SENIOR TRUST
CAPITAL

Annual Report 2023

INVESTING IN STABILITY

WELCOME TO THE 2023 ANNUAL REPORT FOR **SENIOR TRUST CAPITAL.**

This Annual Report reviews the Senior Trust Capital Limited performance and business achievements for the year ended 31 March 2023.

OREWA SANDS, OREWA

CONTENTS

An online copy of this Annual Report is available at:

www.seniortrustcapital.co.nz

This 2023 Annual Report is a concise summary of our activities and financial position. All figures are expressed in New Zealand currency unless otherwise stated. Revenues and expenses are recognised exclusive of Goods and Services Tax.

COMPANY OVERVIEW - THE OPPORTUNITY:

AN INVESTMENT IN PREMIUM SENIOR LIVING

OUR INVESTORS REAP THE BENEFITS OF OUR EXPERIENCE AS SPECIALIST LENDERS TO THE RETIREMENT VILLAGE SECTOR.

Driven by New Zealand's housing shortage, ageing population and growing, ongoing need for new retirement facilities, its a proven strategy that enables much needed quality housing, helping senior New Zealanders live more comfortable lives.

- Proven track record of attractive, consistent returns
- Access to unique investment, easy online entry, $5000 minimum
- Benefit from RV sector tax shelters, pay tax based on individual PIR
- Mortgage-backed, bricks & mortar security
- Carefully selected portfolio, premium villages nationwide

STABLE CAPITAL, STEADY INCOME.

The graph below demonstrates our ability to provide consistent, attractive returns, while effectively managing risk thanks to the experience and capability of our people. The team's specific expertise and stability is our unique point of difference.

Management Team - proven track record of returns

Investor income paid at or above targeted distribution rate:

- ☑ 2013
- ☑ 2014
- ☑ 2015
- ☑ 2016
- ☑ 2017
- ☑ 2018
- ☑ 2019
- ☑ 2020
- ☑ 2021
- ☑ 2022
- ☑ 2023

Targeted Return from April 1 2023

Distribution Rate After Tax pa	Prescribed Investor Rate (PIR)	Equivalent Pre-tax Return P/A, per share
7.5 cents per annum, per share (based on share price of $1)	0	7.5%
	10.50%	8.38%
	17.50%	9.09%
	28.00%	10.42%

The after tax distribution only takes into account New Zealand income tax and assumes: 1. Senior Trust Capital is a PIE for tax purposes and can take advantage of tax benefits arising from Senior Trust Capitals equity investments in retirement villages. 2. The taxable benefits are currently anticipated to be available through to 31st March 2026. 3. No change in the relevant tax law.

MEETING AN INEVITABLE DEMAND

The thriving senior living sector is New Zealand's largest supplier of new dwellings and contributes significantly to easing the shortage of new housing.

According to Statistics New Zealand, the population demographic aged 65+ is forecast to almost double by 2048. This presents unique investment opportunities.

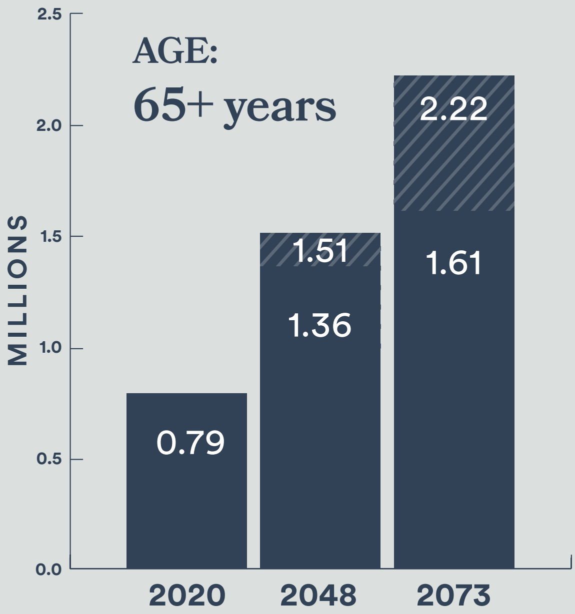
A large proportion of this population is, or will be retiring, with an increased life expectancy. Further population growth in the 65+ demographic drives increased development activity.

