 6.2 to 9.1 years) for independent apartments and villas and are estimated at 2.7 to 4.9 years (2021: 2.8 to 5.0 years) for care suites and serviced apartments.

3. EXPENSES

Operating Expenses

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

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

$000	2022	2021
Other expenses		
Directors' fees	589	532

4. FINANCE COSTS

$000	2022	2021
Interest expense	5,571	3,834
Facility costs	1,873	1,678
Financing costs	471	505
Total finance costs	**7,915**	**6,017**

Finance Costs

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

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

5. INCOME TAX EXPENSE

$000	2022	2021
Income tax expense		
Current tax	0	0
Deferred tax	(1,139)	1,852
	(1,139)	**1,852**

$000	**2022**	**2021**
Reconciliation to profit before tax		
Profit before tax	197,743	132,965
Tax at 28%	**55,368**	**37,230**
Tax effects of amounts which are not deductible (taxable) in calculating taxable income:		
Changes in fair values	(44,292)	(34,595)
Reversal of deferred tax	0	0
Share of profit arising from joint venture (net of tax)	(2,076)	(1,824)
Gain on bargain purchase	(12,574)	0
Non-taxable income and non-deductible expenditure	2,968	970
Other	(533)	71
Income tax expense / (credit)	**(1,139)**	**1,852**

Income Tax Expense

Income tax comprises current and deferred tax and is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in other comprehensive income, in which case it is recognised in other comprehensive income.

Current Tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted by the reporting date, and any adjustment to tax payable in respect of previous years. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable). The applicable tax rate is 28% (2021: 28%).

Imputation Credits

The imputation credit balance for the Group and Parent as at 31 March 2022 is $0.2 million (2021: $0.7 million).

Deferred Tax

Deferred tax arises as a result of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences for the initial recognition of assets or liabilities that affect neither accounting nor taxable profit, unless they arise on a business combination, are not provided for.

$000	2022	2021
Brought forward	**5,926**	**3,617**
Temporary difference in income statement		
Property, plant and equipment	438	717
Investment property	5,324	4,544
Deferred management fees	4,874	965
Income taxes not yet utilised	(10,606)	(3,132)
Other items	(1,169)	(1,242)
	(1,139)	**1,852**
Temporary differences in Other Comprehensive Income		
Property, plant and equipment	(991)	457
	(991)	**457**
Acquired on acquisition		
Property, plant and equipment	0	0
Investment property	14,496	0
Deferred management fees	52	0
Income taxes not yet utilised	(14,055)	0
Other items	(493)	0
	0	**0**
Balance at end of year		
Property, plant and equipment	709	1,262
Investment property	43,415	23,595
Deferred management fees	(5,774)	(10,700)
Income taxes not yet utilised	(27,793)	(3,132)
Other items	(6,761)	(5,099)
Deferred tax liability	**3,796**	**5,926**

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

The Group recognises tax losses in the balance sheet to the extent that tax losses offset deferred income tax liabilities arising from temporary differences and the requirements of income tax legislation can be satisfied. Significant judgement is required in determining whether shareholder continuity and other income tax legislation requirements will continue to be met in the future in order for tax losses to be recognised. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

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

6. INVESTMENT PROPERTIES

$000	2022	2021
Balance at beginning of period	1,872,011	1,621,087
Acquisition of villages	841,267	0
Additions	196,622	148,156
Assets held for sale	0	(7,553)
Disposals	(4,224)	0
Reclassification from / (to) property, plant and equipment	(3,350)	(13,226)
Fair value movement - unrealised	158,919	123,547
Total investment property	**3,061,245**	**1,872,011**
Valuation of managers' net interest	1,320,048	782,565
Development land	114,915	90,800
Investment property under construction	105,492	78,742
Liability for residents' loans	1,415,878	865,872
Net revenue in advance / (accrued income)	104,912	54,032
Total investment property	**3,061,245**	**1,872,011**

Recognition and Measurement

Investment properties are held to earn rental income and for capital appreciation. They comprise land and buildings and associated equipment and furnishings related to independent living units, serviced apartments, care suites and common facilities in the retirement village. Investment properties include land acquired with the intention of constructing a retirement village. All retirement village units that are contracted with an ORA are classified as investment property as the majority of the net operating cash flows generated are for the purpose of earning rental income and capital appreciation.

Investment property is initially recognised at cost and subsequently measured at fair value with any change in fair value recognised in the statement of comprehensive income.

Market Outlook

CBRE Limited ("CBRE") and Jones Lang LaSalle Limited ("JLL") have reviewed market conditions in relation to the Covid-19 global pandemic and consider the level of uncertainty and unknown impacts in relation to Covid-19 are diminishing. However, the property market is facing an uncertain economic environment with rapidly rising inflation, higher commodity prices and a geopolitical crisis stemming from events in Ukraine. Whilst property assets can perform well during periods of high inflation, a higher interest rate environment coupled with a deteriorating economic outlook, could have a more pronounced impact on the New Zealand economy. They advise that a periodic review of valuations be conducted given the current economic uncertainty.

Key Judgements and Estimates

The fair value of investment property is determined on an annual basis. The fair value of completed investment properties and development land has been determined by Michael Gunn, an independent registered valuer, of the firm CBRE and Glenn Loraine, an independent registered valuer of the firm JLL. A valuation method for investment properties was used based on a discounted cash flow ("DCF") model. CBRE used expected cash flows for a 20-year period and JLL used expected cash flows for a 25-year period.

Development land has been valued using a sales comparison approach.

Significant assumptions used by the valuer include:

Assumption Estimate Used	Estimate Used
Land $/ha	Between $0.5 million and $26.9 million (2021: $0.9 million and $20.0 million)
Land $/unit	Between $0.0 million and $0.3 million (2021: $0.0 million and $0.3 million)

The valuation of investment property includes within its forecast cash flows, the Group's expected costs relating to any known or anticipated remediation works. The fair value as determined by the independent valuer is adjusted for assets and liabilities already recognised in the balance sheet which are also reflected in the DCF. As the fair value of investment property is determined using inputs that are unobservable, the Group has categorised investment property as level 3 under the fair value hierarchy in accordance with NZ IFRS 13 'Fair Value Measurement'. Significant assumptions used by the valuer include:

Assumption	Estimate Used
Occupancy periods of units	Stabilised departing occupancy of 6.5 to 9.2 years (2021: 6.2 to 9.1 years) for independent apartments and villas and 2.7 to 4.9 years for care suites and serviced apartments (2021: 2.8 to 5.0 years)
House price inflation	Between 0.5% and 3.5% (2021: 0.5% and 3.5%)
Discount rate	Between 12.5% and 16.25% (2021: 12.5% and 17.0%)
Average age on entry	Between 72 and 85 years (2021: 71 and 88 years) for independent apartments and villas and between 76 and 90 years (2021: 80 and 87 years) for care suites and serviced apartments

The occupancy period derived by CBRE is driven from a Monte Carlo simulation. The simulations are dependent upon the demographic profile of the village (age and gender of residents) and a death and non-death probability as the reason for departing a unit. The resulting stabilised departing occupancy period is an estimate of the long run occupancy term for residents. Additional variables which will influence the stabilised occupancy period outputs (and recycle profile) by village will include resident densities where a high proportion of couples will logically extend/prolong the recycle profile, occupancy periods for existing residents, current absolute age levels and whether it is a care or lifestyle orientated village. The occupancy period derived by JLL for the existing residents is based on the observed historical length of stay within the village and the demographic profile of the existing residents, including age and gender. The stabilised occupancy period for new residents is guided by the historical length of stay for previous residents within the village, considered alongside village maturity, resident densities where a high proportion of couples will logically prolong the recycle profile, current age levels and whether it is a care or lifestyle orientated village.

A 0.5% decrease in the discount rate would result in a $48.7 million higher fair value measurement and an increase in the fair value gain recorded in the income statement. Conversely, a 0.5% increase in the discount rate would result in a $44.8 million lower fair value measurement and a decrease in the fair value gain recorded in the income statement. A 0.5% decrease in the 5-year plus growth rate would result in a $65.8 million lower fair value measurement and a decrease in the fair value gain recorded in the income statement. Conversely, a 0.5% increase in the 5-year plus growth rate would result in a $71.7 million higher fair value measurement and an increase in the fair value gain recorded in the income statement. Other key components in determining the fair value of investment property are the average age on entry of residents and the stabilised departing occupancy period. A significant decrease (increase) in the stabilised departing occupancy period would result in significantly higher (lower) fair value measurement and a significant increase (decrease) in the average age on entry of residents would result in a significantly higher (lower) fair value measurement.

7. PROPERTY, PLANT AND EQUIPMENT

$000	Freehold Land at Valuation	Freehold Building at Valuation	Right of use assets	Work in progress	Other	Total
Year ended 31 March 2021						
Opening net book value	54,043	108,675	4,697	1,158	14,578	183,151
Additions	0	556	383	1,390	6,780	9,109
Depreciation	0	(2,194)	(590)	0	(3,751)	(6,535)
Revaluation	0	1,638	0	0	0	1,638
Asset held for sale	(1,200)	(3,175)	0	0	(204)	(4,579)
Disposals and transfers	4,455	8,028	0	(270)	532	12,745
Closing net book value	**57,298**	**113,528**	**4,490**	**2,278**	**17,935**	**195,529**
Cost or valuation	57,298	113,528	6,278	2,278	34,023	213,405
Accumulated depreciation	0	0	(1,788)	0	(16,088)	(17,876)
Net book value at 31 March 2021	57,298	113,528	4,490	2,278	17,935	195,529
Year ended 31 March 2022						
Opening net book value	57,298	113,528	4,490	2,278	17,935	195,529
Acquisition	425	4,975	462	0	863	6,725
Additions	0	912	3,061	1,450	6,400	11,823
Depreciation	0	(2,136)	(1,596)	0	(4,509)	(8,241)
Revaluation	16,937	(2,355)	0	0	0	14,582
Transfer from investment property	1,425	1,925	0	0	0	3,350
Disposals and transfers	(1,750)	(7,334)	(3,401)	(1,869)	(656)	(15,010)
Closing net book value	**74,335**	**109,515**	**3,016**	**1,859**	**20,033**	**208,758**
Cost or valuation	74,335	109,515	4,804	1,859	40,620	231,133
Accumulated depreciation	0	0	(1,788)	0	(20,587)	(22,375)
Net book value at 31 March 2022	74,335	109,515	3,016	1,859	20,033	208,758

Recognition and Measurement

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

Any revaluation surplus is recognised as other comprehensive income unless it reverses a revaluation decrease of the same asset previously recognised in profit or loss. Any revaluation deficit (impairment) is recognised in the profit or loss unless it directly offsets a previous surplus in the same asset in the asset revaluation reserve.

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

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

- Land – not depreciated

- Buildings – 2% straight line
- Plant, Furniture, Equipment and Motor Vehicles - a combination of straight line and diminishing value at rates of 3% to 80%

At 31 March 2022, had the land and buildings been carried at historical cost less accumulated depreciation and accumulated impairment losses, their carrying amount would have been approximately $44.6 million and $97.3 million respectively (2021: $44.5 million and $98.9 million).

Key Judgements and Estimates

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

The value of the care facility land and buildings for the years ended 31 March 2022 was determined by Michael Gunn, an independent registered valuer of the firm CBRE and Glenn Loraine, an independent registered valuer of the firm JLL. The method used was a capitalisation of earnings approach.

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

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

Assumption	Estimate Used
Capitalisation rates	Rates used range from 10.9% to 14.8% (2021: 10.75% to 15.5%)
Earnings	Market value for a care bed ranging from $77,037 to $186,932 (2021: $68,242 to $181,818

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

8. INTANGIBLE ASSETS

$000	Goodwill	Software	Total
Year ended 31 March 2021			
Opening net book value	35,816	165	35,981
Additions	0	375	375
Amortisation	0	(147)	(147)
Impairment of goodwill	(3,729)	0	(3,729)
Closing net book value	**32,087**	**393**	**32,480**
Year ended 31 March 2022			
Opening net book value	32,087	393	32,480
Additions	0	2,124	2,124
Amortisation	0	(130)	(130)
Disposals	(1,803)	(130)	(1,933)
Impairment of goodwill	(8,670)	0	(8,670)
Impairment of software	0	(2,124)	(2,124)
Closing net book value	**21,614**	**133**	**21,747**

Goodwill

Goodwill as at 31 March 2022 was $21.6 million (2021: $32.1 million). Goodwill has decreased as a result of the recognition of goodwill impairment. Goodwill is tested for impairment annually at 31 March and when circumstances indicate that the carrying value may be impaired. Goodwill acquired through business combinations with indefinite lives have been allocated, for impairment testing, to seventeen of the cash generating units ("CGU's"). A CGU is defined as an individual village which may include either or both, a care facility and retirement village. This is the level at which the smallest identifiable group of assets that generates cash flows that are largely independent of the cash inflows from other groups of assets.

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

In sixteen of the CGU's, the recoverable amount was based on fair value, and one CGU based on value in use.

In four of the CGU's the recoverable amount was in excess of the carrying value. As such the Directors did not identify any impairment for these CGU's. In thirteen of the CGU's the carrying value was in excess of the recoverable amount and an impairment was recognised. Goodwill allocated to any single CGU is not material. The goodwill impairment during the year was $8.7 million (2021: $3.7 million). In addition, $1.8 million (2021: $nil) related to the disposal of two CGU's.

Key Judgements and Estimates

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

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

Assumption	Description	Estimate Used
Operating earnings	Operating earnings is a function of revenue received from government agencies and private paying residents for care and village service fees and the net cash flows from the receipt and repayment of resident loans. The key driver of these revenue items are occupancy levels, subsidy levels and property growth rates. It is assumed that the government will continue to support the aged care sector and that subsidies will increase over time. If the government decides to reduce its funding, it may lead to residents and their families being required to make up the difference. Expenses are forecast to increase in line with inflation projections.	Cash flow projections from the Group's five year financial forecasts approved by the Board which do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the assets performance of the CGU being tested.
Discount rates	Discount rates represent the current market assessment of the risks specific to each CGU, taking into account the time value of money and individual risks of the underlying assets that have to be incorporated into the cash flow estimates.	Pre-tax discount rates for each CGU, ranging from 10.9% to 14.8% (2021: 11.3% to 15.3%). The discount rates have been taken from the most recent independent valuation of each CGU.
Growth rates	Growth rates are used to extrapolate cash flows beyond the forecast period.	Growth rates of 2.5% (2021: 2.5%) have been used after the initial financial forecast period.

A 0.5% increase or decrease in the discount rates would not result in any changes to the impairment of goodwill in the one CGU where value in use is the recoverable amount.

Software

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

9. ASSETS HELD FOR SALE

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

Assets held for sale are measured at the lower of their carrying amount or fair value less costs to sell. Costs to sell are the costs directly attributable to the disposal of an asset, except for the portion that relates to investment property which is carried at fair value.

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

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

10. RESIDENTS' LOANS

$000	2022	2021
Opening balance	865,872	769,477
Amounts repaid on termination of ORAs	(104,568)	(72,879)
Amounts received on issue of new ORAs	307,324	216,948
Amounts acquired on investment property	408,898	0
Amounts relating to assets held for sale	0	(3,262)
Movement in DMF receivable and residents' portion of capital gains	(61,648)	(44,412)
Total residents' loans	**1,415,878**	**865,872**

Residents' loans are amounts payable to Arvida by a resident on being issued the right to occupy one of the Group's units or serviced apartments under an occupation right agreement ("ORA"). The ORA confers a right of occupancy until such time as the right is effectively terminated.

These loans are non-interest-bearing and are repayable to the exiting resident, net of any amount owing to the Group, when a new ORA for the unit or serviced apartment is issued to an incoming resident.

Deferred management fees ("DMF") are payable by residents in consideration for the supply of accommodation and the right to share in the use of community facilities. Deferred management fees are paid in arrears with the amount payable by the resident calculated as a percentage of the resident loan amount as per the resident's ORA.

The DMF receivable is calculated and recorded based on the current tenure of the resident and the contractual right to the DMF earned at balance date. Under certain ORAs, residents are entitled to receive some or all of the capital gain which has occurred from the increase in value of the unit or serviced apartment. The present value of the operator's portion of estimated capital gain has been calculated by either CBRE or JLL in the valuation of the investment property.

Recognition and Measurement

Resident loans are initially recognised at fair value and subsequently measured at amortised cost.

As the Group holds a contractual right to offset the DMF receivable on termination of an agreement against the resident's loan to be repaid, residents' loans are recognised net of the DMF receivable on the balance sheet. The fair value of the residents' loans is equal to the face value, being the amount that can be demanded for repayment.

At year end, the deferred management fee receivable and accrued income on unit titled properties (including termination fees, if any) that has yet to be recognised is held on the balance sheet as a liability (revenue in advance) or as an asset (accrued income).

11. LEASES

As Leasee

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

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

The weighted average incremental borrowing rates used to measure lease liabilities are 3.1% (2021: 3.1%).

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

As Lessor

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

$000	2022	2021
Less than 1 year	1,567	708
Between 1 and 5 years	1,542	1,534
More than 5 years	0	2,441
Total lease liabilities	**3,109**	**4,683**

$000	2022	2021
Interest on lease liabilities	122	210
Expenses relating to short-term and low-value assets	10	6
Depreciation on right of use assets	1,356	590
Total amounts recognised in profit and loss	**1,488**	**806**

12. INTEREST BEARING LOANS AND BORROWINGS

$000	2022	2021
Secured bank loans	330,000	242,500
Retail Bond - ARV010	125,000	125,000
Capitalised financing costs	(2,138)	(2,608)
Total interest bearing loans and borrowings	**452,862**	**364,892**

Recognition and Measurement

Interest bearing loans and borrowings include secured bank loans and unsubordinated fixed-rate bonds. Interest bearing loans and borrowings are initially recognised at fair value, net of transaction costs incurred and are subsequently measured at amortised cost.

Any financing costs paid on the establishment of the loans are deducted from the fair value of the loan to determine the carrying amount on initial acquisition, and are then accredited to the carrying amount of the loan under the effective interest method.

Secured Bank Loans

On 6 April 2020, a Deed of Amendment and Restatement was executed with ANZ Bank New Zealand Limited and Bank of New Zealand. The agreement extended the maturity date of Facility A to 6 April 2025 and incorporated a new Facility D of $100.0 million with a maturity date of 6 October 2021. The key terms of the amended facilities agreement were not substantially different.

On 18 September 2020 a Deed of Amendment and Restatement was executed with ANZ Bank New Zealand Limited and Bank of New Zealand. The agreement adjusted some terms to allow for other forms of debt instruments to be used by the Group. The key terms of the amended facilities agreement are similar to the old facility.

On 22 February 2021 Facility D was cancelled.

On 30 September 2021, a Deed of Amendment and Restatement was executed with ANZ Bank New Zealand Limited and Bank of New Zealand. The agreement extended the maturity date of Facility A to 1 September 2026, Facility B to 1 September 2025, Facility C to 1 September 2024 and incorporated a new Facility D of $50.0 million with a maturity date of 1 September 2023. The key terms of the amended facilities agreement are not substantially different.

On 15 November 2021, a Deed of Amendment and Restatement was executed with ANZ Bank New Zealand Limited and Bank of New Zealand. The agreement established a new Facility E of $100.0 million with a maturity date of 15 November 2023. The key terms of the amended facilities agreement are not substantially different to the existing facilities.

Bonds

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

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

Security

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

The bank loans and bonds are secured by various mortgages over certain of the Group's assets, subject to a first priority to the Statutory Supervisor over the property assets within the retirement village companies. A registered first ranking composite general security agreement is in place. This contains a cross guarantee and indemnity granted by Arvida Group Limited and acceded to by each of its subsidiaries.

Interest

Interest on the bank loan is charged using the BKBM Bill Rate plus a margin. Interest rates applicable in the year to 31 March 2022 ranged from 1.4% to 2.8% pa (2021: 1.4% to 1.6% pa). A separate line fee is charged over the facility limit.

Interest Capitalisation

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

Interest costs of $5.3 million (2021: $5.8 million) were capitalised during the year. The weighted average capitalisation rate on the funds borrowed was 3.1% (2021: 3.1%).

Financial Covenants

The financial covenants that the Group must comply with include Interest Cover Ratio and Loan to Valuation Ratio. During the year ended 31 March 2022, the Group was in compliance with its financial covenants (2021: the Group was in compliance with its financial covenants).

Interest Rate Swaps

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

Funding facilities	Limit	2022 Drawn Amount	2021 Drawn Amount
Facility A maturing 1 September 2026	$125m	$0.0m	$8.5m
Facility B maturing 1 September 2025	$125m	$55.0m	$115.0m
Facility C maturing 1 September 2024	$125m	$125.0m	$119.0m
Facility D maturing 1 September 2023	$50m	$50.0m	$0.0m
Facility E maturing 15 November 2023	$100m	$100.0m	$0.0m
Total Facilities	**$525.0m**	**$330.0m**	**$242.5m**

13. RECONCILIATION OF PROFIT AFTER TAX WITH CASH INFLOW FROM OPERATING ACTIVITIES

$000	2022	2021
Profit after tax	**198,882**	**131,113**
Adjustments for:		
Gain on acquisition of villages	(44,905)	0
Loss on divestment of villages	1,005	
Changes in fair value of investment property	(158,919)	(123,547)
Changes in fair value of property, plant and equipment	(38)	(7)
Changes in fair value of interest rate swaps	2,956	2,237
Share of investment in joint venture	(7,413)	(6,514)
Depreciation and amortisation	8,371	6,682
Impairment of goodwill	10,794	3,729
Movement in deferred tax	(1,139)	1,852
Transaction costs included in financing activities	3,162	119
Changes in working capital relating to operating activities		
Trade receivables and other assets	(21,446)	(229)
Trade and other payables	58,199	18,694
Refundable occupation right agreements	101,268	96,395
Other	1,001	252
Net cash inflow from operating activities	**151,778**	**130,776**

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

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

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

14. TRADE AND OTHER PAYABLES

$000	2022	2021
Trade creditors	21,842	16,409
Sundry creditors and accruals	18,931	17,458
Employee entitlements	14,251	12,464
Total trade and other payables	**55,024**	**46,331**

Employee Entitlements

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

15. SHARE CAPITAL

Shares 000	2022	2021
Opening balance	542,488	541,892
Shares issued	177,573	596
Closing balance	**720,061**	**542,488**

Recognition and Measurement

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity.

The Company incurred $9.0 million of transaction costs during the year (2021: $0.1 million), with $5.8m of the costs related to the issue of new shares for the Arena Living acquisition deducted from equity (2021: nil).

All ordinary shares are authorised and rank equally with one vote attached to each fully paid ordinary share. The shares have no par value.

On 25 May 2020 Arvida Group Limited issued 595,983 ordinary shares to senior executives under the terms of its long-term incentive plan.

On 19 April 2021 Arvida Group Limited issued 385,712 ordinary shares to senior executives under the terms of its long-term incentive plan.

On 5 July 2021 Arvida Group Limited issued 301,350 ordinary shares to senior executives under the terms of its long-term incentive plan.

On 8 October 2021, Arvida Group Limited issued 88,283 ordinary shares to the retiring Chief Executive Officer under the terms of its long-term incentive plan.

On 21 October 2021, Arvida Group Limited issued 79,081,633 ordinary shares in a placement to part fund the acquisition of Arena Living.

On 15 November 2021, Arvida Group Limited issued 94,722,045 ordinary shares in a rights issue to part fund the acquisition of Arena Living.

On 16 December 2021, Arvida Group Limited issued 2,994,086 ordinary shares pursuant to the Company's dividend reinvestment plan.

Dividends

During the year dividends of 5.50 cents per ordinary share (2021: 5.30 cents per ordinary share) were paid to shareholders. Imputation credits of 0.00 cents per ordinary share (2021: 0.10 cents per ordinary share) were attached to the dividends.

16. EARNINGS PER SHARE

$000	2022	2021
Profit attributable to equity holders	198,882	131,113
Basic earnings per share		
Weighted average number of ordinary shares on issue (thousands)	614,155	542,395
Basic earnings per share (cents)	**32.38**	**24.17**
Diluted earnings per share		
Weighted average number of ordinary shares on issue (thousands)	615,761	544,894
Diluted earnings per share (cents)	**32.30**	**24.06**

Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders by the weighted average number of ordinary shares on issue during the year.

Diluted

Diluted earnings per share is calculated by dividing the profit attributable to equity holders by the weighted average number of ordinary shares on issue during the year adjusted to assume conversion of dilutive potential of ordinary shares.

17. FINANCIAL RISK MANAGEMENT

Financial Instruments

A financial instrument is recognised if the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial asset to another party without retaining control of substantially all the risks and rewards of the asset. Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

$000	2022	2021
Financial assets		
Cash and cash equivalents	8,154	6,426
Trade receivables and other assets	13,472	5,494
Total	**21,626**	**11,920**
Financial liabilities		
Trade and other payables	40,773	33,867
Interest rate swaps	10,903	7,947
Bank loans	330,000	242,500
Retail bonds	125,000	125,000
Residents' loans	1,415,878	865,872
Total	**1,922,554**	**1,275,186**

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

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

All financial instruments currently held by the Group are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost, except for interest rate swaps which are measured at fair value.

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

Financial Risk Management Objectives and Policies

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

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

Risk management is carried out centrally by the support office under policies approved by the Board of Directors. The Board and Group has approved policies covering overall risk management, as well as policies covering treasury and financial markets risks.

Credit risk

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposure from trade receivables.

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

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

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

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

Capital risk

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

The Group manages its capital risk (which management considers to be total equity) with regard to its gearing ratios (net debt to enterprise value), as a guide to capital adequacy, borrowing ratios such as interest cover and loan to value ratios, exposure to liquidity and credit risk and exposures to financial markets volatility.

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group targets a gearing ratio of 25% to 35%. The bank loans are subject to bank covenants. The covenants require the Group to maintain agreed interest cover and loan to valuation ratios, as detailed in note 12.

Liquidity risk

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

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Cash flow forecasting is regularly performed by Group finance. Group finance monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs, while maintaining headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans and covenant compliance. Surplus cash held by the operating entities is used to repay debt.

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

The bank loans are drawn down from the committed bank facilities for fixed periods (typically 3 months). At the conclusion of the draw down period the loans are rolled over for a further fixed period. The maturities of the committed bank facilities are shown in note 12.

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

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

$000	Less than 1 Year	Greater than 1 Year
2021		
Trade and other payables	33,867	0
Lease liabilities	708	3,975
Interest rate swaps	173	7,774
Bank Loans	0	242,500
Retail bonds	0	125,000
Refundable occupation right agreements	865,872	0
2022		
Trade and other payables	40,773	0
Lease liabilities	1,567	1,542
Interest rate swaps	62	10,841
Bank Loans	0	330,000
Retail bonds	0	125,000
Refundable occupation right agreements	1,415,878	0

18. SUBSIDIARY COMPANIES

Wholly Owned Subsidiaries

The following entities are wholly owned subsidiaries of the ultimate parent company, Arvida Group Limited, as at 31 March 2022:

Aria Bay Retirement Village Limited
Aria Bay Senior Living Limited
Aria Gardens Limited
Aria Park Retirement Village Limited
Aria Park Senior Living Limited
Arvida AL Holdings Limited[1]
Arvida AL Limited[1]
Arvida AL New Zealand Limited[1]
Ashwood Park Lifecare (2012) Limited
Ashwood Park Retirement Village (2012) Limited
Bethlehem Country Club Village Limited
Bethlehem Shores Retirement Village Limited
Copper Crest Living Well Limited
Copper Crest Retirement Village Limited
Glenbrae Resthome and Hospital Limited
Glenbrae Village Limited
Good Friends (2020) Limited
Ilam Lifecare Limited
Ilam Senior Living Limited
Knightsbridge GP Limited[1]
Knightsbridge LP Limited[1]
Knightsbridge RV Limited Partnership[1]
Lansdowne Developments Limited
Lansdowne Park Village Limited
Lauriston Park Retirement Village Limited
Mary Doyle Healthcare Limited
Mary Doyle Trust Lifecare Complex Limited
Mayfair (Auckland) RV Limited[1]
Mayfair Lifecare (2008) Limited
Mayfair Retirement Village (2008) Limited
Molly Ryan Lifecare (2007) Limited
Molly Ryan Retirement Village (2007) Limited
Mount Eden Gardens RV Limited[1]
Oakwoods Lifecare (2012) Limited
Oakwoods Retirement Village (2012) Limited
Ocean Shores GP Limited[1]
Ocean Shores LP Limited[1]
Ocean Shores RV Limited Partnership[1]
Olive Tree Apartments Limited
Olive Tree Holdings Limited
Olive Tree Village (2008) Limited
Park Lane Lifecare Limited
Park Lane Retirement Village Limited
Parklane (Auckland) RV Limited[1]
Peninsula Club RV Limited[1]
Queenstown Country Club Living Well Limited
Queenstown Country Club Village Limited
Rhodes on Cashmere Healthcare Limited
Rhodes on Cashmere Lifecare Limited
St Albans Lifecare Limited
St Albans Retirement Village Limited
St Allisa Rest Home (2010) Limited
Strathallan Healthcare Limited
Strathallan Lifecare Village Limited
Te Awamutu Country Club Village Limited[2]
Te Puna Wairoa RV Limited
The Cascades Retirement Resort Limited
The Wood Lifecare (2007) Limited
The Wood Retirement Village (2007) Limited
TML(2005) Limited[3]
TMRV(2005) Limited[4]
Views Lifecare Limited
Village at the Park Care Limited
Village at the Park Lifecare Limited
Waikanae Beach Retirement Village Limited[5]
Waikanae Country Lodge Limited
Waikanae Country Lodge Village Limited
Waimea Plains Living Well Limited
Waimea Plains Retirement Village Limited

1 Acquired on 15 November 2021.
2 Acquired on 5 November 2021.
3 Changed name from The Maples Lifecare (2005) Limited on 31 May 2021.
4 Changed name from The Maples Retirement Village (2005) Limited on 31 May 2021.
5 Company incorporated on 22 October 2021.

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

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

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

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

Investment in Joint Venture

The Group has a 50% interest in the joint venture companies Village at the Park Care Limited and Village at the Park Lifecare Limited (2021: 50%). The joint venture companies are incorporated in New Zealand and have a balance date of 31 March. The principal activity of the joint venture companies is owning, operating and developing retirement villages and care facilities for the elderly in New Zealand.

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

During the year $7.4 million (2021: $6.5 million) of share of profits arising from the joint venture, net of tax, was recognised. Of this, $6.9 million (2021: $6.0 million) related to the change in fair value of the joint venture's investment property.

19. ACQUISITION ACCOUNTING

Acquisitions

On 15 November 2021, the Group acquired 100% of the shares of Arena Living Holdings Limited (Arena Living) for approximately $361 million. Arena Living has a portfolio of six retirement villages located in Auckland and Tauranga.

The transaction was funded by a $155 million fully underwritten placement, $175 million fully underwritten 1- for-6.57 pro rata rights issue and the balance funded from banking facilities.

On 21 October 2021, Arvida Group Limited issued 79,081,633 ordinary shares in a placement to part fund the acquisition of Arena Living.

On 5 November 2021, the Group purchased 100% of the shares of Te Awamutu Country Club Limited with its substantial assets being land. This transaction does not meet the definition of being a business combination. Therefore the transaction has been treated as an asset acquisition.

On 15 November 2021, Arvida Group Limited issued 94,722,045 ordinary shares in a rights issue to part fund the acquisition of Arena Living. On 15 November 2021, the Group purchased 100% of the shares of Arena Living.

On 15 November 2021, $16.4 million was paid to the vendors of Arena Living for the estimated development work in progress and working capital items. The businesses were acquired in line with the Company strategy of acquiring villages that are in the business of operating retirement villages for the elderly in New Zealand. Control was obtained by acquiring 100% of the assets and liabilities of the business.

On 18 February 2022, the vendors of Arena Living repaid $0.1 million upon the completion of the final calculation of development work in progress and working capital items.

The gain on acquisition of $44.9 million is primarily due to the price being at a 12.5% discount to CBRE 30 June 2021 valuation.

Total transaction costs of $2.8 million were incurred for the acquisition of Arena Living.

Recognition and Measurement

The acquisition method of accounting is used to account for the acquisition of businesses by the Group. The cost of an acquisition is measured at the date of exchange as the total of the fair value of the assets acquired, the equity instruments issued and the liabilities incurred or assumed.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the business acquired, the difference is recognised as income.

The acquisition accounting is provisional and the Group can revise it within twelve months of the acquisition date. The businesses acquired during the period contributed $12.1 million of revenue and $26.6 million of net profit after tax for the year to 31 March 2022. If the businesses were acquired by the Group at 1 April 2021, they could have contributed $27.7 million of revenue and $27.3 million of net profit after tax. A $23.4 million change in fair value of investment property is included within the net profit after tax figures.

The provisional fair values of the identifiable assets and liabilities of the retirement villages acquired during the year to 31 March 2022 are set out in the adjacent table.

$000	Knightsbridge	Mayfair	Mt Eden Gardens	Ocean Shores	Park Lane	Peninsula Club	Arena Support Office	Total
Assets								
Cash and cash equivalents	3,040	655	30	568	1,620	965	4,093	10,972
Trade receivables and other assets	263	0	34	61	238	0	322	919
Property, plant and equipment	113	68	11	188	81	105	710	1,276
Investment properties	235,011	117,324	17,160	172,981	124,367	174,425	0	841,267
Resident advances	80	80	0	375	388	2,351	0	3,274
Total assets	238,507	118,128	17,235	174,173	126,695	177,845	5,126	857,708
Liabilities								
Trade and other payables	389	393	24	270	270	1,761	1,934	5,040
Provision for tax	(3)	(1)	(0)	(2)	(1)	(4)	(68)	(78)
Employee entitlements	84	113	30	42	62	70	220	620
Revenue in advance	9,721	6,425	327	7,229	5,539	7,222	0	36,464
Lease liability	11	(0)	0	0	0	24	434	469
Residents' loans	107,103	66,299	5,215	77,551	69,029	83,701	0	408,898
Deferred tax liabilities	3,629	0	0	4,321	1,319	2,198	(11,467)	0
Total liabilities	120,933	73,230	5,596	89,412	76,217	94,972	(8,947)	451,413
Total identifiable net assets at fair value	117,574	44,898	11,640	84,760	50,477	82,873	14,073	406,295
Gain on acquisition								44,905
Purchase consideration transferred								**361,390**

20. RELATED PARTY TRANSACTIONS

Key Management Personnel Compensation

Key management personnel compensation for the year ended 31 March 2022 and the year ended 31 March 2021 is set out below. The key management personnel are all executives with the greatest authority for the strategic direction and management of the Company. The directors are remunerated through directors' fees and expenses.

$000	2022	2021
Salaries and other short term benefits	2,655	2,676
Share based payments	199	253
Total	**2,854**	**2,929**

Identity of Related Parties

The Board of Directors at 31 March 2022, comprising Anthony Beverley, Michael Ambrose, Susan Paterson, Susan Peterson and Paul Ridley-Smith.

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

Joint Venture, during the year $0.4 million (2021: $0.4 million) was received as management and director fees from the joint venture companies, Village at the Park Care Limited and Village at the Park Lifecare Limited. A dividend of $1.2 million was received from Village at the Park Lifecare Limited (2021: $1.2 million).

21. CONTINGENT LIABILITIES

At balance date there are no known contingent liabilities (2021: nil).

22. FEES PAID TO AUDITORS

$000	2022	2021
Fees paid to group auditor - Ernst & Young		
Audit	521	404
Other non-assurance		
Tax compliance and advisory	0	0
Total	**521**	**404**

23. CAPITAL COMMITMENTS

As at 31 March 2022, the Group had $29.5 million of capital commitments in relation to construction contracts (2021: $9.4 million).

As at 31 March 2022, the Group had $37.0 million of commitments in relation to the purchase of land (2021: $4.5 million).

24. SUBSEQUENT EVENTS

On 5 April 2022, the Group completed the purchase of land for $37.0 million.

On 30 May 2022, the directors approved a dividend of 3.00 cents per share amounting to $21.6 million. The dividend does not have any imputation credits attached and no supplementary dividend will be paid to non-resident shareholders. The dividend record date is 8 June 2022 and payment is due to be made on 22 June 2022.

25. EMPLOYEE SHARE PLAN

The Group operates an equity based share rights scheme for selected senior employees. If the unlisted performance share rights vest, ordinary shares will be issued to the employees at or around the vesting date. The issue price of the shares was determined by reference to either of the 10 or 20 trading day volume weighted average price of shares traded on the NZX immediately prior to the commencement date of the share rights performance period.

Performance goals are measured for the total shareholder return hurdles, for the period from the commencement date to the vesting date. Details of the vesting hurdles can be found in the Remuneration section of this report.