Lending to the thriving senior living sector is secured by bricks and mortar assets, with a stable long-term outlook and a proven track record of generating attractive investor income.

> *"Despite a decade of significant growth, New Zealand's thriving retirement sector is still struggling to keep pace with demand from an ageing population*."*

*JLL NZ's 10th annual Retirement Villages and Aged Care Report - reported by Voxy 19 July 2022.

NZ Population projections*



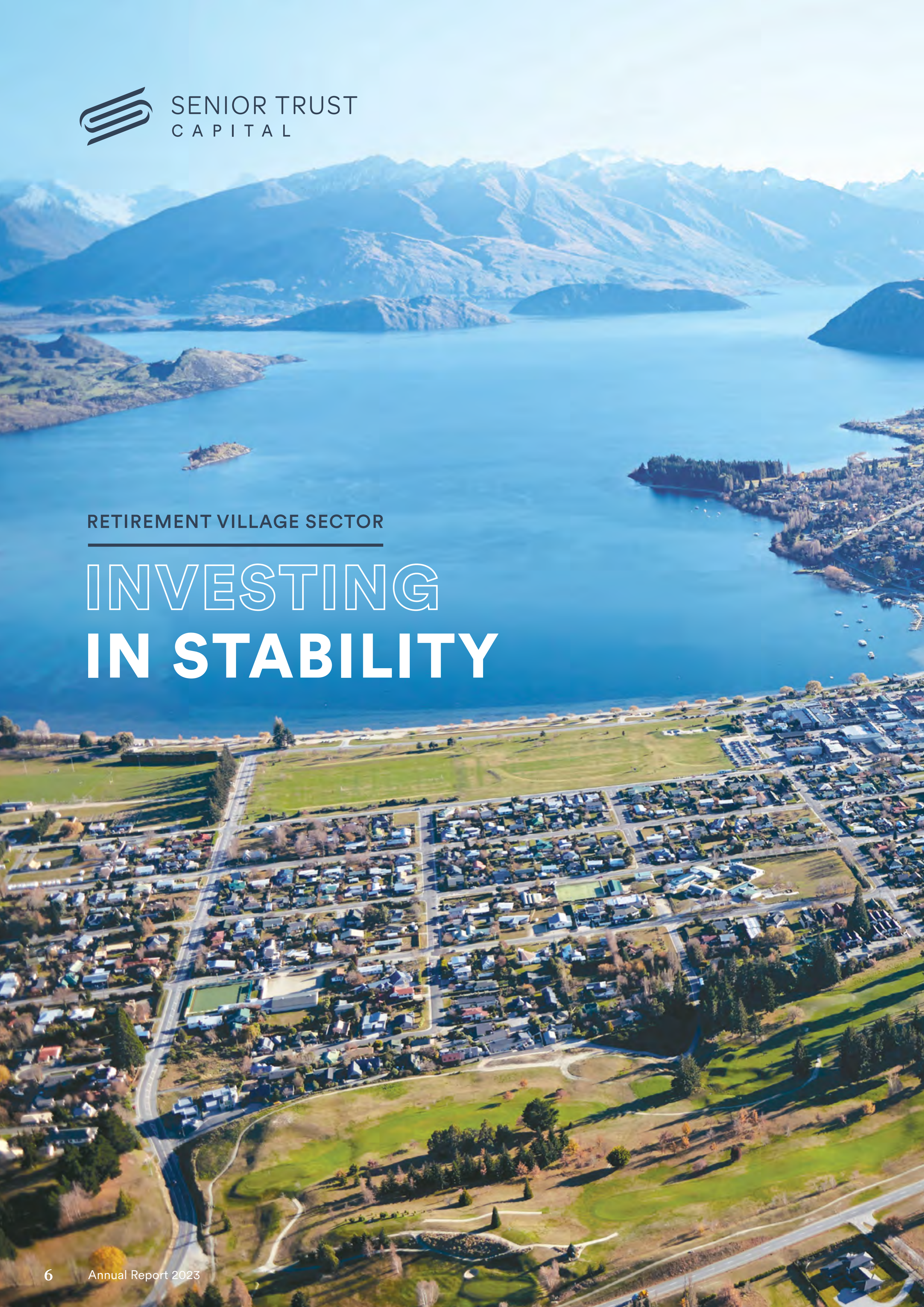
KEY: Figures show estimated range, based on 90% probability.