The share rights scheme is an equity settled scheme and is measured at fair value at the date of the grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed over the vesting period, based on the Group's estimate that the share will vest. A simulation-based approach was used to complete the valuation model. For the purposes of the simulation, it is assumed that share returns are normally distributed. The option cost for the year ending 31 March 2022 of $0.2 million has been recognised in the Group's statement of comprehensive income for that period (2021: $0.3 million).

2022

Commencement date	1 April 2019	1 April 2020	26 June 2021
Issue price	$ 1.26	$ 1.15	$ 1.89
% of shares vested	0%	0%	0%
Vesting date	13 June 2022	June 2023	June 2024
Unlisted performance share rights	678,297	769,035	472,384
Volatility assumption	22%	22%	22%

2021

Commencement date	1 April 2015	1 April 2018	1 April 2019	1 April 2020
Issue price	$ 0.95	$ 1.19	$ 1.26	$ 1.15
% of shares vested	61%	0%	0%	0%
Vesting date	31 March 2021	23 June 2021	13 June 2022	June 2023
Unlisted performance share rights	630,042	422,264	678,297	769,035
Volatility assumption	22%	22%	22%	22%

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year. The weighted average remaining contractual life for the share options outstanding as at 31 March 2022 was 1.2 years (2021: 1.0 years).

	2022 Number	2022 WAEP	2021 Number	2021 WAEP
Opening balance at 1 April	2,499,638	$ 1.14	2,697,580	$ 1.12
Granted during the year	472,384	$ 1.89	769,035	$ 1.15
Forfeited during the year	(182,292)	$ 1.16	(24,000)	$ 1.26
Exercised during the year	(775,345)	$ 1.08	(595,983)	$ 1.02
Expired during the year	(408,760)	$ 1.06	(346,994)	$ 1.18
Closing balance at 31 March	**1,605,625**	**$ 1.41**	**2,499,638**	**$ 1.14**
Exercisable at 31 March	**0**	**$ 0.00**	**630,042**	**$ 0.95**

Chartered Accountants

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

Opinion

We have audited the consolidated financial statements of Arvida Group Limited ("the Company") and its subsidiaries ("the Group"), on pages 59 to 88, which comprise the consolidated balance sheet of the Group as at 31 March 2022, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended of the Group, and notes to the consolidated financial statements including a summary of significant accounting policies.

In our opinion, the consolidated financial statements on pages 59 to 88 present fairly, in all material respects, the consolidated financial position of the Group as at 31 March 2022 and its consolidated financial performance and cash flows for the year then ended in accordance with New Zealand equivalents to International Financial Reporting Standards and International Financial Reporting Standards.

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

Basis for opinion

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

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

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

Other than in our capacity as auditor we have no relationship with, or interest in, the Company or any of its subsidiaries. Partners and employees of our firm may deal with the Group on normal terms within the ordinary course of trading activities of the business of the Group.

Key audit matters

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

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

Property valuation

<table>
<tr><th>Why significant?</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>The Group's retirement village assets and care facility property assets have an assessed fair value of $3.2b and account for 95.5% of total Group assets at 31 March 2022.

The Group engaged two third party registered valuers to determine the fair value of these assets at 31 March 2022. The fair values of retirement village assets as determined by the third party valuers were adjusted for assets and liabilities already recognised in the balance sheet to determine their recorded values.</td><td>Our audit procedures included the following:
• Held discussions with management to understand:
  • sales or purchases of the Group's investment property and care facility property assets;
  • changes in the condition of each property; and
  • their internal review of the third party valuation reports;

...continued over</td></tr>
</table>

The property valuations require the use of judgments specific to the properties, as well as consideration of the prevailing market conditions. Significant assumptions used in the valuation are inherently subjective and a small variation in any one of the key assumptions, when aggregated, could result in a significant change to the valuation of the properties.
For retirement village assets, which are accounted for as investment properties, the key assumptions are made in respect of:
• discount rate;
• forecast house price inflation;
• the average entry age of residents; and
• the occupancy periods of the units for each village.
For care facility property assets, which are accounted for as property, plant and equipment, the key assumptions are made in respect of:
• capitalisation rates; and
• earnings per care bed.
Disclosures relating to investment properties and care facility property assets and the associated significant judgments are included in Note 6 *'Investment Property'* and Note 7 *'Property, Plant and Equipment'* to the consolidated financial statements.
	• Held discussions with the third party valuers to gain an understanding of the assumptions and estimates used and the valuation methodologies applied;
	• Evaluated the Group's internal review of the independent valuation reports;
	• On a sample basis we:
	  • involved our real estate valuation specialists to assist with our assessment of the methodologies used and whether the significant valuation assumptions fell within a reasonable range;
	  • assessed a sample of property specific information supplied to the third party valuers by the Group, including resident schedules, sales of Occupational Rights Agreement ("ORA"), occupancy data and earnings per care bed, to the underlying records held by the Group; and
	  • assessed the significant input assumptions applied by the third party valuers compared to previous period assumptions, or to acquisition date assumptions for the six acquired properties;
	• Assessed the competence, qualifications and objectivity of the third party valuers;
	• Examined the allocation of costs from work in progress to completed village units, care facilities and other assets; and
	• Considered the adequacy of the disclosures in Notes 6 and Note 7.

Acquisition Accounting

Why significant?	How our audit addressed the key audit matter

The Group completed the acquisition of the Arena retirement village portfolio during the year ended 31 March 2022.
The identification and valuation of the acquired tangible and intangible assets and liabilities resulted in a material impact on the consolidated financial statements.
The Group engaged third party registered valuers to determine the fair value of the properties acquired. The valuations require the use of judgment specific to the properties, as well as consideration of the prevailing market conditions. Significant assumptions used in the valuations are inherently subjective. Other identified assets and liabilities were valued by management.
Disclosure relating to acquisitions and the associated significant judgments are included in Note 19 *'Acquisition accounting'* to the consolidated financial statements.
	Our audit procedures included the following:
	• Held discussions with management to understand the nature of the acquisition undertaken and the acquired property;
	• Obtained and read the Sale and Purchase Agreement and considered whether the acquisition accounting reflected the terms of the agreement;
	• Assessed whether the acquisition met the definition of a business combination;
	• In relation to the property assets purchased we:
	  • Evaluated the Group's internal review of the third party valuation report;
	  • Assessed a sample of property specific information supplied to the third party valuer by the Group, including resident schedules and sales of Occupational Rights Agreement ("ORA") to the underlying records held by the Group; and
	...continued over

	• Assessed the competence, qualifications and objectivity of the third party valuer;
	• In relation to other elements of the acquisition accounting, we:
	  • Agreed the consideration paid to the Sale and Purchase Agreement and other external evidence;
	  • Assessed the recording of acquired ORA in the Group's deferred management fee calculations;
	  • Evaluated the process applied to identify and value non-property tangible and intangible assets and liabilities on acquisition;
	  • Assessed whether any contingent liability existed at acquisition date; and
	  • Assessed the calculation of the gain on bargain purchase;
	• Considered the adequacy of the disclosures in Note 19.

Goodwill Impairment

Why significant?	How our audit addressed the key audit matter

The Group has goodwill of \$21.6m at 31 March 2022 and recognised an impairment charge of \$8.7m in the year.
 	
The recoverable amount of each cash generating unit ("CGU") to which goodwill is allocated is determined each reporting period as the higher of the Value in Use ("VIU") and Fair Value less costs of disposal ("FV"). VIU is calculated by the Group using discounted cash flow models ("DCF") and FV of the cash generating unit is calculated by the third party registered valuers in the same reports and in a similar manner as that referenced in the "Property Valuation" key audit matter above. As a result the same significant considerations apply to the FV estimates.
 	
DCF models contain significant assumptions that are inherently subjective. A small difference in any one of the key assumptions, when aggregated, could result in a material difference in the assessed VIU of a CGU.
 	
Disclosure relating to Goodwill and the associated significant judgments are included in Note 8 *'Intangible assets'* to the consolidated financial statements.
	Our audit procedures included the following:
	• Held discussions with management to understand:
	  • the Group's approach to the determination of CGUs; and
	  • the allocation of goodwill to CGUs
	• In relation to VIU, on a sample basis we:
	  • tested the mathematical accuracy of DCF models;
	  • obtained the group's DCF models and agreed EBITDA inputs to the board approved FY23 budget;
	  • involved our valuation specialists to assist the audit team in assessing the discount rate and growth rates applied;
	  • compared the budgeted EBITDA with historical actual figures and considered the accuracy of previous internal forecasts;
	  • performed sensitivity analyses on key DCF assumptions, including operating earnings, discount rates and growth rates, to understand the impact of reasonably possible changes in key assumptions; and
	  • compared the calculated recoverable amounts using the VIU and FV approaches to the associated carrying amounts for each CGU and assessed whether any impairments were required.
	• Our procedures in relation to FV are described in the "Property Valuation" key audit matter above; and
	• Considered the adequacy of the disclosures in Note 8.

Information other than the financial statements and auditor's report

The Directors of the Company are responsible for the annual report, which includes information other than the consolidated financial statements and auditor's report which is expected to be made available to us after the date of this auditor's report.

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

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

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and, if uncorrected, to take appropriate action to bring the matter to the attention of users for whom our auditor's report was prepared.

Directors' responsibilities for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

Ernst + Young

Chartered Accountants
Auckland
30 May 2022

Climate Related Disclosures

For the year ended 31 March 2022.

Prepared in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (**TCFD**).

Introduction

Climate change and our approach to the subject has been a regular discussion point for Board and management over the last year. In 2020 we started measuring and monitoring our carbon emissions. Over the intervening period, we have been putting in place the roadmap to being able to report our climate strategy.

The report applies the External Reporting Board's (**XRB**) recently proposed climate-related financial disclosures as the basis for disclosures. Our disclosures will evolve as we prepare to meet the upcoming disclosure requirements. The XRB disclosures may change as they are finalised.

SECTION			FY22	FY23	FY24
GOVERNANCE	a.	Describe the board's oversight of climate-related risks and opportunities.	Aligned	Aligned	Aligned
	b.	Describe management's role in assessing and managing climate-related risks and opportunities.	Aligned	Aligned	Aligned
STRATEGY	a.	Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	In progress	Aligned	Aligned
	b.	Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	In progress	Aligned	Aligned
	c.	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	In progress	In progress	Aligned
RISK MANAGEMENT	a.	Describe the organisation's processes for identifying and assessing climate-related risks.	Aligned	Aligned	Aligned
	b.	Describe the organisation's processes for managing climate-related risks	Aligned	Aligned	Aligned
	c.	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	Aligned	Aligned	Aligned
METRICS & TARGETS	a.	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	In progress	Aligned	Aligned
	b.	Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks	In progress	Aligned	Aligned
	c.	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	In progress	Aligned	Aligned

Aligned with TCFD requirements   In progress

Governance

TCFD recommendation:
Disclose the organisation's governance around climate-related risks and opportunities.

a. Describe the board's oversight of climate-related risks and opportunities.

An entity must include the following information when describing the board's oversight of climate-related issues:	
(a) processes and frequency by which the board and/or board committees are informed about climate-related issues;	✓
(b) how the board sets and monitors progress against goals and targets for addressing climate-related issues;	✓
(c) how the board holds management accountable for the implementation of climate-related policies, strategies, and targets, including whether and how related performance metrics are incorporated into remuneration policies;	✓
(d) whether and how the board accesses expertise on climate-related issues, either from its own internal capacity and/or from external sources in order to provide appropriate oversight on climate-related issues; and	✓
(e) whether and if so, how, climate-related issues are incorporated into governance processes and decision making.	✓

The Board has statutory responsibility for, and approves, the strategic direction of the Company. The strategy is informed by and includes consideration of Arvida's climate-related risks and opportunities. Board responsibilities are set out in the Board Charter and include:

- approving the Company's overall strategy, business plans and budgets
- monitoring actual results against the business plan and strategic objectives
- setting sustainability policy

A review of the Company's strategy and business plan is performed by the Board at least once a year. This year that review included the review and approval of a sustainability framework (page 53), which presents the future goals for the Company around climate and sustainability.

The Board normally meets around eight times a year. Sustainability is a standing agenda item for Board meetings. Management board reporting involves an update on sustainability and climate-related issues. This includes progress against goals and targets set. The Board, through these sessions, has the opportunity to further refine the Company's strategy and plans.

Pursuant to its charter, the Audit and Risk Committee has delegated responsibilities in relation to compliance and risk management practices. It is responsible for reviewing and assessing Arvida's risks, risk management processes, and internal controls. This includes climate-related risks and controls.

New and emerging risks are considered initially by the Audit and Risk Committee, and where they are assessed as being high or extremely high, they are added to the Company's risk register and then approved by the Board.

Climate change risk was added to our risk register in 2020. This year the Audit and Risk Committee reviewed this risk as part of a deep dive session where the risk, including its likelihood and impact, were scrutinised and re-evaluated. The Audit and Risk Committee assessed overall climate change risk as 'high' risk.

The Audit and Risk Committee's recommendations to the Board were accepted and approved.

The Company has a dedicated Head of Sustainability & Compliance who leads the assessment of climate-related risks and opportunities, and coordinates the Company's response as part of the overall sustainability programme.

During the year, a sustainability working group was formed to assist in providing recommendations around the broader sustainability programme.

The working group comprises seven members, including three directors (of which two are the Chair and chair of the Audit and Risk Committee), the Chief Executive Officer, Chief Financial Officer, the General Manager Strategy and the Head of Sustainability & Compliance.

The working group has assisted in developing the sustainability framework and in monitoring management's progress.

It is the intention that the working group will meet at least four times yearly.

b. Describe management's role in assessing and managing climate-related risks and opportunities.

An entity must include the following information when describing management's role in assessing and managing climate-related issues:

(a)	whether the board has assigned climate-related responsibilities to management-level positions or management committees; and, if so, whether such management positions or committees report to the board or a committee of the board;	✓
(b)	a description of the related organisational structure(s) showing where these positions and committees lie; and	✓
(c)	processes by which management is informed about, makes decisions on, and monitors, climate-related issues.	✓ Refer to risk management section

Management's role is to identify, assess and manage climate-related risks and opportunities day-to-day as part of the risk management framework.

The effectiveness of controls and performance of other mitigation strategies is reported to the Audit and Risk Committee.

Overall accountability for delivery of the sustainability strategy and management of climate-related risks sits with the Chief Executive Officer. The Chief Executive Officer is also responsible for reporting progress against the overall sustainability goals and targets.

Responsibility for delivery of climate-related targets and goals sits with management. Each strategic pillar has an owner who is responsible for the delivery of that strategic objective.

For further information on the Company's risk management process, please refer to the risk management section on page 101.

Strategy

TCFD recommendation:
Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.

a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.

An entity must include the following information when describing its climate-related risks and opportunities:	
(a) how it defines short, medium and long term and how the definitions are linked to its strategic planning horizons and capital deployment plans;	✓
(b) a description of the time horizon over which each climate-related risk or opportunity could reasonably be expected to have a financial impact on the entity; and	✓
(c) whether the risks and opportunities identified are physical or transition risks or opportunities and, where relevant, their sector and/or geography.	✓

The Company's strategy is being adjusted in response to identified climate-related risks and opportunities. We have identified the following physical and transition risks in relation to climate.

PHYSICAL RISKS

Risks related to the physical impacts of climate change. Physical risks emanating from climate change can be event-driven (acute) such as increased severity of extreme weather events. They can also relate to longer-term shifts (chronic) in precipitation and temperature and increased variability in weather patterns. (XRB)

The Company has considered acute physical risks (an extreme weather event such as severe storms that cause flooding, etc) and chronic physical risks (a sea level rise) as a single risk. The existing risk in relation to fire, disaster and crisis addresses the short-term impacts of acute physical risks. This additional risk has therefore been positioned to address the medium- and long-term impacts of acute and chronic physical risks.

Physical Risks	Acute and chronic physical risks.
Description	Severe storms, floods, sea level rise and extreme heat leading to stranded assets or an inability to operate our business.
Likelihood	Possible.
Impacts	Increased costs and/or decreased revenue. Reduced ongoing investment. Reduced ability to attract investment.
Timeframe	S M L Short term risk covered through fire, disaster or crisis risk.
Financial implications	Not quantified.
Management response	Climate resilience assessments for each Arvida site. Fit for purpose maintenance for all our buildings.

TRANSITION RISKS

Risks related to the transition to a lower-emissions global and domestic economy, such as policy and legal risks, technology risks, market risks and reputation risks. (XRB)

The Company has identified three main climate-related transition risks that are believed to pose a significant risk to Arvida and two key climate-related opportunities.

	TRANSITION RISKS			OPPORTUNITIES	
	Changing and emerging legislation	**Changing market behaviour**	**Stakeholder feedback**	**Energy source / Resource efficiency**	**Products and services**
Description	New policies, changes in rules or regulations or new legislations and a potential for rising costs as a result.	Lower demand for our products and services because of changes in market behaviours.	A failure to meet climate or sustainability goals leading to negative impacts on the business.	Decreased operational costs and mitigation against rising prices.	Better design of buildings and communities may attract residents.
Likelihood	Almost certain	Possible	Possible	Likely	Possible
Impacts	Increased costs and/ or decreased revenue. Reduced ability to attract and maintain investment.	Decreased revenue.	Decreased revenue. Reduced ability to attract and maintain investment.	Lower costs.	Increased revenue.
Timeframe*	S M	M	M L	S M	M L
Financial implications	Not quantified.	Not quantified.	Not quantified.	Not quantified.	Not quantified.
Management response	Arvida participates in government consultations through the RVA and adapts to proposed changes. Our risk and compliance framework also assists to mitigate our risk.	Stakeholder engagement that understands changing customer behaviour and a 'retirement community of the future'.	Embedding sustainability and climate risk into our strategy and KPIs. A culture of transparency and assurance around our commitments and progress.	Projects to reduce energy across the business including LED, solar and a project to identify our biggest energy sources.	Investigating the 'retirement community of the future' and adopting Homestar into some of our design criteria.

Timeframe Key

S = Short term (0-3 years); M = Medium term (3-10 years); L = Long term (10-30 years)

TIMEFRAMES

Timeframes have been selected that align with the horizons of the Company's physical assets and business activities, where the medium term represents the overall development and building timeframe for retirement communities.

The medium-term risk timeframe also aligns with the estimated duration to develop the Company's land bank and with the average tenure of an independent resident (8-9 years) living in the Company's retirement communities.

The Company's buildings and retirement communities have a total useful life that aligns with the long-term timeframe. However, the ability to modify and adjust several aspects as part of refurbishments and regular maintenance is a key factor in reducing our long-term timeframe.

b. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.