***SOURCE:** https://www.stats.govt.nz/information-releases/national-population-projections-2020base2073

SENIOR TRUST CAPITAL

RETIREMENT VILLAGE SECTOR

INVESTING IN STABILITY

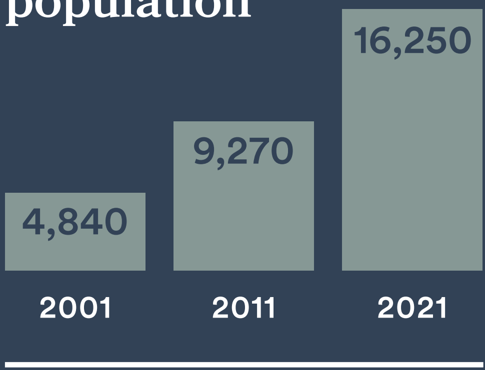


At Senior Trust Capital, we build wealth and wellbeing for our investors by selecting premium retirement villages that deliver attractive, solid returns and also enable more quality housing for senior New Zealanders. We target locations that provide natural attractions to senior New Zealanders seeking a premium lifestyle, helping Kiwis live more comfortable lives.

> *Retirement living is booming in Wanaka. Wanaka's population in 2021 was 16,250, according to Infometrics (up from 9270 in 2011 and 4840 in 2001) with major implications for housing.*

Retirement living demand driving expansion, Tuesday, 26 April 2022 - Otago Daily Times

Wanaka - resident population



STONEY CREEK, WANAKA

LETTER FROM THE DIRECTORS

Dear Shareholder,

Welcome to the 2023 Senior Trust Capital Limited (Senior Trust Capital) Annual Report.

We are pleased to have met our core objective for the twelfth consecutive year: providing our shareholders with steady long term income returns, paid quarterly. We have maintained an attractive dividend distribution rate which, due to tax deductions generated by our equity investments and Senior Trust Capital's PIE status, we were able pass on to shareholders as a net return, free of tax.

The portfolio of retirement villages we fund remains very much focused on providing superior homes and environments to an increasingly discerning segment of retiring New Zealanders, each of whom desire something better than the average. We believe this segment of the market holds a more attractive position in the marketplace for investors.

The Directors have spent the year working closely with and monitoring the villages and are pleased to confirm they are performing to our satisfaction. We also monitor performance and sentiment in the overall retirement village sector. Looking forward, the sector fundamentals remain positive and are driven by an ageing population and increasing acceptance of the retirement village lifestyle. However, there has been a shift due to the slowing property market. This has had an impact on the villages over the period, making for a harder selling environment.

We acknowledge the responsibility of managing your investment and are focused on delivering a consistent, reliable and attractive return, while protecting your capital.

As a consequence the villages' expansion programmes have been tailored to accommodate slower uptake from incoming residents. This is a key financial strength of retirement villages; they grow in stages over time, so the rate of expansion can be modulated to meet market conditions.

We believe the medium to long term trends retain considerable value for the villages and their prospects. We note the activity of various consumer protection groups and commentary regarding review of the Retirement Villages Act, and see this as a positive development. New Zealand acceptance of retirement village living is high by international standards and any changes that increase the attractiveness of aged housing bodes well for Senior Trust Capital, creating further funding opportunities in the sector.

We hope you find this year's review useful and informative and would once again like to thank you for your support and investment over the year.

Yours faithfully,

John Jackson
EXECUTIVE DIRECTOR

Clive Jimmieson
EXECUTIVE DIRECTOR

Andrew Franicevic
INDEPENDENT DIRECTOR

MEET THE TEAM

Alberta O'Regan
REGISTRY SERVICES MANAGER

Previously with Link Market Services. Brings share registry and investor relationship experience, along with E-Business Administration and Accounting/Business Management System qualifications. Customer-focussed ethic from managerial roles here and in Ireland. **Length of service: joined 2022**

Grant Barnett
HEAD OF FINANCE

Extensive finance and accounting background, with listed multinational public and private companies and 15 years in the NZ State Health sector. **Length of service: 1.5 years**

Andrew Franicevic
INDEPENDENT DIRECTOR

Andrew practices commercial law as a partner in Foley Hughes. Andrew has specialist expertise in the retirement sector and has acted for Senior Trust Capital since its incorporation. He has a long association with members of the Senior Trust management team and has advised the board in regard to a number of significant transactions.

Clive Jimmieson
EXECUTIVE DIRECTOR

A former Chartered Accountant, Clive has held a variety of senior roles in General Management, Finance, Marketing and Strategic planning, in both public and private businesses in New Zealand and Australia. **Length of service: 10 years**

This year saw us grow our highly experienced commercial and investor relations team to ensure we can meet the current and future needs of our valued investors. This ensures our investor care engagement and response levels are maintained and constantly improving, with a broader range of skills being added to the team.

Our ability to provide consistent, attractive returns while effectively managing risk is thanks to the experience and capability of our people. Our team's stability and specific expertise serves our investors well, with an inherent understanding of the senior living sector.

Our long involvement in the sector has enabled us to establish solid relationships. These professional partners also provide sector specific services and expertise that help us deliver on behalf of our investors.

John Jackson
EXECUTIVE DIRECTOR

A real passion for the sector, adviser, manager of securities and director in the retirement village and commercial property sectors since 1998. **Length of service: 13 years**

Pratthana Rachu
ACCOUNTANT

Bachelor's Degree majoring in Business Accounting. Extensive first hand commercial experience, owning and managing a number of businesses. **Length of service: 3.5 years**

Alex Ceban
COMMERCIAL MANAGER

Finance specialist with 10+ years international experience, joining Senior Trust from PwC. Well versed in external auditing, financial planning and analysis. **Length of service: 3.5 years**

Clifford Kerr-Phillips
LOAN MANAGER

Wide ranging and extensive experience in corporate and institutional banking in areas of finance, credit assessment and portfolio management with a 35+ year track record in the banking Industry. Appointed to meet the expanding needs of the Group. **Length of service: joined 2022**

INDUSTRY OVERVIEW

After years of sustained growth, the sector has responded to the slowdown in the residential property market and expansion has eased significantly. Whilst New Zealand seniors retain a strong interest in the benefits of Retirement Village living, their uptake of new dwellings has slowed due to the lengthening average time to sell their existing family home.

The Retirement Village Association reports that one hundred New Zealanders are moving into retirement villages every week. This market acceptance is evidenced by the levels of inquiry and numbers visiting Open Days. We are confident that once the residential property market moves through to the next phase of the economic cycle, the number of settlements in retirement villages will increase significantly in response to the deferred decision making that has occurred during the current year.

PROVEN DEMAND AND ONGOING SECTOR STABILITY

Unlike some other industries, the senior living investment sector has proven to be resilient and stable through recent economic turmoil. The sector is New Zealand's largest supplier of new dwellings and can contribute significantly to easing the shortage of new housing.

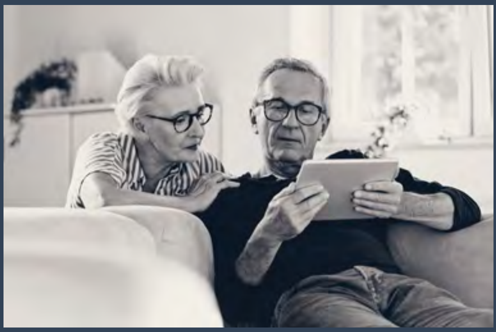
IMPACT OF SLOWDOWN IN RESIDENTIAL

There is still ground to be made, according to JLL, New Zealand's thriving retirement sector is still struggling to keep pace with demand from an ageing population, presenting a continued need to ensure a supply of much needed quality housing for senior New Zealanders.

As well as the inevitable 'top heavy' 65+ baby boomer demographic, Statistics New Zealand are also projecting longer life expectancy rates.

The housing shortage is still an issue, with many stalled residential housing developments, natural disaster rebuilds and increasing post-COVID immigration.