An entity must include the following information when describing the impact of climate-related risks and opportunities on its business model, strategy and financial planning:

(a)	a description of its business model and strategy;
(b)	the actual impacts of climate-related risks and opportunities on its business model, strategy and financial planning;
(c)	the actual financial impacts of climate-related risks and opportunities on its financial position, financial performance and cash flows;
(d)	how climate-related risks and opportunities serve as an input to its financial planning processes, including for capital deployment and funding; and
(e)	the transition and adaptation plan aspects of its strategy, including the extent to which financial plans are aligned with these plans.

During the year the Company defined in more detail the climate-related risks and opportunities for the business. This information directly impacted the annual strategy review with the Company's strategy updated for climate risks and opportunities. This included the development of a sustainability framework (please refer to page 53 for details of the framework). Sustainability now forms part of all four of the Company's strategic pillars – Growing Well, Engaging Well, Living Well, Nurturing Well – with targets and focus areas under each. Please refer to pages 8 to 11 understand more about the overall business model and strategy.

The new sustainability framework supports the identification of climate related opportunities across the business, for example:

- The Company has sought to address its emissions from its construction activities by investigating options for Homestar and Green Star frameworks on certain developments.
- The Company considers climate change-related risks when performing acquisition due diligence. This includes the physical risks that a property may be exposed to in the future.
- The Company has undertaken additional analysis of resource efficiency with several projects identified to help improve energy efficiency and use of renewable energy. Please refer to page 52 for further details of these initiatives. They will impact both cost and emissions.

Whilst the new sustainability framework focuses on opportunities, changes have also been made to processes and controls around climate-related risks. Emerging risks and revised legislation are discussed regularly with the senior leadership team and added to the risk register where appropriate.

The Company has also started to make changes to the way feedback is collected from residents. Historically, the resident survey was performed annually. This is moving to more active pulse surveys and the establishment of a people's panel to react more quickly to changes in the market, and product and service requirements.

To mitigate the other sustainability risks identified, the Company has implemented a process to monitor progress against the sustainability framework. This includes a new sustainability working group. This group will meet at least four times annually and monitor progress with goals through regular reporting.

Information is being collated on the probable financial impacts of climate-related risks and opportunities on the business. This includes defining categories and creating a reporting framework. Additional disclosures are intended for future reporting.

c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

An entity must include any other key performance indicators used to measure and manage climate-related risks and opportunities.	
(a) the potential impacts of climate-related risks and opportunities on its business model and strategy;	
(b) how its business model and strategy might change to address such risks and opportunities;	
(c) the potential financial impacts of climate-related risks and opportunities on its financial position, financial performance and cashflows; and	
(d) a description of the scenario analysis it has undertaken, using a range of climate-related scenarios including, at a minimum, a 1.5°C scenario and a greater than 2°C scenario.	

The Company has not yet undertaken any substantive assessment of the impact of different climate-related scenarios on strategy, including a 2°C or lower scenario.

The potential impacts of climate risks and opportunities could necessitate a change in business strategy to address the risks and opportunities, for example proposed changes to building regulation under the Building for Climate Change programme may require a change in design of the built form or construction process. This may result in changes to strategy, the types of buildings constructed or materials used.

Similarly, the Company would need to adapt to changes in attitudes towards the products and services offered. If certain products or services are viewed more positively by the market, modifications to existing or future products or services may be required.

The intention is to complete analysis in this area over the next twelve months. The preference is to work with other sector participants to develop a common set of scenarios to aid investors and other stakeholders in being able to compare scenario modelling across the sector.

Risk Management

TCFD recommendation:

TCFD recommendation: Disclose how the organisation identifies, assesses, and manages climate-related risks.

a. Describe the organisation's processes for identifying and assessing climate-related risks.

An entity must include the following information when describing its processes for identifying and assessing climate-related risks:	
(a) the tools and methods used to identify, and to assess the scope, size, and impact of the climate-related risk;	✓
(b) the short-, medium-, and long-term time horizons considered, including specifying the duration of each of these time horizons;	✓
(c) the value chain stage(s) covered; and	✓
(d) the frequency of assessment.	✓

Risks including climate related risks are identified, assessed and managed as part of the Company's risk management framework.

Risks are identified through a variety of ways:

- Review and discussion of the latest climate-related research and information
- News and media reports
- Consideration of the latest trends and emerging issues with subsequent discussion in the senior leadership team meeting held every two weeks
- Through the Audit and Risk Committee based on their knowledge and expertise as part of the risk review process

The risks identified through the above process are added to the senior leadership team meeting agenda and discussed. They are assessed to establish whether further work is required to determine their likelihood, potential business impact and the timeframes they relate to. This may include seeking further information or external assistance depending on the internal and Board experience possessed in relation to the identified risk.

All key risks identified are reconsidered and reassessed each year as part of the annual review process. Risks assessed as significant and those reviewed through deep dive sessions by the Audit and Risk Committee are reviewed more regularly.

Proposed methodologies for climate change risk assessment and adaptation planning, both nationally and internationally, continue to be monitored.

b. Describe the organisation's processes for managing climate-related risks

An entity must include the following information when describing its processes for managing climate-related risks:	
(a) how it determines the relative significance of identified climate-related risks;	✓
(b) how it determines the relative significance of climate-related risks in relation to other risks; and	✓
(c) how it makes decisions to mitigate, transfer, accept, or control those climate-related risks.	✓

After risks are identified and assessed, a formal management process begins with the assignment of a risk owner and risk assessment.

Initially, the inherent likelihood and consequence is discussed with key stakeholders and a collective decision is made based on available information. This discussion may highlight the need for further information and a plan for collecting that information.

The existing controls in the business are also considered. Additional proposed controls may also be identified at this stage. When controls have been identified, formal work begins around whether the control is operating. Effectiveness is assessed and an action plan developed where controls are not operating or are considered ineffective.

When the likelihood and consequence of the risk (both inherent and residual) have been determined, a comparison is made against other identified climate-related risks to determine the relative significance. We also consider our risk appetite and consider the boundaries in which we will mitigate, transfer, accept or control the risks identified.

c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.

The day-to-day management of climate-related risks and opportunities occurs across Development, Sustainability, Finance, Operations, and Strategy. Climate related risks have been added to the Company's risk register in the same way as all other risks identified. The process for identifying, assessing and managing climate-related risks is also consistent.

Metrics and Targets

TCFD recommendation:
Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.

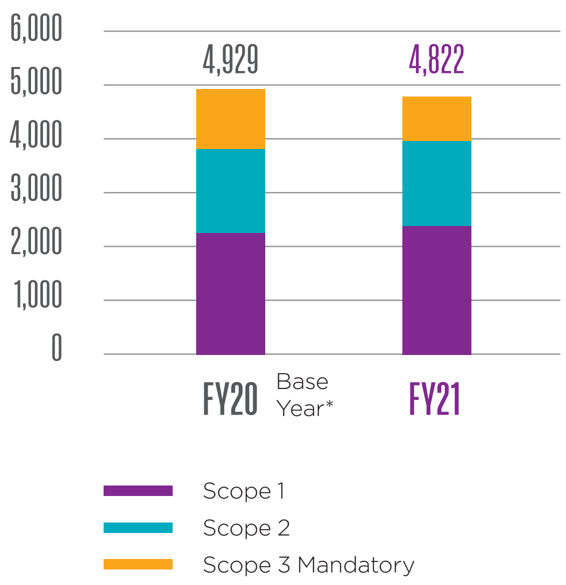
b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks

c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.

An entity must disclose cross-industry metrics consistent with the climate-related metric categories below:

(a)	greenhouse gas (GHG) emissions: gross scope 1, scope 2, scope 3 (value chain) emissions in metric tonnes of CO2e	
(b)	GHG emissions intensity;	
(c)	transition risks: amount or percentage of assets or business activities vulnerable to transition risks;	
(d)	physical risks: amount or percentage of assets or business activities vulnerable to physical risks;	
(e)	climate-related opportunities: proportion of revenue, assets, or other business activities aligned with climate-related opportunities, expressed as an amount or percentage;	
(f)	capital deployment: amount, in reporting currency, of capital expenditure, financing, or investment deployed toward climate-related risks and opportunities;	
(g)	internal emissions price: price on each tonne of greenhouse gas emissions used internally by an entity, expressed in reporting currency per metric tonne of CO2e; and	
(h)	remuneration: proportion of management remuneration linked to climate-related risks and opportunities in the current period (see Governance on page 95), expressed as a percentage, weighting, description or amount in reporting currency	

GROSS EMISSIONS (tCO_2e)



EMISSIONS INTENSITY (tCO_2e per $million Revenue)

Scope 3 emissions in FY20 and FY21 currently only represent waste to landfill, business travel and transmission losses. We intend to widen out scope 3 emissions in our inventory next year.

* *The base year FY20 emissions were restated from 4,582 previously reported to capture additional data.*

The Company has measured its emissions for the second year and recorded a reduction in emissions by 107 tonnes (2.16%) on an absolute basis and by 8.2% on an intensity basis. The inventory has been assured by Tōitu and prepared in accordance with the Greenhouse Gas Protocol and ISO14064-1:2006.

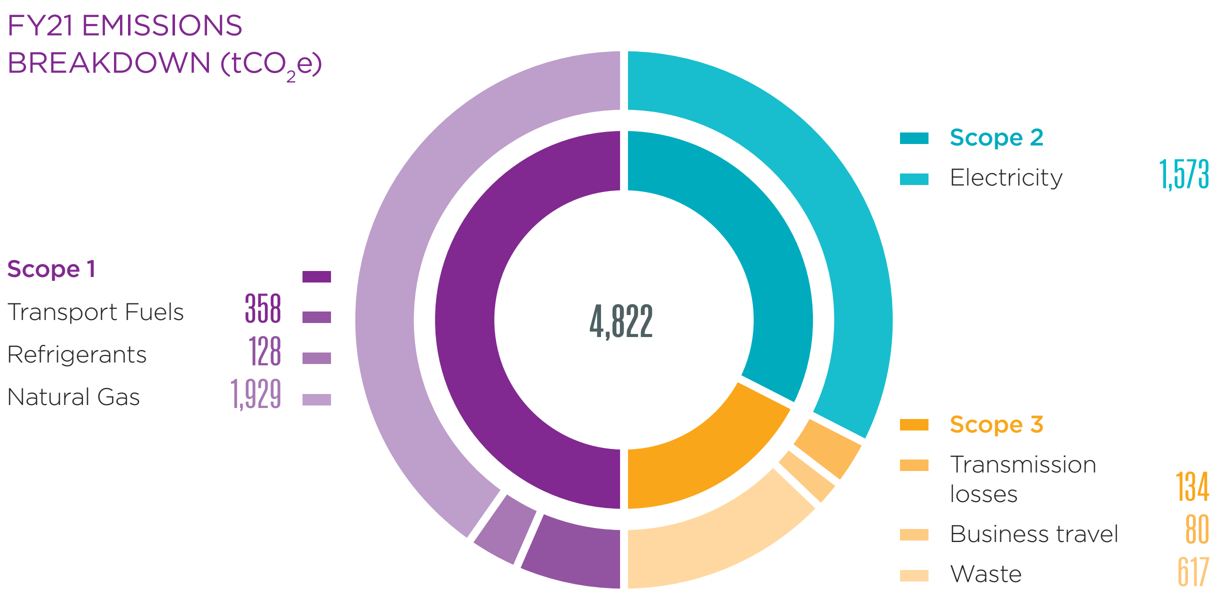
In FY21 Scope 1 and 2 emissions increased, mainly as a result of increasing from 33 to 35 retirement communities. The reductions mainly came from reduced business travel, particularly air travel due to Covid-19 restrictions.

KEY ASSUMPTIONS

- Our operating boundary does not include our joint venture (Village at the Park) or the energy use of our independent residents.
- Volume of waste has been estimated for nine sites with a local council landfill collection.

Emissions reported relate to the FY21 financial year as the audit process for FY22 emissions has not yet commenced. FY22 emissions will be published in the half year report.

FY23 emissions will be reported alongside the FY23 financial results. We are also in the process of calculating all Scope 3 emissions as we recognise that Scope 3 emissions represent our biggest source of emissions and have the most opportunity for reduction.



Emissions have been extracted from the Greenhouse Gas Inventory report

OUR TARGETS

From an FY20 base year:

20%	reduction by 2025 on an **intensity basis**
50%	reduction by 2030 on an **intensity basis**

The acquisition of the Arena portfolio in FY22 is likely to involve a change to the base year emissions. The acquisition added 1,046 units to the Company's portfolio (representing a 24% increase in the portfolio by unit numbers).

A full emissions reduction plan is being developed that will provide visibility over the steps to be taken to meet the climate goals set and the impact each initiative is likely to have on the Company's emissions.

Please refer to page 52 for further details of the initiatives we have to reduce our emissions.

Further information in relation to our climate-related disclosures is included in CPD reporting: www.cdp.net.

The Company has a B– rating from CDP.

Governance

Arvida Group Limited
For the year ended
31 March 2022

Board of Directors

The Board currently comprises five directors. Each of the directors is non-executive and independent.

The Board is structured to ensure that as a collective group it has the skills, experience, knowledge, diversity and perspective to fulfil its purpose and responsibilities. The Board's responsibilities are set out in the Board Charter.

Biographies for each of our directors along with Arvida's governance documents are available at arvida.co.nz/investors/corporate-governance.

The information contained in the governance statement on pages 106 to 121 of this Annual Report has been prepared in accordance with NZX Listing Rule 3.8.1(a) and approved by the Board of Arvida Group Limited on 30 May 2022.

1. *Refer to Table 1 presented on page 114 which summarises the key skills of each director. Key skills are considered those areas of knowledge and expertise that each director brings to the Board.*

ANTHONY BEVERLEY

Chair & Independent Director

First Appointed:	13 November 2014
Last Elected:	5 July 2019
Appointed:	Chair of the Board in July 2021
Key Skills[1]:	Industry; governance; strategy expertise

Anthony is a professional director and business consultant with close to 35 years' experience in the property, investment and capital market arenas. He has a specialist property valuation and investment background having worked with AMP Capital Investors for 20 years, NZ's largest investment fund manager, eight of these as Head of Property.

Anthony is currently chair of Property for Industry Limited. Past directorships include Ngai Tahu Property Limited, Summerset Holdings Limited, and Precinct Properties Limited.

Anthony was appointed Chair in July 2021.

MICHAEL AMBROSE
Independent Director

First Appointed: 17 January 2014
Last Elected: 3 July 2020
Key Skills: Industry; governance; strategy expertise

Michael has over 20 years' experience in the aged care sector, advising on the operation, expansion and development of his clients' retirement villages as a director of Rodgers & Co, a chartered accountancy firm based in Christchurch. He led the aggregation of villages that formed the foundation of Arvida and was a promoter for the Arvida initial public offering.

Michael is the chair of Garra International Limited and a director of Fiordland Lobster Company Limited, Cooks Coffee Company Limited as well as being a director or advisor to the boards of several other private companies in a variety of industries.

Michael chairs the Audit & Risk Committee.

SUSAN PATERSON
Independent Director

First Appointed: 7 May 2015
Last Elected: 2 July 2021
Key Skills: Industry; governance; strategy expertise

Susan has over 25 years' experience as a professional director having served on a number of private and public boards. She was appointed an Officer of the New Zealand Order of Merit in 2015 for her services to corporate governance. Susan has a deep understanding of the health sector with many years spent as a clinician as well as a practice owner.

Susan chairs Steel and Tube Limited and Theta System Limited. Other board roles include the Reserve Bank of New Zealand (Advisory), Les Mills Holdings Limited, EROAD Limited and Lodestone Energy Limited. Past directorships include Airways NZ (Chair), Electricity Authority, Goodman Property Trust, Transpower NZ Limited, Abano Healthcare Group Limited.

SUSAN PETERSON
Independent Director

First Appointed: 1 November 2020
Last Elected: 2 July 2021
Key Skills: Governance; strategy; people expertise

Susan is an experienced business leader with a particular interest in helping companies to drive growth through technology, innovation, and organisational culture.

Susan is currently the chair of Vista Group Limited and a director of Xero Limited, Property for Industry Limited and Craigs Investment Partners. Susan is a trustee of non profit Global Women. Susan's past directorships include Manawa Energy Limited, ASB Bank, The NZ Merino Company Limited and Compac Sorting Solutions. Susan is also a past member of the IHC board, the National Advisory Council for the Employment of Women and member of the NZ Markets Disciplinary Tribunal.

PAUL RIDLEY-SMITH
Independent Director

First Appointed: 7 May 2015
Last Elected: 3 July 2020
Key Skills: Governance; strategy expertise

Paul is a senior executive at Morrison & Co and Infratil where he is involved in the acquisition, disposal and management of Infratil assets. From 1998 to 2011, he was responsible for the group's legal affairs. From 2011 to 2014, Paul was General Counsel at Contact Energy where he led the legal, regulatory and government relations functions.

Paul is currently chair of Manawa Energy Limited. His previous directorships include King Country Energy Limited, Wellington International Airport Limited, Liquigas Limited, iSite Media Limited and Wallace Corporation Limited. Paul was also a member of the NZ Markets Disciplinary Tribunal.

Paul chairs the Remuneration Committee.

Senior Leadership Team

The Arvida senior leadership team comprises the Chief Executive Officer, Chief Financial Officer, Chief Operating Officer and five other members of senior executive management.

Biographies are available at arvida.co.nz/investors/corporate-governance.

JEREMY NICOLL
Chief Executive Officer

MARK WELLS
Chief Financial Officer

RICHARD DAVIS
Chief Operating Officer

JONATHAN ASH
General Manager
Development

MARIA SCOTT-MULTANI
General Manager
Wellness and Care

TRISTAN SAUNDERS
General Manager
Sales

KAY MARSHALL
General Manager
Village Services

MARK JARVIS
General Manager
Strategy

Statement of Compliance with NZX Corporate Governance Code

Arvida is committed to applying and adhering to best practice governance structures and principles. To maintain this standard, the Company has implemented a framework of structures, practices and processes that it considers reflect best practice.

The framework has been guided by the recommendations set out in the NZX Corporate Governance Code (NZX Code) and the requirements set out in the NZX Listing Rules. A copy of the NZX Code can be found on the NZX's website: www.nzx.com. An explanation on how the Company meets each principle of the NZX Code is provided below.

In the section titled 'Climate Related Disclosures' additional disclosures against the framework set out by the Financial Stability Board Taskforce on Climate Related Financial Disclosures are included.

The Board confirms that in the year to 31 March 2022, Arvida's corporate governance practices and policies fully complied with the NZX Code recommendations. In terms of Recommendation 3.4, the Board has not established a Nomination Committee as director appointments are carried out by the whole board.

The corporate governance policies and procedures, and Arvida's board and committee charters are available to view at www.arvida.co.nz/investors/corporate-governance.