However, the key financial strength of Retirement Villages is their ability to build in response to demand. The construction programmes at a number of villages have tapered off during this quieter period in the market, adjusting to the lower demand. The supply chain and labour shortage difficulties that were present in COVID and beyond have now dissipated; due to both new capacity in the supply chain and the arrival of new immigrants into the labour force.



key financial strength

during quieter period in residential market, ability to build in response to demand

100 retirees per week

the number of New Zealanders moving into Retirement Villages

longer life expectancy

as well as top heavy 65+ baby boomer demographic

resilient and stable

even through recent economic turmoil

OUR VIEW ON RVA REFORMS

The Retirement Village Act in 2003 are topical at the moment and the Act is due for a legislative overhaul.

The retirement village sector has evolved and there is a wider range of offerings available to the prospective resident than there were in 2003. The land lease type offerings, gated senior communities, and a greater proportion of retirement villages offering “Continuum of Care” have all advanced.

Senior Trust Capital takes the view that anything that increases the already high acceptance by New Zealanders of retirement village living is a positive. We also believe it is highly unlikely that the legislators would enact disruptive reforms of an industry which is the largest supplier of residential new builds in this country and delivers significant value to the economy.

We continue to remain confident about the medium term prospects of the industry and note that the demographic peak in the population aged 70 does not occur until 2035. Senior Trust is anticipating a sustained period of demand for its funds and we are positioning ourselves accordingly to meet the industry requirements.

2035

the year the 70-year-old demographic peaks in the population

thriving retirement sector

still struggling to keep pace with demand from an ageing population

anticipating sustained demand

confident about medium term industry demand, positioned accordingly

A GROWING **SECTOR**

New Zealand's population is ageing as people live longer and have fewer children. As a country we need to plan and build to be ready for the resulting changes in the next 20-40 years, and this means investing in living spaces beyond just the main city centres.

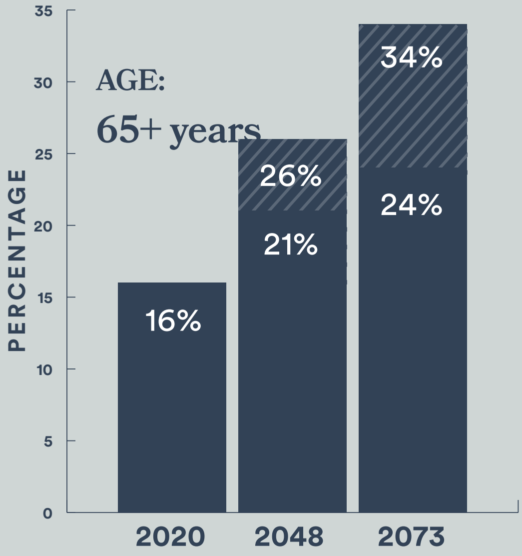
According to Statistics New Zealand, the baby boomer demographic is forecast to increase. A large proportion of the population is, and will be, retiring with an increased life expectancy.

Further population growth in the 65+ demographic drives the increased expansion activity. And unlike other industries, stability in the senior living investment sector has proven to be unaffected by the pandemic.

Lending to the thriving senior living sector, secured by bricks and mortar assets, is a unique property investment proposition with a stable long-term outlook and a proven track record of generating attractive investor income.

The senior living sector is orderly, well-regulated and provides a quality lifestyle for retirees. Driven by both demographic demand and an increasing adoption rate of people selecting this lifestyle, the opportunities are set to grow.

Proportion of population*



KEY: Figures show estimated range, based on 90% probability.

***SOURCE:** https://www.stats.govt.nz/information-releases/national-population-projections-2020base2073

CONSISTENT **RETURNS**

Since incorporation in 2012, Senior Trust Capital has maintained a steady attractive income distribution. The distribution policy takes advantage of the benefit of tax deductions and currently pays at a rate of 7.5 cents pa (after tax).

Targeted Return from April 1 2023

PIE FUND

Distribution Rate After Tax pa	Prescribed Investor Rate (PIR)	Equivalent Pre-tax Return P/A, per share
7.5 cents per annum, per share (based on share price of $1)	0	7.5%
	10.50%	8.38%
	17.50%	9.09%
	28.00%	10.42%

The after tax distribution only takes into account New Zealand income tax and assumes: 1. Senior Trust Capital is a PIE for tax purposes and can take advantage of tax benefits arising from Senior Trust Capitals equity investments in retirement villages. 2. The taxable benefits are currently anticipated to be available through to 31st March 2026. 3. No change in the relevant tax law.

TAX IMPACT

Senior Trust Capital has paid a consistent distribution over the past 10 years, and we have benefited from a reduced tax liability (due to tax deductible expenses from our equity investments). Distributions in future quarters will be adjusted based on the level of tax deductions available, with the aim of maintaining an effective after tax return of 7.5%.

Management Team - proven track record of returns

Investor income paid at or above targeted distribution rate:

- ☑ 2013
- ☑ 2014
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- ☑ 2017
- ☑ 2018
- ☑ 2019
- ☑ 2020
- ☑ 2021
- ☑ 2022
- ☑ 2023

FOCUS ON
INVESTOR CARE

SUPPORT WHEN YOU NEED IT

Our experienced capable team is here for you, delivering 24/7 accessibility. With clear, regular communication, attuned to the specific needs of senior investors, whether you're a new investor or you've been with us for years. We cater to a variety of investors from individuals and joint accounts to Trusts, Companies or Limited Partnerships.

When you come on board with Senior Trust Capital, we can assist you with access to information and management of your investment.

EASY REINVESTMENT LINK

For existing investors, your verified account makes it simple to add to your investment with minimal information.

TAX CERTIFICATES VIA EMAIL

Allotment, Quarterly Distribution and Annual Tax certificates emailed so you receive them in a timely fashion.

REINVESTMENT OF QUARTERLY DISTRIBUTION

Investors can elect to reinvest, at any stage, their quarterly distribution as an alternative to receiving payments.

DEDICATED, EXPERIENCED OPERATIONS TEAM

Easily contactable by phone or email to handle a wide range of questions and circumstances with care.

IN-HOUSE SHARE REGISTER MANAGEMENT

This ensures your details are held in a secure (audited) environment, making it quick and easy to update details or send you information.

SECURE INVESTOR PORTAL

Access your investment profile, personal details, transaction history and quick links to the Operations Team for any queries. Easily edit your details should things change, obtain copies of documents or add to your investment.

PROTECTING YOUR INVESTMENT

HANDS-ON MANAGEMENT

Lending exclusively to the senior living sector for more than 20 years, Senior Trust's management team has been instrumental in funding the building and expansion of quality retirement villages throughout New Zealand.

We are hands-on custodians of your capital with a substantial financial commitment in the business.

We directly manage and monitor village performance following our proven investment process that has evolved over the past two decades to protect your investment:

1. Review lending opportunities
2. Well structured loan agreements
3. Continual loan monitoring
4. Regular on site inspections
5. Protecting interests

SENIOR TRUST MANAGEMENT

Experienced Board and Management

- Extensive retirement village sector and fund management experience
- Strong governance
- Compliance and transparency

Executing strategy

- Network of reputable partners and experts
- Access to range of skills and services

Delivering attractive returns

- Established investment principles and governance frameworks

FOCUS ON STRONG GOVERNANCE

Senior Trust Board and Management are committed to strong corporate governance, maintaining the highest ethical standards and operating with integrity in a highly regulated environment.

Our management team has a depth of specialist industry knowledge built on expertise gained in funding retirement villages and aged care facilities throughout New Zealand.

EXPERIENCED NETWORK OF SPECIALIST EXPERTISE

Our investors not only benefit from our depth of expertise, but also an extensive network of trusted relationships built over the past twenty years that help us maintain our proven track record and deliver on behalf of our investors.

Our specially selected specialists have proven 'industry specific' experience, meaning a tight, skilled and responsive team supporting our delivery of results.

LENDING PORTFOLIO

Decades of lending to retirement villages nationwide.

Senior Trust Capital operates exclusively within the retirement village and aged care sector, in order to capitalise on the continued expanding demand for quality senior housing in New Zealand.

The Senior Trust management team has built up significant expertise funding retirement villages throughout New Zealand. Our investment philosophy is that soundly-run, well located retirement villages and aged care facilities provide the opportunity for investment that generates a regular return backed by solid assets.