PRINCIPLE 1: CODE OF ETHICAL BEHAVIOUR

"Directors should set high standards of ethical behaviour, model this behaviour and hold management accountable for these standards being followed throughout the organisation."

Code of Ethics and Related Policies

The Board sets and maintains high standards of ethical conduct and expects the Company's Directors and employees to act legally and with integrity in a manner consistent with the policies, guiding principles and values that are in place.

The Company's Code of Ethics sets out the standards of conduct expected of Directors (including members of committees) and employees (including contractors and consultants). The purpose of the Code is to underpin and support the values that govern individual and collective behaviour. It covers a wide range of areas including the following: standards of behaviour; conflicts of interest; proper use of company information and assets; gifts; compliance with laws and policies; reporting concerns; and corporate opportunities.

Related policies include: financial products trading; audit independence; whistleblowing; diversity and inclusion; market disclosure; and the interests register.

Training on ethical conduct is included as part of the induction process for new Directors and employees and forms a part of an employment handbook provided to employees. The Code can be found on the Company's website and internal intranet.

The Code requires Directors and employees to report breaches of the Code and sets out the procedure for doing so in accordance with the Company's Whistleblowing Policy.

Trading in Company Securities Policy

In accordance with the Company's Financial Products Trading Policy, the NZX Listing Rules, and the Financial Markets Conduct Act 2013, Directors and employees of the Company are subject to limitations on their ability to buy or sell Company shares.

The Policy sets out restrictions on the ability of Directors and employees to buy or sell financial products. In particular:

- Restricted Persons may not buy or sell Company shares in specified "blackout" periods that are set out in the Policy (these periods commence prior to the release of financial results to the market or the release of other material information).
- Outside of a blackout period, Restricted Persons must obtain consent to buy or sell Company shares and should not engage in short term trading.

Directors are encouraged to own shares in the Company in their own name (or through associated interests). In the case of Independent Directors, the Board has resolved that Independent Directors are expected to hold a discretionary but meaningful level of Arvida shares. The Directors' shareholdings and changes to those shareholdings are included in the Disclosures section of this Annual Report.

Training on the Policy is included as part of the induction process for new Directors and included in the employee handbook distributed to employees. The Policy is available to view at ww.arvida.co.nz/investors/corporate-governance.

PRINCIPLE 2: BOARD COMPOSITION AND PERFORMANCE

> **"To ensure an effective board, there should be a balance of independence, skills, knowledge, experience and perspectives."**

The Board is comprised of five Directors with a mix of qualifications, skills and experience appropriate to Arvida's business. The Board schedules a minimum of eight meetings each year.

Board Charter

The Board has adopted a formal Board Charter that is available to view at www.arvida.co.nz/investors/corporate-governance and details its authority, responsibilities, membership and operation.

Role of the Board

The key responsibilities of the Board include establishing the Company's objectives, the major strategies for achieving these objectives, the overall policy framework within which business is conducted and monitors the senior leadership team's performance with respect to these matters.

The Board has processes and systems in place to ensure that significant issues, risks and major strategic decisions are monitored and considered at Board level. This allows the Company to operate on a day-to-day basis in a manner which maximises shareholder value and manages risk while seeking to ensure that the interests of Shareholders are protected.

A rolling Board agenda is reviewed at Board meetings, enabling effective forward management of meetings and focused discussions. Agenda items are categorised as: Business Performance & Strategy, Matters for Approval, Matters for Discussion, or Matters for Noting. Board agendas regularly include reports from the Chief Executive Officer, the Chief Financial Officer and each Board committee. Updates are provided at each meeting from key functions including Health & Safety, Wellness & Care, Human Resources, Development, Finance, Brand & Marketing, IT, Good Friends and Investor Relations. The Board also considers investment, divestment and/or financing proposals at most meetings.

The Board looks to schedule Board meetings at the Company's retirement communities. Directors are encouraged to, and do visit the Company's retirement communities outside Board meetings. This is designed to provide Directors with an insight into operations and provide opportunities to engage directly with stakeholders including teams, residents, and communities. This year Covid-19 restrictions meant the majority of Board meetings occurred virtually including the Board's annual strategy day.

A summary of the Board Charter includes:

- At least one-third of the total number of Directors should be Independent as defined in the NZX Listing Rules.
- The Chair of the Board should be an Independent Director.
- The Chair and the Chief Executive Officer should be different people.
- Directors should possess a broad range of skills, qualifications and experience, and remain current on how best to perform their duties as Directors.
- Information of sufficient content, quality and timeliness as the Board considers necessary shall be provided by management to allow the Board to discharge its duties effectively.
- The effectiveness and performance of the Board and its individual members should be re-evaluated on an annual basis.

The Board's focus is on the creation of long term shareholder wealth and ensuring the Company is run in accordance with best international management and corporate governance practices. The legitimate interests of all stakeholders are taken into account in the decision-making of the Board.

Delegation of authority

The Board delegates to the Chief Executive Officer responsibility for implementing the Board's strategy and for managing the Company's operations. The Chief Executive Officer has Board-approved levels of authority and, in turn, sub-delegates authority in some cases to direct reports and has established a formal process for direct reports to sub-delegate certain authorities as appropriate. This is documented in the Delegated Authority Policy.

All Directors have access to the senior leadership team to discuss issues or obtain further information on specific areas. Key executives and managers are invited to attend and participate in appropriate sessions at Board meetings to provide additional insight into the items being discussed. With the Chair's prior approval, Directors are entitled to obtain external independent expert advice.

The Company Secretary is appointed on the recommendation of the Chief Executive and must be approved by the Board. The Company Secretary is accountable to the Board, through the Chair, on all governance matters. As at the date of this Annual Report, Mark Wells is the Company Secretary.

Retirement and re-election of Directors

In accordance with the Company's Constitution and the NZX Listing Rules, Directors are required to retire three years after their appointment or at the third Annual Meeting of Shareholders following their appointment (whichever is later). Directors who have been appointed by the Board must also retire at the next Annual Meeting following their appointment. Directors may offer themselves for re-election by Shareholders. Procedures for the appointment and removal of Directors are also governed by the Constitution.

At the 2022 Annual Meeting of Shareholders, Anthony Beverley will retire by rotation and stand for re-election. A profile for Mr Beverley will be contained in the Notice of Meeting. The meeting will be held at 10:30am on Thursday 30 June 2022 at Cordis Hotel, 83 Symonds Street, Auckland.

Board composition

The NZX Listing Rules require that a minimum of two Directors are Independent Directors. As at 31 March 2022, Anthony Beverley (Chair), Michael Ambrose, Susan Paterson, Susan Peterson and Paul Ridley-Smith were determined by the Board to be Independent Directors. Accordingly, the Board comprised of five non-executive Independent Directors.

In determining whether a Director is Independent, the Board has regard to the NZX Listing Rules. The Board considers all current Directors to be Independent in that they are not executives of the Company and do not have a direct or indirect interest or relationship that could reasonably influence, in a material way, their decisions in relation to the Company.

The Directors are required to keep the Board advised of any interests they have that could affect their independence, including any interests that could potentially conflict with the interests of Arvida. The Board determines the independence of each Director in terms of any matter arising at any time and on a formal basis at the time of appointment and annually thereafter. The Board will review any determination it makes as to a Director's independence on becoming aware of any information that indicates that the Director may have a material relationship that could potentially conflict with the interests of the Company.

All Directors have agreements that set out the terms and conditions of their appointment.

Separation of Board Chair and CEO

The Board Charter requires the Board Chair to be an Independent Director, and not be the same person as the Chief Executive Officer or the Chair of the Audit and Risk Committee.

Director Particulars

Information on each Director, including their interests, skills, length of service and security holdings, is provided in the Directors' Profiles and Disclosures sections of this Annual Report. A profile of each Director is available to view at the Company's website: www.arvida.co.nz/investors/corporate-governance.

Evaluation of Performance of Directors

The Chair undertakes an annual review of the individual performance of Directors. The Board also reviews its performance as a whole and the performance of its Committees on an annual basis.

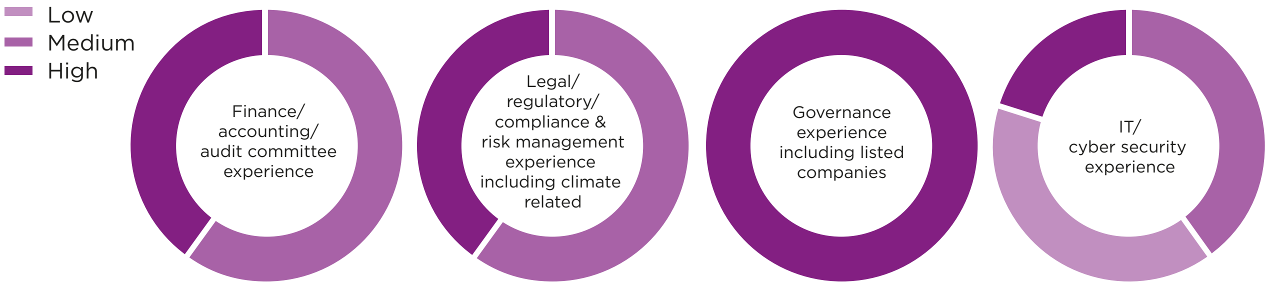
The Board's policy is that the Board needs to have an appropriate mix of skills, professional experience and diversity to ensure that it is well equipped to fulfil its responsibilities. The Board reviews and evaluates on a regular basis the skill mix required, and identifies any existing gaps.

The current mix of skills and experience summarised in Table 1 is considered appropriate for the responsibilities and requirements of governing the Company.

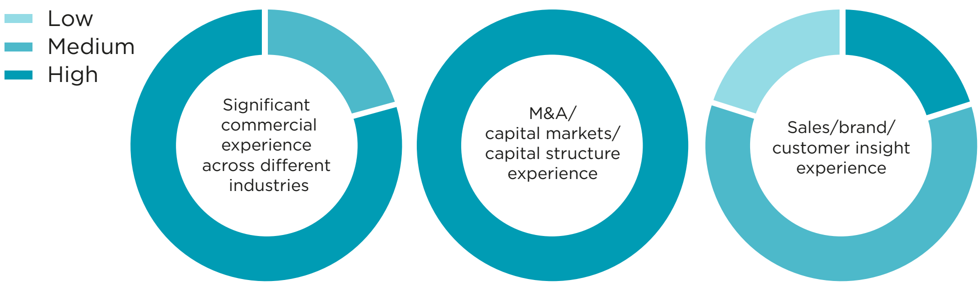
Table 1: Board Skills Matrix

1. Industry Expertise

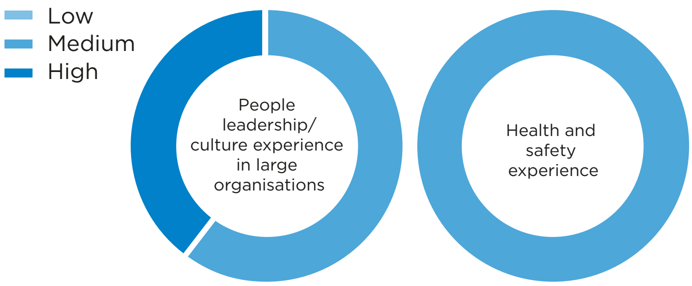
2. Governance Expertise



3. Strategy Expertise



4. People Expertise



Diversity and inclusion

The Company and its Board believe that having a team of individuals with different backgrounds, views, experiences and capabilities working together makes the business stronger, vibrant and better as an organisation. The Company is committed to retaining and recruiting people who are passionate about the Company's customers and have a range of skills, experiences and frames of reference to drive innovation and to help the Company to achieve its vision.

The Company has a formal Diversity and Inclusion Policy which is available to view at the Company's website: www.arvida.co.nz/investors/corporate-governance.

Each year the Board reviews performance of the Policy against agreed annual objectives. The gender mix of Directors and Officers and details of the Company's diversity and inclusion objectives are set out in Table 2. The Company has determined that the category of Officers includes the Chief Executive Officer, Chief Financial Officer, Chief Operating Officer and the five divisional General Managers.

As a whole, approximately 60% (2021: 58%) of Directors, Officers and Village Managers are female. This increases to approximately 61% including heads of department. For the Company, approximately 78% of the workforce is female.

Table 2: Diversity Objectives

Gender			
Objective:	Work towards ensuring gender balance in the Board, Officers and Village Managers		
Measurement:	Compare gender proportions for employee classifications to benchmark		
Actual:	**Gender**	**2022**	**2021**
Directors	Male	3	4
	Female	2	2
	Total	**5**	**6**
Officers	Male	6	5
	Female	2	3
	Total	**8**	**8**
Village Managers	Male	10	10
	Female	24	21
	Total	**34**	**31**
All staff	Male	593	493
	Female	2,101	2,184
	Other	13	-
	Total	**2,707**	**2.677**
	In all role types, approximately 78% (2021: 82%) of the workforce is female.		
Objective:	Ensure fair evaluation of employee performance and equitable remuneration decisions		
Measurement:	Compare remuneration of workforce by role by gender		
Actual:		**2022**	**2021***
Pay equity gap	(base salary only)	(0.1)%	NA
Gender pay gap	(base salary only)	2.3%	NA

** The Company did not calculate these ratios in 2021.*

Inclusion [2]			
Objective:	Ensure diversity of thought is valued and encouraged		
Measurement:	**Actual**	**2022**	**2021**
Compare annual survey of Directors, Officers and Village Managers (as individual groups and in aggregate) response to the inclusion question: "Is diversity of thought valued and encouraged at Arvida?"	Agreed or Strongly Agreed	73%	73%
Compare annual employee engagement survey response to the inclusion question: "Is my organisation is dedicated to diversity and inclusiveness. "	Agreed or Strongly Agreed	78%	77%
Objective:	Ensure our team is treated fairly and with respect		
Measurement:	**Actual**	**2022**	**2021**
Compare annual employee engagement survey response to the inclusion question: "Are all employees at Arvida treated fairly (including as to employment opportunity), regardless of age, ethnicity, gender or physical capabilities"	Agreed or Strongly Agreed	73%	72%

2. *Diversity and engagement feedback was collected through the Company's annual staff engagement survey completed in October 2021.*

Director Training

The Board seeks to ensure that new Directors are appropriately introduced to the senior leadership team and the Arvida business, that all Directors are acquainted with relevant industry knowledge and economics and that they receive a copy of the Charters of the Board and Committees and the key governance documents.

It is expected that all Directors continuously educate themselves to ensure they have appropriate expertise and can effectively perform their duties. In addition, visits to the Company's operations, briefings from the senior leadership team and industry experts or key advisers to the Company, and educational and stakeholder visits, briefings or meetings are arranged for the Board.

PRINCIPLE 3: BOARD COMMITTEES

"The board should use committees where this will enhance its effectiveness in key areas, while still retaining board responsibility."

Board Committees

The Board has two formally constituted committees to assist in the execution of the Board's duties, being the Audit and Risk Committee and the Remuneration Committee. Each Committee operates under a written charter that sets out its mandate.

Attendance at Board and Committee meetings for all respective Directors during the financial year ended 31 March 2022 is set out in Table 3. Directors also met regularly over the course of the year to discuss other important matters such as potential acquisitions. Meetings were held virtually rather than in person this year as a result of Covid-19 settings.

Outside of the Board and Committee meetings, the Board or a subcommittee held an additional twelve formal meetings in person or by way of conference call during the year.

Audit and Risk Committee

The primary functions of the Audit and Risk Committee are:

- To co-ordinate the audit process to ensure that the interests of shareholders are properly protected in relation to financial reporting and internal control.
- To provide the Board with an assessment of the Company's financial disclosures and accounting affairs.
- To keep under review the effectiveness of the Company's procedures for the identification, assessment and reporting of material risks.

A key responsibility of the Audit and Risk Committee is to ensure the quality and independence of the external audit process.

The Audit and Risk Committee make enquiries of management and the external auditors so that it is satisfied as to the validity and accuracy of all aspects of the Company's financial reporting. All aspects of the external audit are reported back to the Audit and Risk Committee and the external auditors are given the opportunity at Audit and Risk Committee meetings to meet with Directors.

Members of the Committee are appointed by the Board. The Committee must comprise a minimum of three Directors comprising a majority of Independent Directors. The current members of the Committee are Michael Ambrose (Chair), Susan Paterson and Paul Ridley-Smith.

The Audit and Risk Committee Charter provides for the composition, responsibilities, procedures and reporting duties of the Committee and governs how the members of the Audit and Risk Committee discharge their obligations. The Audit and Risk Committee Charter is reviewed annually by the Board and was last reviewed in February 2021.

The Audit and Risk Committee generally invites the Chief Executive Officer, Chief Financial Officer and external auditors to attend meetings. The Committee also meets and receives regular reports

Table 1: Director Fees

	Board	Audit & Risk Committee	Remuneration Committee	Additional Meetings
Peter Wilson[1]	3/3	-	-	4/4
Anthony Beverley[2]	8	1/1	2/2	12
Susan Paterson	8	3/3	3	12
Susan Peterson[3]	8	-	1/1	12
Michael Ambrose	8	4	-	12
Paul Ridley-Smith	8	4	3	12
Total meetings held	**8**	**4**	**3**	**12**

1 Retired from the Board on 2 July 2021.
2 Appointed Chair of the Board effective 3 July 2021.
3 Appointed director on 1 November 2020 and elected by shareholder resolution on 2 July 2021.

from the external auditors without management present, concerning any matters that arise in connection with the performance of their role.

Remuneration Committee

The role of the Remuneration Committee is to assist the Board in establishing and reviewing remuneration policies and practices for the Company. Specific responsibilities include:

- To set and review the Company's remuneration policies and practices.
- Formulating and suggesting the director's fees to be paid to each Director.
- Determining additional allowances to be paid to Directors where additional work is being undertaken to that expected of other Directors.
- Conducting an annual review of the Chief Executive Officer's performance against his or her performance agreement and employment contract and ensuring appropriate performance agreements are in place.
- Reviewing succession planning and recruitment, retention and termination policies for the Chief Executive Officer and the senior leadership team.

The Remuneration Committee must be comprised of a minimum of three Directors comprising a majority of Independent Directors. The current members of the Committee are Paul Ridley-Smith (Chair), Susan Paterson and Susan Peterson.

The Remuneration Committee Charter provides for the composition responsibilities, procedures and reporting duties of the Remuneration Committee and governs how the members of the Remuneration Committee discharge their obligations. The Board undertakes an annual review of the Remuneration Committee's objectives and activities in terms of its responsibilities as set out in the Charter. The Remuneration Committee Charter is reviewed annually by the Board and was last reviewed in April 2021.