South Island

NATURALLY OCCURRING RETIREMENT COMMUNITY

OREWA,
AUCKLAND

A significant trend is the growing demand in the regions and well located urban areas for boutique, independent villages with a less corporate, more intimate, and more innovative experience and service.

Many independent operators offer elevated levels of facilities and services in stunning locations – defined as Naturally Occurring Retirement Communities (NORC). Their climate and recreational opportunities attract a high proportion of retirees.

Senior Trust focuses on this segment of the retirement industry by supporting and funding experienced, capable retirement village operators who deliver high quality retirement villages at the premium end of the market.

It focuses on loaning to villages in NORC locations which are becoming increasingly popular with discerning seniors seeking the best for their retirement.

Senior Trust builds wealth and wellbeing, by investing in premium, retirement assets that deliver attractive, solid returns for investors, while creating quality places to live. To help Kiwis live more comfortable lives.

The village is nestled in the heart of the Orewa seaside township, 500m from the beach and within a short flat stroll to all town amenities. The area is home to various large-scale retirement villages on the surrounding hills, however The Grove has superior accessibility.

THE GROVE, OREWA

FINANCIAL STATEMENTS

COMPANY DIRECTORY

IRD number	109-622-664
Nature of business	Investment
Registered office	Foley Hughes Level 1, 20 Beaumont Street Freemans Bay Auckland
Directors	John Llewelyn Jackson Andrew Todd Franicevic Raymond Clive Jimmieson
Bankers	Bank of New Zealand
Auditors	William Buck Audit (NZ) Limited
Accountants	Baker Tilly Staples Rodway Auckland Limited

DIRECTORS' REPORT

The Board of Directors present their Annual Report including audited financial statements for the year ended 31 March 2023.

Directors' names

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

John Llewelyn Jackson appointed 1 August 2012
Raymond Clive Jimmieson appointed 21 August 2020
Andrew Todd Franicevic appointed 9 August 2019

Review of operations

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

Principal activities

The group was incorporated to lend money in the form of loans to the entities that own and operate Retirement Village and Aged Care Facilities in New Zealand.
No significant change in the nature of these activities occurred during the period.

Directors' remuneration and other benefits

	Fees ($)	Salary ($)	Total ($)
Clive Jimmieson	36,000	-	36,000
Andrew Franicevic	36,000	-	36,000
John Jackson	-	264,235	264,235
	72,000	264,235	336,235

Audit fees

Audit fees of $31,589 were paid or accrued during the period to William Buck Audit (NZ) Limited (the auditor).

These financial statements are audited.

Employee remuneration

The number of employees or former employees of the Group, not being directors of the Group, who received remuneration and other benefits in their capacity as employees, the value of which exceed $100,000 for the year ended 31 March 2023, is nil.

Interests

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

Employees

The Group has one employee.

Donations

The Group made no donations during the year.

Signed in accordance with a resolution of the board of directors.

Director: ______________________

Director: ______________________

Dated 7 July 2023

WilliamBuck
ACCOUNTANTS & ADVISORS

Senior Trust Capital Limited
Independent auditor's report to the Shareholders

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Senior Trust Capital Limited and its subsidiary (the Group), which comprise the consolidated statement of financial position as at 31 March 2023, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated 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 the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, Senior Trust Capital Limited or any of its subsidiaries.

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 period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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WilliamBuck
ACCOUNTANTS & ADVISORS

Carring value of Loans Receivable	
Area of focus (Refer Note 11)	**How our audit addressed it**
The Group has significant Loans Receivable with seven parties, totalling $44.9m. The largest significant individual balance being the Palm Grove Partnership at $15m and indirectly to Palm Grove via Ascension Retirement Villages Limited Partnership with a loan of $19.3m. Receivables are required to be carried at their recoverable amount. The recoverability of the Loans Receivable requires management judgement and continuous monitoring. The valuation of these assets has a direct impact on the Comprehensive Income and Equity of the Company and accordingly we have given specific audit focus and attention to this area.	Our audit procedures included: A review of all the underlying loan agreements, to ensure that all aspects have been accounted for correctly. Review and consideration of the early repayment clauses and whether any had been triggered. Review of the Directors' credit assessment. Review of the collateral value of the security over the loans and determined the adequacy of the LVR's and other factors. Review of independent valuations completed on the underlying retirement villages provided as security. Assessed the adequacy of the Group's disclosures in respect of the transactions.