Nomination Committee

The Board does not have a separate Nomination Committee as Director appointments are considered by the Board as a whole. The procedure for the nomination and appointment of Directors is included in the Board Charter and summarised in Principle 2.

Other Committees

During 2021 a Due Diligence Committee of the Board was established to oversee the acquisition of Arena Living portfolio of villages by the Company and contemporaneous capital raising. The Due Diligence Committee comprised Susan Paterson, Paul Ridley-Smith and Michael Ambrose, with all directors also being entitled to attend Committee meetings.

On completion of the acquisition and capital raising, the Due Diligence Committee was disbanded.

Takeover Protocols

The Company's Takeover Protocol sets out the procedure to be followed in the event that a takeover offer is made or scheme of arrangement proposed.

PRINCIPLE 4: REPORTING AND DISCLOSURE

> **"The board should demand integrity in financial and non-financial reporting and in the timeliness and balance of corporate disclosures."**

Continuous Disclosure

The Company is committed to promoting Shareholder confidence through open, timely, accurate and balanced disclosures. It achieves these commitments, and the promotion of investor confidence, by ensuring that trading in its shares takes place in an efficient, competitive and informed market.

The Company has in place procedures designed to ensure compliance with its disclosure obligations under the NZX Listing Rules such that:

- Any matter that might be material information is appropriately and swiftly escalated to the senior management team.
- All investors have equal and timely access to material information concerning the Company, including its financial situation, performance, ownership and governance.
- Company announcements are factual and presented in a clear and balanced way.

The Company's Market Disclosure Policy sets out the disclosure and communication responsibilities and procedures for managing this obligation.

Charters and Policies

Copies of key governance documents, including the Code of Ethics, Vision and Values, Financial Product Trading Policy, Board and Committee Charters, Diversity and Inclusion Policy, Audit Independence Policy, Market Disclosure Policy, Whistle Blower Policy, Risk Management Policy and Sustainability Policy are all available on the Company's website at www.arvida.co.nz/investors/corporate-governance.

The Company's governance documents are reviewed at least every 2 years and updated to the website.

Financial Reporting

The Company is committed to ensuring integrity and timeliness in its financial reporting and in providing information to the market and shareholders which reflects a considered view on its present and future prospects.

The Audit and Risk Committee oversees the quality and integrity of external financial reporting, including the accuracy, completeness, balance and timeliness of financial statements. It reviews the Company's full and half-year financial statements and makes recommendations to the Board concerning accounting policies, areas of judgement, compliance with accounting standards, stock exchange and legal requirements and the results of the external audit.

All matters required to be addressed and for which the Committee has responsibility were addressed during the reporting period. The Company has published Annual and Interim Reports that contained its full and half-year financial statements that were prepared in accordance with relevant financial standards.

Non-Financial Reporting – Sustainability

The Company currently provides non-financial disclosure on matters including operational and clinical performance, risk management, strategy, health and safety, diversity, the environment and community engagement within this Annual Report.

The Company recognises it is in the early stages of reporting on non-financial information. Additional disclosure is intended in future reports as the Company develops its reporting in this area.

The Company did refresh the materiality assessment undertaken in the prior year. The findings are set out in the Materiality section of this Annual Report.

PRINCIPLE 5: REMUNERATION

> **"The remuneration of directors and executives should be transparent, fair and reasonable."**

Directors' Remuneration

Remuneration of Directors is reviewed by the Remuneration Committee. Its membership and role are set out under Principle 3 above. The level of remuneration paid to the Directors is determined by the Board within the limits approved by the shareholders of the Company.

During the financial year, advice was taken from the Institute of Directors on the structure and level of fees paid to Directors. Based on that advice, shareholder approval was obtained at the 2021 Annual Meeting to a revised allocation of Director remuneration and increase in the aggregate remuneration payable to all Directors from $500,000 to $640,000 per annum.

Further details on Director remuneration are provided in the Remuneration section of this Annual Report.

Remuneration Policy

The Company is committed to applying fair and equitable remuneration and reward practices in the workplace, taking into account internal and external relativity, the commercial environment and the ability to achieve business objectives. As set out under Principle 3 above, the Remuneration Committee makes recommendations to the Board on remuneration packages, keeping in mind the requirements of the Company's Remuneration Policy.

Under the Company's remuneration framework, remuneration for the senior leadership team and senior managers includes a mix of fixed and variable components. Individual performance and market relativity are key considerations in all remuneration based decisions, balanced by the organisational context.

Further details on remuneration are provided in the Remuneration section of this Annual Report.

Chief Executive Officer Remuneration

Further details on the Chief Executive Officer's remuneration are provided in the Remuneration section of this Annual Report. In addition, the Company discloses the Chief Financial Officer's remuneration in the Remuneration section of this Annual Report.

PRINCIPLE 6: RISK MANAGEMENT

"Directors should have a sound understanding of the material risks faced by the issuer and how to manage them. The Board should regularly verify that the issuer has appropriate processes that identify and manage potential and material risks."

Risk Management

The Company has a robust risk management framework for identifying, overseeing, managing and controlling risk. The identification and effective management of risks are a priority of the Board and the Audit and Risk Committee.

The processes involved are set out in the Company's Risk Management Policy and require the maintenance of a risk register that identifies key business risks and initiatives deployed to manage and mitigate those risks.

All major risk and internal control issues are reported on at each Board meeting. The Board has responsibility for the oversight of risk management. The Company, through the Board, Audit and Risk Committee and senior management team, continually monitors and, where necessary, updates the operation and implementation of the risk management system to ensure that the Company continues to have an appropriate and effective system in place to manage material business risks. The Company's risk matrix is included in the 'Engaging with our Stakeholders' section.

The Company's Risk Management Policy is available to view at www.arvida.co.nz/investors/corporate-governance.

Health and Safety

The Company's health and safety objectives are met by:

- Documenting overarching performance standards with measurable indicators in a Health and Safety Management Plan. The Plan identifies health and safety risks and details how these risks are to be managed. It is continuously monitored and formally reviewed every two years.
- Documenting health and safety policies and communicating these to all employees.
- Monitoring, analysing and evaluating health and safety processes and performance data to identify areas of improvement and acting on any improvements identified.
- Monitoring and annually appraising the health and safety performance of senior managers and employees.

Detailed reports are produced for Board meetings covering health and safety incidents, injury rates by severity, local site health and safety committee meetings and key initiatives undertaken.

PRINCIPLE 7: AUDITORS

"The board should ensure the quality and independence of the external audit process."

Relationship with Auditor

Oversight of external audit arrangements is the responsibility of the Audit and Risk Committee and governed by the Audit and Risk Committee Charter, a copy of which is available on the Company's website. Ensuring that external audit independence is maintained is one of the key aspects in discharging this responsibility. A formal policy on audit independence has been adopted by the Committee to meet this requirement.

The Audit Independence Policy covers the following areas:

- Provision of related assurance services by the external auditors.
- Auditor rotation.
- Relationships between the auditor and the Company.
- Approval of Auditor.

The Audit and Risk Committee shall only approve a firm to be auditor if that firm would be regarded by a reasonable investor with full knowledge of all relevant facts and circumstances as capable of exercising objective and impartial judgement on all issues encompassed within the auditor's engagement.

The external auditor (Ernst & Young) attends the Company's Annual Meeting and is available to answer questions from shareholders in relation to the external audit.

Ernst & Young was first appointed as external auditor of Arvida for the financial year ending on 31 March 2015. The lead audit partner at Ernst & Young was rotated in 2020 in accordance with the auditor's internal governance requirements.

Internal Audit Functions

Arvida has a comprehensive internal audit plan that includes periodic reviews of relevant areas of operations. The internal audit plan is designed and approved by the Audit and Risk Committee.

The internal audit plan for FY22 included an independent review of the Company's health and safety framework and the accounts payable function. The health and safety review was the first of three phases to review health and safety management and culture. The review of both areas was conducted by external consultancy firm KPMG. The Company does not have an internal audit function.

The Board is confident the key risks of the business are being adequately managed and the internal control framework is operating effectively.

PRINCIPLE 8: SHAREHOLDER RIGHTS AND RELATIONS

"The board should respect the rights of shareholders and foster constructive relationships with shareholders that encourage them to engage with the issuer."

Information for Shareholders

A comprehensive set of relevant information regarding the Company's operations and results is maintained on the Company's website for shareholders including annual and half-year financial reports, investor presentations, investor newsletters, notice of meetings and market releases.

The Company's corporate governance charters and policies, profiles of directors and senior management and key calendar dates are also made available on the Company's website at www.arvida.co.nz/investors.

Annual and half-year reports are available in electronic and hard-copy format.

Communicating with Shareholders

The Company provides options for shareholders to receive communications electronically, to and from both the Company and its share registrar. The Company's website also contains an investor centre section for establishing electronic shareholder communications together with a Company phone number and email address for communications from shareholders and investor relations enquiries.

The Company welcomes communication and feedback from shareholders. Market releases carry contact details for the Chief Executive Officer and Chief Financial Officer. The Company responds to all shareholder communications within a reasonable timeframe.

An investor relations programme is also maintained by the Company to encourage engagement with shareholders.

Shareholder Voting Rights

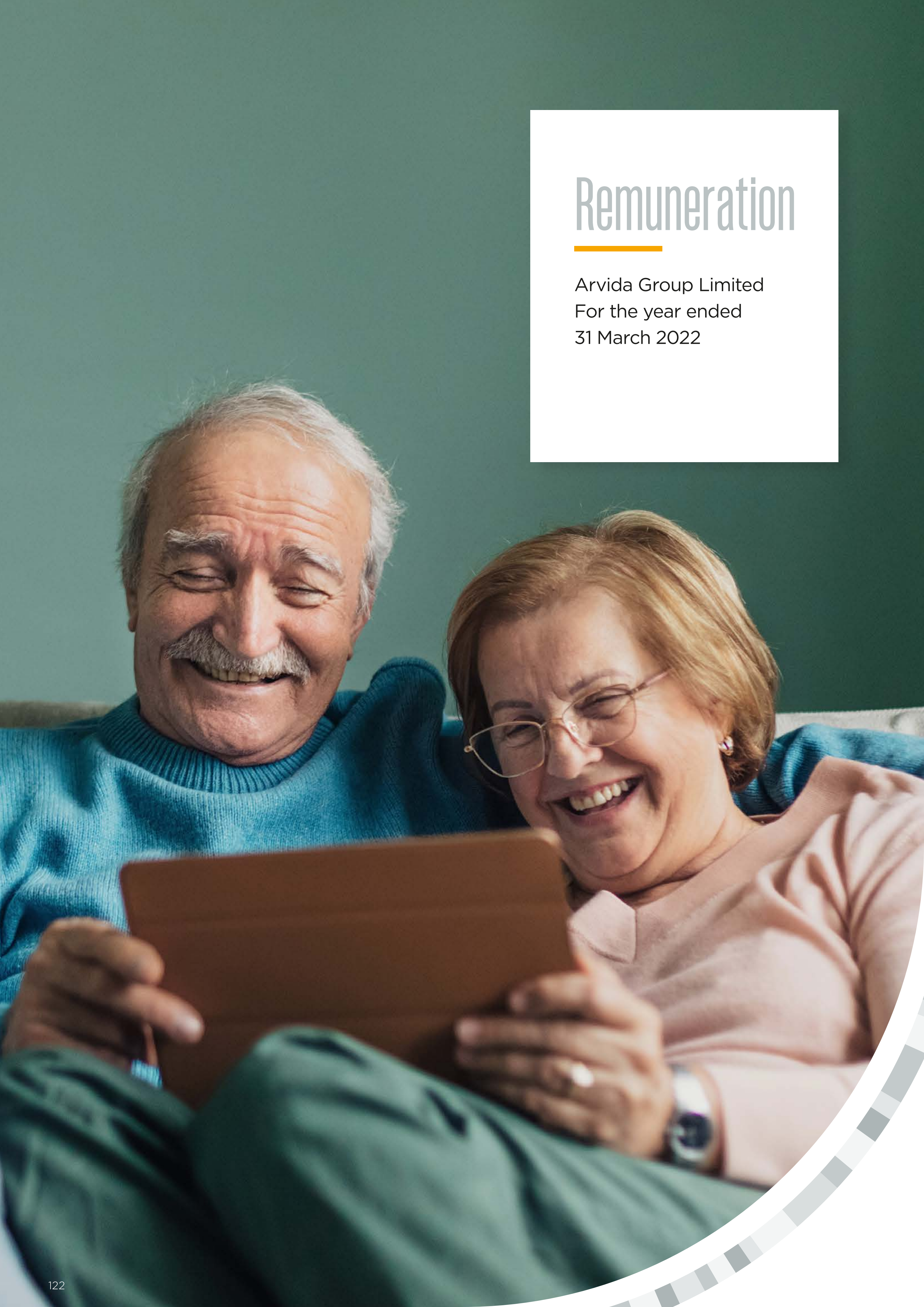
The regulatory safeguards built into the NZX Listing Rules, the Companies Act 1993 and the Company's constitution operate to preserve shareholders' entitlement to vote on major decisions impacting the Company.

The Company conducts voting at its Annual Meeting by a poll of shareholders, where each person voting at the meeting and each shareholder who casts a vote by proxy, has one vote for each share held.

Notice of Annual Meeting

The Company encourages shareholder participation in Annual Meetings including alternating the venue of the Annual Meeting between North and South Islands.

The Board aims to ensure that all relevant information is provided to shareholders for consideration with sufficient notice in advance of the Annual Meeting (and at least 20 working days prior to the Annual Meeting, including by posting the notice of annual meeting on the Company's website).



Remuneration

Arvida Group Limited
For the year ended
31 March 2022

Remuneration Report

For the year ended 31 March 2022

Dear Shareholder

As Chair of the Remuneration Committee of the Board, it is my pleasure to present our Remuneration Report for the year ended 31 March 2022.

This report outlines Arvida's strategy and approach to remuneration. It sets out remuneration information for the Chief Executive Officer, executive team members and directors.

Remuneration of the executive team is designed to attract, motivate and retain talented employees and to align rewards to the achievement of strategies and business objectives that create sustainable value for shareholders.

The role and membership of the Remuneration Committee is set out in the Governance section of this Annual Report.

Paul Ridley-Smith
Chair
Remuneration Committee

DIRECTORS' REMUNERATION

Directors' remuneration levels are set as to be fair and reasonable in a competitive market for the skills, knowledge and experience required by the Company.

As at 31 March 2022, the standard Director fees per annum are as follows:

Table 1: Director Fees

	Position	Fees
Board of Directors	Chair	$165,000
	Member	$90,000
Audit and Risk Committee	Chair	$12,000
	Member	$3,000
Remuneration Committee	Chair	$8,000
	Member	$3,000

Directors' fees are reviewed from time to time. The total pool of fees available to be paid to Directors is subject to shareholder approval. The current pool for non-executive directors' fees and board committee responsibilities was fixed by shareholder resolution at the 2021 Annual Meeting of Shareholders at $640,000 per annum with effect on 1 July 2021.

The Board had sought external advice from The Institute of Directors on the levels of director remuneration. No increase to the fee pool is proposed at the 2022 Annual Meeting of Shareholders.

Total remuneration paid to Directors during the financial year ended 31 March 2022 is set out in the Table 2. Remuneration paid excludes GST and expenses. Each Director is entitled, without limit, to be paid for all reasonable travelling, accommodation and other expenses incurred in the course of performing duties or exercising powers as a Director. No additional fees were paid to committee members or Directors during the year.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

Directors and Officers also have the benefit of Directors' and Officers' liability insurance. As provided for under its Constitution and in accordance with Section 162 of the Companies Act 1993, the Company arranged to indemnify all the Directors and Officers for all liabilities that arise out of the performance of their duties as Directors and Officers of the Company for which they may be held personally liable. Certain actions are specifically excluded, for example, the incurring of penalties and fines that may be imposed in respect of certain breaches of the law.

During the financial year, the Company paid premiums in relation to policies of Directors' and Officers' liability insurance.

Table 2: FY22 Director Remuneration

Director	Board Fees	Audit & Risk Committee	Remuneration Committee	Other Committee	Total Fees
Peter Wilson[1]	$38,322	-	-	-	$38,322
Anthony Beverley	$144,250 (Chair)	$3,000	-	-	$147,250
Michael Ambrose	$88,000	$9,000 (Chair)	-	-	$97,000
Susan Paterson	$88,000	$2,250	$2,250	-	$92,500
Susan Peterson	$88,000	-	$2,250	-	$90,250
Paul Ridley-Smith	$88,000	$2,250	$8,000 (Chair)	-	$98,250
Total	**$534,572**	**$16,500**	**$12,500**	**-**	**$563,572**

1 Peter Wilson's fees cover attendance of meetings to 2 July 2021.

EXECUTIVE REMUNERATION

The Company's remuneration policy for members of the executive team provides the opportunity for them to receive, where performance merits, a total remuneration package in the median quartile for equivalent market-matched roles. The Remuneration Committee reviews the annual performance appraisal outcomes for all executive team members, including the Chief Executive Officer. The Chief Executive Officer's remuneration is approved by the Board on the recommendation of the Remuneration Committee. External remuneration benchmarking is taken into account to ensure competitiveness with comparable market peers, along with consideration of an individual's performance, skills, expertise and experience.

Total remuneration for the executive team is made up of three components:

- Fixed remuneration;
- Short-term performance-based cash remuneration; and
- Long-term performance-based equity remuneration.

The Company has written agreements with the Chief Executive Officer and executive team members setting out the terms of their employment.

Fixed Remuneration

Fixed remuneration consists of base salary and benefits. The Company's policy is to pay fixed remuneration with reference to the fixed pay market median. During the year the Remuneration Committee commissioned Strategic Pay to conduct an independent external benchmarking review of some roles.

Short-Term Incentives

Short-term incentives (STIs) are at-risk payments designed to motivate and reward for performance, in that financial year.

The target value of a STI payment is set annually, usually as a percentage of the executive's base salary. For 2022, the relevant percentages were 20% to 30%. The STI is related to achievement of annual performance metrics which aim to align executives to a shared set of key performance indicators (KPIs) based on business priorities for the next 12 months. The maximum amount of a STI payment for an executive team member is 125% of the STI on-target amount for that executive team member.

Target areas for the KPIs for 2022 are outlined in Table 3.

Table 3: FY22 Shared KPIs

Target	Weighting
Build rate over FY22 and FY23	20%
Development margin achieved	15%
Growth in the embedded value of the portfolio	10%
Aged care facility occupancy against national average +5%	15%
Resident satisfaction measured by an NPS survey	10%
Resident wellbeing measured through clinical systems and culture	15%
Underlying profit achieved	15%

Long-Term Incentives

Long-term incentives (LTIs) are at-risk payments through the issue of performance share rights designed to align the reward of executive team members with the enhancement of shareholder value over the three years from issue of the relevant performance share rights A performance share right, if it vests, entitles the holder to receive one Arvida share at no cost. The recipient is liable to pay the income tax on any such benefit received.

These performance share rights are issued each year shortly after the release of the annual financial results. The opening value is set at the volume weighted average price of Arvida shares in the 10 business days from the annual financial results being released and the closing value is calculated in exactly the same way three years later. The Total Shareholder Return (TSR) is then calculated off these opening and closing values, adjusted for dividends received over the period and other capital returns, capital raises and other appropriate factors.

The LTI issued in June 2021 (and vesting in June 2024) and to be issued in June 2022 (and vesting in June 2025) were and will be each issued in two equal tranches. The hurdles for these tranches are:

- Arvida's TSR exceeds the TSR of more than 35% of the relevant NZ50 companies over the plan period; and
- Arvida's TSR exceeds the absolute return hurdle threshold over the plan period as determined by the Board on the recommendation of the Remuneration Committee.

More detailed information about how the number of performance share rights that vest is calculated is provided in the footnote to Table 7 below.

CHIEF EXECUTIVE OFFICER REMUNERATION

The current Chief Executive Officer commenced in the role on 1 October 2021. Included within this report are details on the current and former Chief Executive Officer's remuneration.

The remuneration of the Chief Executive Officer comprises of Fixed Remuneration and Pay for Performance. Fixed Remuneration includes a base salary only. The Chief Executive Officer is a member of KiwiSaver, however the remuneration package is based on a total cost of employment approach, so the Company does not directly contribute towards the Chief Executive Officer's KiwiSaver account.

Pay for Performance includes both STI and LTI components. These incentives were set at a target percentage level of 33.3% in previous years and are now set at 30% of base salary each.

On the Remuneration Committee recommendation, the Board has an overriding discretion in respect of both the STI and LTI awards. The Board may take into account all measures and their overall assessment of individual performance and may take into account any other matters that they consider relevant in assessing whether (and to what extent) the performance hurdles should be treated as satisfied, which will include the level of achievement of the measure set out in the STI and LTI. The Board has discretion to vary the grant, and to adjust the quantum and the TSR hurdles, in respect to future awards.

During the current year, two LTI grants vested for the current Chief Executive Officer.

The final foundation long-term incentive plan performance share rights issued on the listing of Arvida vested. This covered the six-year period from 1 April 2015 to 31 March 2021. While these performance share rights were originally issued in two tranches (one measured against an NZ50 group and the other against a peer group of similar listed companies) because there were only three participants still listed in the peer group at vesting date, the LTI plan rules required all of the performance share rights to be measured as part of the NZ50 group. Arvida's TSR, calculated as described above, was ranked 16th out of the 39 companies that were in the NZ50 group at commencement and end of the plan period. The result was that 61% of this tranche vested into ordinary shares. The current Chief Executive Officer was issued 128,571 shares.

The 2018 Tranche also vested. The 2018 Tranche of the plan covered the three-year period from 1 April 2018 to 22 June 2021. It also had an NZ50 group tranche and a peer group tranche and the TSR calculations were again made as described above. In the 2018 Tranche, Arvida's TSR was second out of the four companies in the peer group (below Summerset but above Oceania and Ryman) and 14th out of 44 companies in the NZ50 group at commencement and end of the plan period. The overall result was that 72% of the 2018 Tranche entitlement vested into ordinary shares. The current Chief Executive Officer was issued 60,817 shares.

The tables below shows the total remuneration paid to the current Chief Executive Officer across the financial year, which includes six months as Chief Financial Officer and six months as Chief Executive Officer. The STI noted as received is the amount paid for FY21 as the quantification of that payment was made after publication of the FY21 Annual Report and the quantification of the FY22 payment will not be made until after the publication of this Annual Report. Similarly, the value of the LTI received refers to LTI that vested in April 2021 and June 2021.

Table 4: Remuneration paid for the financial year ended 31 March 2022

	Fixed Remuneration			Pay for Performance			
	Salary	Other benefits	Subtotal	STI	LTI	Subtotal	Total
FY22	$550,540	-	$550,540	$107,667	$361,646	$469,313	$1,019,853

The table below shows the three-year summary of the total remuneration paid to the current Chief Executive Officer across the financial years. For the FY21 and FY20 years, the amounts were paid as Chief Financial Officer remuneration.

Table 5: Five-year Summary

	Total Remuneration	%STI awarded against on-plan Performance	STI Performance Period	%LTI Vested against on-plan Performance	Span of LTI Performance Periods
FY22[1]	$1,019,313	85%	FY21	64%	FY16 to FY21
FY21	$754,303	80%	FY20	69%	FY16 to FY20
FY20	$787,440	90%	FY19	72%	FY16 to FY19
FY19	$532,897	93%	FY18	69%	FY16 to FY18
FY18	$394,099	90%	FY17	-	-

1 FY22 includes six months remuneration as Chief Executive Officer.

The table below shows the current annualised remuneration package of the current Chief Executive Officer, including the Pay for Performance components at the target percentage levels of 30% of base salary each. For FY22 the actual value of STI received by the Chief Executive Officer will be determined after the release of this Annual Report and reported next year. Similarly, the actual value of the LTI received will only be determined at the end of the relevant plan period in 2025 and will be reported in FY26 Annual Report.

Table 6: Annualised remuneration package of the current Chief Executive Officer

	Fixed Remuneration			Pay for Performance			
	Salary	Other benefits	Subtotal	STI	LTI	Subtotal	Total
FY22	$600,000	-	$600,000	$180,000	$180,000	$360,000	$960,000

Figure 1: Chief Executive Officer's annualised remuneration performance pay for FY23 (forward looking as per NZSA guidance)

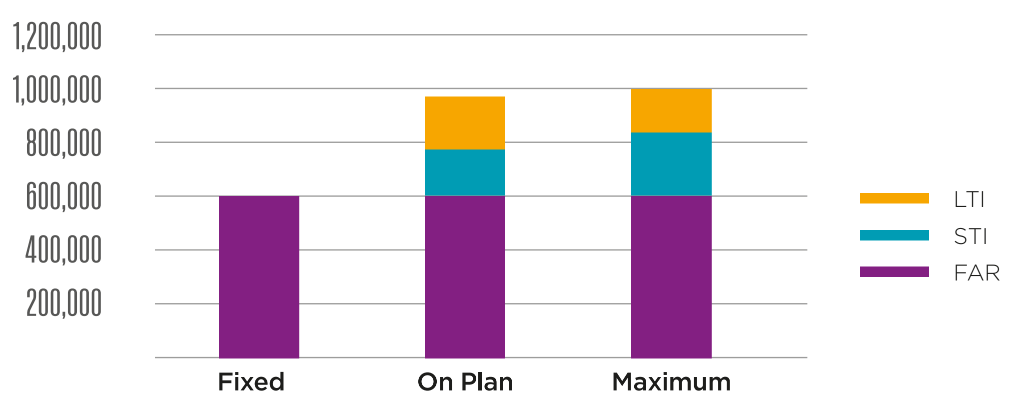


Table 7: Chief Executive Officer Incentive Plans

Plan	Description	Performance Measures	% Achieved
STI	Set at a gross target amount of 30% of the base salary remuneration (giving a current target of $180,000) and is achievable in each financial year, up to a maximum of 1.25 times if outperformance occurs in all company performance and individual measures.	100% on company performance	85%
LTI	Equity based "share rights scheme" whereby the scheme grants comprise an annual grant with a target value of an amount equal to 30% of the base salary remuneration at the commencement of the award period. The grant is subject to a three-year vesting period and TSR hurdles.	50% measured against the absolute TSR hurdle[1]	70%
		50% measured against the NZ50 group TSR hurdle[2]	73%

1 The absolute hurdle is determined by the Board in each plan period. For the tranche issued in June 2021 the absolute hurdle was set at 8.1% per annum. Broadly, 100% of the LTI will vest if the Company's TSR is 2% more than the absolute hurdle, none will vest if the TSR is 2% less than the absolute hurdle, and on a straight line basis if within 2%.

2 For the NZ50 group, 100% of the NZ50 comparator LTI vest if the Company's TSR is 90-100% of the NZ50 group (i.e, in the top 10%), 40% will vest if the Company's TSR is equal to 35%, and on a straight line basis from 40% to 100% if the Company's TSR exceeds 35% of the NZ50 group but is less than 90%. The NZ50 comparator group includes all companies that were a constituent member for the plan period.

The Board's intention is to make annual rolling LTI grants. The current Chief Executive Officer's LTI grants are set out in the table below.

Table 8: Chief Executive Officer LTI Grants

Annual LTI			
Commencement date	1/04/2019	1/04/2020	23/06/2021
Vesting date	13/06/2022	June 2023	June 2024
Unvested rights	100,167	109,966	95,134

FORMER CHIEF EXECUTIVE OFFICER REMUNERATION

During the year the former Chief Executive Officer resigned from the position with effect on 30 September 2021.

The Board determined that for the remuneration arrangements for the former Chief Executive Officer over his last six months in the role would include a base salary of $700,000 per annum, STI of $75,000 upon satisfactory exit and a pro-rata share of the 2019 LTI tranche.

Three LTI grants vested for the former Chief Executive Officer in FY22.

For the final tranche of the foundation long-term incentive (with the same vesting calculation as detailed above), the former Chief Executive Officer was issued 257,141 shares.

For the 2018 Tranche (with the same vesting calculation as detailed above), the former Chief Executive Officer was issued 81,089 shares.

The Board agreed to vest a pro-rata share to the former Chief Executive Officer of the 2019 Tranche of its long-term incentive plan. The 2019 Tranche had two equal components – performance against a peer group as described above and performance against the NZ50 group. The calculation period covered the period from 1 April 2019 to 30 September 2021. Arvida's TSR was second out of the four companies in the peer group (below Summerset but above Oceania and Ryman) and 8th out of 46 companies that were in the NZ50 group at commencement and end of the plan period.

The overall result was that 80% of the Tranche entitlement, moderated by a pro-rata share for the 30 of the 36 months of the plan, vested into ordinary shares. The former Chief Executive Officer was issued 88,283 shares.

All other unvested performance share rights for the former Chief Executive Officer were cancelled.

Table 10 below shows the three-year summary of the total remuneration paid to the former Chief Executive Officer across the financial years.

Table 9: Remuneration paid for the financial year ended 31 March 2022

	Fixed Remuneration			Pay for Performance			
	Salary	Other benefits	Subtotal	STI	LTI	Subtotal	Total
FY22[1]	$395,642	-	$395,642	$209,090	$825,377	$1,034,467	$1,430,109
FY21	$511,776	-	$511,776	$134,000	$499,423	$633,513	$1,145,289
FY20	$500,602	-	$500,602	$150,000	$514,185	$664,184	$1,164787

1 Total remuneration paid to the former Chief Executive Officer in FY22 is for the six month period to 30 September 2021.

Table 10: Five-year Summary

	Total Remuneration	%STI awarded against on-plan Performance	STI Performance Period	%LTI Vested against on-plan Performance	Span of LTI Performance Periods
FY22[1]	$1,430,109	85%	FY21	64%	FY16 to FY22
FY21	$1,145,289	80%	FY20	69%	FY16 to FY20
FY20	$1,164,787	90%	FY19	72%	FY16 to FY19
FY19	$707,898	93%	FY18	69%	FY16 to FY18
FY18	$525,466	90%	FY17	-	-

1 Total remuneration paid to the former Chief Executive Officer in FY22 is for the six month period to 30 September 2021.

CHIEF FINANCIAL OFFICER REMUNERATION

The current Chief Financial Officer commenced in the role on 2 July 2021. In the year ended 31 March 2022, the Chief Financial Officer received remuneration totalling $424,038. This amount included Fixed Remuneration of $332,176, a STI payment of $39,000 (relating to the performance period of the prior financial year) and a LTI entitlement valued at $52,862 (relating to performance periods over previous financial years).

PAY GAP

The pay gap represents the number of times greater the Chief Executive Officer remuneration is to the remuneration of an employee paid at the median of all Arvida employees. For the purposes of determining the median paid to all Arvida employees, all permanent full-time, permanent part-time and fixed-term employees are included, with part-time employee remuneration adjusted to a full-time equivalent amount.

At 31 March 2022, the Chief Executive Officer's base salary of $600,000 was 11 times (2021: 11 times) that of the median employee at $52,810 per annum. The Chief Executive Officer's total remuneration, including STI and LTI, of $1,019,313, was 19 times (2021: 24 times) the total remuneration of the median employee at $52,810.

SHARE OWNERSHIP

The Chief Executive Officer and Chief Financial Officer's ownership of Arvida shares as at 31 March 2022 are provided in Table 11.

Table 11: Share Ownership

Executive	Number of shares owned (excludes any unvested performance share rights as part of the LTI scheme)	Change in shares owned from 31 March 2021
Chief Executive Officer	1,031,584	+325,661
Chief Financial Officer	126,671	+42,619

EMPLOYEE REMUNERATION

The number of employees of Arvida and its subsidiaries, not being a Director, which received remuneration and other benefits in excess of $100,000 for the financial year ended 31 March 2022 is set out in the remuneration bands detailed in Table 12.

Table 12: Employee Remuneration

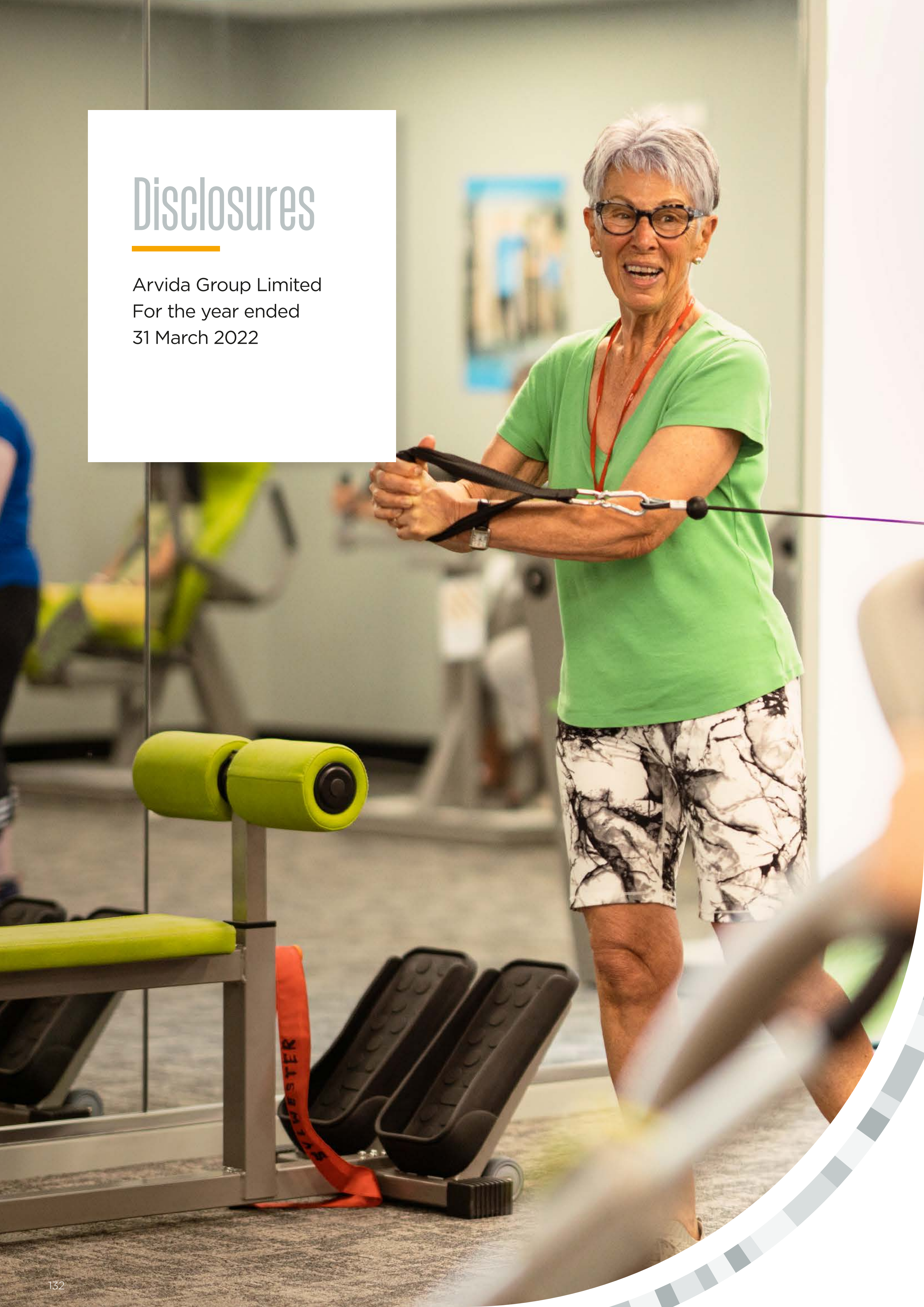
Remuneration Band	Number of Employees
$100k - $110k	11
$110k - $120k	13
$120k - $130k	8
$130k - $140k	10
$140k - $150k	5
$150k - $160k	6
$160k - $170k	10
$170k - $180k	7
$180k - $190k	3
$190k - $200k	1
$220k - $220k	2
$220k - $230k	1
$230k - $240k	1
$240k - $250k	1
$250k - $260k	1
$280k - $290k	1
$290k - $300k	1
$340k - $350k	1
$370k - $380k	1
$400k - $410k	1
$420k - $430k	1
$460k - $470k	1
$1,010k - $1,020k	1
$1,430k - $1,440k	1

The remuneration figures shown in the "Remuneration Band" column includes all monetary payments actually paid during the course of the year ended 31 March 2022. The table also includes the value of any shares issued to individuals during the course of the same period under the LTI scheme but does not include the value of share rights issued under the same LTI scheme. The table does not include amounts paid or value of shares issued post 31 March 2022 that relate to the year ended 31 March 2022.

This is consistent with methodology for calculating remuneration in previous financial years and elsewhere in this report.

Disclosures

Arvida Group Limited
For the year ended
31 March 2022



DIRECTORS' INTERESTS

In accordance with section 211 (1) (e) of the Companies Act 1993, particulars of the entries in the Interests Register of Arvida during the financial year to 31 March 2022 are set out in the table below, including the name of the company or entity and position held by a director:

Anthony Beverley	
Director & Shareholder	Dryland Carbon One H1 Ltd
Director & Shareholder	Dryland Carbon One H2 Ltd
Director & Shareholder	Dryland Carbon Ltd
Director	Dryland Native Ltd
Director	Dryland Manuka Ltd
Director & Shareholder	Glazebrook Capital Ltd
Director	Property for Industry Ltd & subsidiaries
Director	Dryland Carbon GP One Ltd [1]
Director	Dryland Carbon One Management Ltd [1]
Director	Kahikatea Nominee Ltd [1]

Michael Ambrose	
Director & Shareholder	Ashville Consultancy Ltd
Director	Australian Lobster Co. (GP) Ltd
Director	Chateau Marlborough Holdings 2014 Ltd
Director	Chateau Marlborough Hotel 2014 Ltd
Director & Shareholder	Cooks Coffee Co. Ltd [2,4]
Director & Shareholder	Deep Creek Fruits GP Ltd
Director	Deltop Holdings Ltd
Director	Garra International Ltd
Director & Shareholder	Fiordland Lobster Co. Ltd
Director	FLC Trustee Ltd
Director	Lobster Management GP Ltd
Director	Melrose Equities Ltd
Director	Senior Move Managers Ltd
Director	Sirocco Trustees Ltd (various client trust companies)
Director	Southern Fruits International GP Ltd
Director	Almonte Holdings Ltd [1]
Director	Arco Services Ltd [1]
Director	Billy Trustee Holdings Ltd [1]
Director	Ballochruin Holdings Ltd [1]
Director	Manchester Unity Friendly Society [1]
Director	Rodgers & Co. Ltd [1]
Director	The New Zealand Truffle Co.[1]

Susan Paterson	
Director	Reserve Bank (Advisory) Board
Director	Lodestone Energy Ltd [2]
Director	eRoad Ltd
Director	Les Mills NZ Ltd
Director	Steel and Tube Ltd
Director	Theta Systems Ltd
Director	Electricity Authority [1]
Director	Goodman NZ Ltd and associated companies [1]

Susan Peterson	
Director	Xero Ltd
Director	Vista Group Ltd
Director	Property for Industry Ltd
Director	PFI (No1) Ltd
Director	Craigs Investment Partners Ltd
Director	Global Women
Director	Manawa Energy Ltd [1,3]
Member	New Zealand Markets Disciplinary Tribunal [1]
Director	Organic Initiative Ltd [1]

Paul Ridley-Smith	
Director	Manawa Energy Ltd [3]

1. *Entries removed by notices given by the directors during the year ended 31 March 2022.*
2. *Entries added by notices given by the directors during the year ended 31 March 2022.*
3. *Changed name from Trustpower Limited on 2 May 2022.*
4. *Changed name from Cooks Food Group Limited on 31 March 2022.*

DIRECTORS OF SUBSIDIARY COMPANIES

The remuneration of employees acting as directors of subsidiaries is disclosed in the relevant banding of remuneration set out under the heading Employee Remuneration. Neither William McDonald, Jeremy Nicoll, Tristan Saunders nor Mark Wells received additional remuneration or benefits for acting as directors of subsidiaries during the year.

Jeremy Nicoll and Mark Wells are directors of all of the Company's wholly-owned subsidiaries as at 31 March 2022. The directors of the joint venture companies (Village at the Park Care Limited and Village at the Park Lifecare Limited) are Jeremy Nicoll, Mark Wells, Tristan Saunders, Euan Playle, Anaru Smiler and Mahara Okeroa.

During the financial year ending 31 March 2022, the following wholly-owned subsidiary company was newly incorporated:

- On 22 October 2021, Waikanae Beach Retirement Village Limited with Jeremy Nicoll and Mark Wells appointed as directors.

The following acquisitions and divestments of subsidiary companies occurred in the financial year ending 31 March 2022.

- On 18 October 2021, Wendover Rest Home 2006 Limited and Wendover Retirement Village 2006 Limited were removed from the companies register.
- On 5 November 2021, Te Awamutu Country Club Village Limited (Waipa Country Club Village Limited) was acquired.
- On 15 November 2021, FourFive New Zealand Limited (Arvida AL Holdings Limited), Arena Living New Zealand Limited (Arvida AL New Zealand Limited), Arena Living Limited (Arvida AL Limited), Knightsbridge RV Limited Partnership, Knightsbridge GP Limited, Knightsbridge LP Limited, Mayfair (Auckland) RV Limited, Mount Eden Gardens RV Limited, Ocean Shores RV Limited Partnership, Ocean Shores GP Limited, Ocean Shores LP Limited, Parklane (Auckland) RV Limited, Peninsula Club RV Limited were acquired.
- On 8 December 2021, Bainlea House (2013) Limited, Bainswood House Rest Home Limited, Bainswood Retirement Village Limited were divested.

SPECIFIC DISCLOSURES

There were no specific disclosures made during the year of any interests in transactions entered by the Company or any of its subsidiaries.

USE OF COMPANY INFORMATION

There were no notices received from Directors requesting use of Company information in their capacity as Directors that would not otherwise have been available to them in the year ended 31 March 2022.

SECURITIES DEALINGS OF DIRECTORS

Dealings by Directors in relevant interests in Arvida's ordinary shares during the year ending 31 March 2022 as entered in the Interests Register:

Director	No. of Shares	Nature of Relevant Interest	Acquisition / Disposal	Consideration	Date of Transaction
Susan Peterson	14,200	Registered holder and beneficial owner	Initial disclosure	-	13/07/2021
Paul Ridley-Smith	62,000	Registered holder and beneficial owner	Acquisition	$1.96 per share	18/10/2021
Anthony Beverley	57,074	Registered holder and beneficial owner	Acquisition	$1.85 per share	15/11/2021
Peter Wilson	21,999	Registered holder and beneficial owner	Acquisition	$1.85 per share	15/11/2021
Michael Ambrose	69,552	Registered holder and beneficial owner	Acquisition	$1.85 per share	15/11/2021
Michael Ambrose	33,340	Registered holder and non-beneficial owner	Acquisition	$1.85 per share	15/11/2021
Susan Paterson	49,509	Registered holder and beneficial owner	Acquisition	$1.85 per share	15/11/2021
Paul Ridley-Smith	69,622	Registered holder and beneficial owner	Acquisition	$1.85 per share	15/11/2021
Susan Peterson	6,769	Registered holder and beneficial owner	Acquisition	$1.85 per share	15/11/2021
Paul Ridley-Smith	2,307	Registered holder and beneficial owner	Acquisition (under Arvida's DRP)	$1.92 per share	15/12/2021
Susan Peterson	183	Registered holder and beneficial owner	Acquisition (under Arvida's DRP)	$1.92 per share	15/12/2021
Anthony Beverley	3,772	Registered holder and beneficial owner	Acquisition (under Arvida's DRP)	$1.92 per share	15/12/2021

DIRECTORS' SECURITY HOLDINGS

Shares and bonds in which each Director had a relevant interest as at 31 March 2022 are set out in the table below.

Relevant Interests of Directors

Director	Beneficial / Non-beneficial Interest	No. of shares held	No. of bonds held
Michael Ambrose	Beneficial	1,714,017	-
	Non-beneficial	252,440	-
Anthony Beverley	Beneficial	435,823	-
Susan Paterson	Beneficial	238,537	-
Susan Peterson	Beneficial	21,152	-
Paul Ridley-Smith	Beneficial	266,556	-
	Non-beneficial	-	20,000

DIRECTOR APPOINTMENT DATES

The date of each Director's first appointment to the position of Director is provided below.

Since the date of first appointment, Directors have been re-appointed at annual meetings when retiring by rotation as required.

Director	Date first appointed	Date last re-appointed
Anthony Beverley	13 November 2014	5 July 2019
Michael Ambrose	17 January 2014	3 July 2020
Susan Paterson	7 May 2015	2 July 2021
Susan Peterson	1 November 2020	2 July 2021
Paul Ridley-Smith	7 May 2015	3 July 2020

TOP 20 SHAREHOLDERS AS AT 31 MARCH 2022

	Shareholder	No. of Shares	% of Shares
1	Forsyth Barr Custodians Limited	114,375,155	15.9%
2	National Nominees Limited[1]	50,947,139	7.1%
3	Generate Kiwisaver Public Trust Nominees Limited[1]	40,606,475	5.6%
4	Citibank Nominees (New Zealand) Limited[1]	31,614,330	4.4%
5	Accident Compensation Corporation[1]	31,108,750	4.3%
6	HSBC Nominees (New Zealand) Limited[1]	26,529,110	3.7%
7	BNP Paribas Nominees (NZ) Limited[1]	17,242,467	2.4%
8	New Zealand Depository Nominee Limited	14,594,101	2.0%
9	Ian Archibald Hurst & Gloria Faye Hurst & Geoffrey Ewen McPhail & Banco Trustees Limited	13,109,015	1.8%
10	JPMorgan Chase Bank NZ Branch-Segregated Clients Acct[1]	11,570,182	1.6%
11	Forsyth Barr Custodians Limited	11,463,255	1.6%
12	HSBC Nominees (New Zealand) Limited A/C State Street[1]	9,303,406	1.3%
13	Donna Maree Hurst & Douglas Culmer Hurst & Geoffrey Ewen Mcphail & Banco Trustees Limited	9,288,917	1.3%
14	Leveraged Equities Finance Limited	8,122,671	1.1%
15	Tea Custodians Limited Client Property Trust Account[1]	8,084,720	1.1%
16	FNZ Custodians Limited	7,803,973	1.1%
17	Waikanae Trustees Limited	6,963,633	1.0%
18	Custodial Services Limited	6,783,627	0.9%
19	BNP Paribas Nominees (NZ) Limited[1]	5,423,043	0.8%
20	Simplicity Nominees Limited[1]	5,135,630	0.7%
	Total	**430,069,599**	**59.7%**

1 Shares held through the New Zealand Central Securities Depository Limited.

SPREAD OF SHAREHOLDERS AS AT 31 MARCH 2022

Size of Holdings	Number of Shareholders	% Shareholders	Number of Shares Held	% Shares Held
Under 1,999	1,076	14.8%	1,019,022	0.1%
2,000 to 4,999	1,404	19.3%	4,650,682	0.7%
5,000 to 9,999	1,424	19.5%	9,932,324	1.4%
10,000 to 99,999	2,949	40.5%	81,468,619	11.3%
100,000 to 499,999	323	4.4%	65,075,241	9.0%
Over 500,000	108	1.5%	557,915,019	77.5%
Total	**7,284**	**100.0%**	**720,060,907**	**100.0%**

SUBSTANTIAL PRODUCT HOLDER NOTICES AS AT 31 MARCH 2022

Shareholder	Relevant Interest	% held at date of notice	Date of Notice
Forsyth Barr Investment Management Limited	56,406,161	10.4%	3 September 2021
Milford Asset Management Limited	39,220,361	6.3%	20 October 2021
Generate Investment Management Limited	20,900,123	5.1%	14 February 2018

The total number of listed ordinary shares (being the only voting products) was 720,060,907 at 31 March 2022.

TOP 20 BONDHOLDERS AS AT 31 MARCH 2022

ARV101

	Bondholder	No. of Bonds	% of Bonds
1	New Zealand Central Securities Depository Limited	39,148,000	31.3%
2	Forsyth Barr Custodians Limited	34,212,000	27.4%
3	Custodial Services Limited	21,459,000	17.2%
4	FNZ Custodians Limited	11,339,000	9.1%
5	Forsyth Barr Custodians Limited	2,491,000	2.0%
6	Hobson Wealth Custodian Limited	1,703,000	1.4%
7	JBWere (NZ) Nominees Limited	1,020,000	0.8%
8	Investment Custodial Services Limited	685,000	0.5%
9	FNZ Custodians Limited	536,000	0.4%
10	FNZ Custodians Limited	318,000	0.3%
11	Kiwigold.co.nz Limited	300,000	0.2%
12	Bismarck Investments Limited	250,000	0.2%
13	Gabriele Landvogt	200,000	0.2%
14	Marianne Mathilde Marie Stoessel	200,000	0.2%
15	Colin Armstrong Wake	200,000	0.2%
16	Wayne Leslie Stechman	190,000	0.2%
17	Dunedin Diocesan Trust Board	150,000	0.1%
18	William John Whittaker & Prudence Linda Norling	150,000	0.1%
19	Woodford Enterprises Limited	150,000	0.1%
20	David Arthur Cottrell & Janet Tess Cottrell	144,000	0.1%
	Total	**114,845,000**	**91.9%**

SPREAD OF BONDHOLDERS AS AT 31 MARCH 2022

ARV101

Size of Holdings	Number of Bondholders	% Bondholders	Number of Bonds Held	% Bonds Held
5,000 to 9,999	44	10.3%	247,000	0.2%
10,000 to 99,999	357	83.2%	9,054,000	7.2%
100,000 to 499,999	19	4.4%	3,106,000	2.5%
Over 500,000	9	2.1%	112,593,000	90.1%
Total	**429**	**100.0%**	**125,000,000**	**100.0%**

WAIVERS FROM NZX LISTING RULES

No waivers from NZX Listing rules were sought in the year ending 31 March 2022.

AUDITORS' FEE

Ernst & Young has continued to act as auditors of the Company. The amount payable to Ernst & Young as audit fees during the financial year ended 31 March 2022 was $521,000. Ernst & Young did not undertake any non-audit work during the financial year ended 31 March 2022.

CREDIT RATING

The Company has no credit rating.

DONATIONS

In accordance with section 211(1)(h) of the Companies Act, the Company records that $14,533 was donated by Arvida or its subsidiaries in the year ended 31 March 2022. No donations were made to political parties.

Company Information

REGISTERED OFFICE OF ARVIDA	Arvida Group Limited Level 1, 39 Market Place Auckland 1010 PO Box 90217 Victoria Street West Auckland 1142 Phone: +64 9 972 1180 Email: info@arvida.co.nz Website: www.arvida.co.nz
DIRECTORS	**Anthony Beverley,** Independent Director and Chair **Michael Ambrose,** Independent Director **Susan Paterson,** Independent Director **Susan Peterson,** Independent Director **Paul Ridley-Smith,** Independent Director
GROUP AUDITOR	Ernst & Young
VALUER	CBRE Limited Jones Lang LaSalle Limited
LEGAL ADVISORS	Chapman Tripp Anthony Harper
BANKERS	ANZ Bank New Zealand Limited Bank of New Zealand
STATUTORY SUPERVISOR	Covenant Trustee Services Limited
BOND SUPERVISOR	The New Zealand Guardian Trust Company Limited
SHARE REGISTRAR	Computershare Investor Services Limited Level 2, 159 Hurstmere Road Takapuna Auckland 0622 Phone: +64 9 488 8777 Email: enquiry@computershare.co.nz

Directory

KERIKERI

Te Puna Waiora | The Source of Wellbeing
59 Hall Road,
Kerikeri 0230
Phone 0800 20 24 20

AUCKLAND

Aria Bay
3-7 Woodlands Crescent,
Browns Bay, Auckland 0630
Phone 09 479 1871

Aria Gardens
11 Bass Road, Albany,
Auckland 0632
Phone 09 415 7035

Aria Park
1-3 Claude Road,
Epsom, Auckland 1023
Phone 09 630 8430

Knightsbridge
21 Graham Collins Drive,
Windsor Park
Auckland 0632
Phone 09 477 2100

Mayfair Auckland
14 Oteha Valley Road,
Northcross, Auckland 0632
Phone 09 478 4000

Mt Eden Gardens
467 Mt Eden Road,
Cnr Fairview Road
Mt Eden, Auckland 1024
Phone 09 630 6303

Parklane Auckland
106 Becroft Drive,
Forrest Hill
Auckland 0620
Phone 09 410 9615

Peninsula Club
441 Whangaparāoa Road,
Stanmore Bay
Whangaparāoa 0932
Phone 09 424 8228

WAIKATO

Cascades
55 Pembroke Street,
Hamilton Lake,
Hamilton 3204
Phone 07 839 2348

CAMBRIDGE

Lauriston Park
91 Coleridge Street,
Cambridge 3432
Phone 07 827 0793

TAURANGA

Bethlehem Country Club
111 Carmichael Road,
Bethlehem, Tauranga 3110
Phone 07 579 2030

Bethlehem Shores
141 Bethlehem Road,
Bethlehem, Tauranga 3110
Phone 07 579 2035

Bethlehem Views
186 Cambridge Road,
Bethlehem, Tauranga 3110
Phone 07 578 5500

Copper Crest
52 Condor Drive,
Pyes Pa, Tauranga 3112
Phone 07 578 6245

Ocean Shores
80 Maranui Street,
Mt Maunganui 3116
Phone 07 547 4240

ROTORUA

Glenbrae
22 Hilda Street,
Fenton Park, Rotorua 3010
Phone 07 349 0014

NEW PLYMOUTH

Molly Ryan
269 Mangorei Road,
Merrilands,
New Plymouth 4312
Phone 06 757 8773

HAVELOCK NORTH

Mary Doyle
3 Karanema Drive,
Havelock North 4130
Phone 06 873 8400

PALMERSTON NORTH

Olive Tree
11-13 Dalwood Grove,
Palmerston North 4412
Phone 06 350 3000

MASTERTON

Lansdowne Park
100 Titoki Street,
Lansdowne, Masterton 5810
Phone 06 377 0123

WAIKANAE

Waikanae Lodge
394 Te Moana Road,
Waikanae, Kapiti Coast 5036
Phone 04 902 6800

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455 Lower Queen Street,
Richmond 7020
Phone 03 922 9823

BLENHEIM

Ashwood Park
118-130 Middle Renwick Road,
Springlands, Blenheim 7241
Phone 03 577 9990

CHRISTCHURCH

Ilam
28 Ilam Road,
Upper Riccarton,
Christchurch 8041
Phone 03 348 5305

Mayfair
104 Wharenui Road,
Upper Riccarton,
Christchurch 8041
Phone 03 348 2445

Park Lane
35 Whiteleigh Avenue,
Tower Junction,
Christchurch 8024
Phone 03 338 4495

Rhodes on Cashmere
5 Overdale Drive, Cashmere,
Christchurch 8022
Phone 03 332 3240

St Albans
41 Caledonian Road,
St Albans, Christchurch 8014
Phone 03 366 1824

St Allisa
46 Main South Road,
Upper Riccarton,
Christchurch 8042
Phone 03 343 3388

TIMARU

Strathallan
31 Konini Street,
Gleniti, Timaru 7910
Phone 03 686 1996

QUEENSTOWN

Queenstown Country Club
420 Frankton-Ladies Mile
Hwy, Cnr Howards Drive,
Queenstown 9371
Phone 0800 111 410

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