Equity Accounted Investments	
Area of focus (Refer Note 12)	**How our audit addressed it**
STC is a limited partner to Forest Glen Limited Partnership (FGLP) with a 50% interest. The investment is accounted for using the equity method. The Forest Glen Limited Partnership is valued at $4m at 31 March 2023. The valuation of these assets has a direct impact on the Comprehensive Income and Equity of the Company and accordingly we have given specific audit focus and attention to this area. FGLP changed an accounting policy during the year in relation to capitalised interest. As a result Group opening retained earnings and profit in the prior year have been restated.	Our audit procedures included: Obtain the financial statements of FGLP to ensure consistency with our understanding of the entities assets and liabilities. Review the net asset position at year end of the FGLP. Including review of all the underlying assets to the independent valuation. Review of any impairment indicators of the investments. Review change of accounting policy and ensure adequate disclosure has been made. Assessed the adequacy of the Group's note disclosures.

Information Other than the Financial Statements and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Annual Report on pages 3-24 , but does not include the financial statements and our auditor's report thereon.

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

WilliamBuck
ACCOUNTANTS & ADVISORS

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Directors' Responsibilities

The directors are responsible on behalf of the entity for the preparation of consolidated financial statements that give a true and fair view in accordance with New Zealand equivalents to 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 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 Consolidated 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 ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of these financial statements is located at the External Reporting Board (XRB) website at:
https://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-1/

This description forms part of our independent auditor's report.

The engagement director on the audit resulting in this independent auditor's report is Alison Anderson.

Restriction on Distribution and Use

This report is made solely to the Company's shareholders, as a body. Our audit work has been undertaken so that we might state to the Company's shareholders those matters which 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.

William Buck

William Buck Audit (NZ) Limited
Auckland
10 July 2023

Consolidated statement of profit or loss and other comprehensive income for the year ended 31 March 2023

	Note	2023 $	2022 Restated $
Revenue and other income			
Interest income	4	4,721,227	3,786,092
Other revenue	4	-	51,829
Other income	4	1,156,302	1,837,034
		5,877,529	5,674,955
Less: expenses			
Employee benefits expense		(384,534)	(282,638)
Finance costs	5	(257,222)	(20,990)
Administration and compliance expenses		(220,433)	(208,362)
Marketing costs		(41,824)	(16,842)
Other operating expenses		(33,171)	(24,751)
Directors fees		(72,000)	(72,000)
Audit fees (William Buck and other)		(63,123)	(35,765)
Accounting fees		(77,662)	(32,686)
Management services expense		(433,931)	(328,253)
Impairment loss		(6,032,505)	(1,081,767)
		(7,616,405)	(2,104,054)
Share of net profit/(loss) of associates and joint ventures accounted for using the equity method	12	1,153,473	(140,241)
Profit/(loss) for the year		(585,403)	3,430,660
Other comprehensive income for the year		-	-
Total comprehensive income/(loss)		(585,403)	3,430,660
Earnings per share			
Basic and diluted earnings per share	16	(0.01)	0.08

The accompanying notes form part of these financial statements.

Consolidated statement of financial position as at 31 March 2023

	Note	2023 $	2022 Restated $	2021 Restated $
Current assets				
Cash and cash equivalents		195,752	400	149,343
Trade and other receivables	8	1,665,806	977,911	476,089
Financial assets at fair value through profit and loss	9	1	1	1,000,000
Finance receivables	11	6,647,441	10,706,978	23,498,626
Prepayments		28 641	16,201	14,905
Total current assets		8,537,641	11,701,491	25,138,963
Trade and other receivables	8	412,200	800,000	400,000
Finance receivables	11	38,291,365	34,265,893	20,897,824
Equity accounted investments	12	4,027,825	2,874,352	3,014,593
Total non-current assets		42,731,390	37,940,245	24,312,417
Total assets		51,269,031	49,641,736	49,451,380
Current liabilities				
Payables	13	1,645,437	847,106	838,255
Borrowings	14	2,967,436	576,964	-
Unallotted subscriptions		190,000	-	20,000
Total current liabilities		4,802,873	1,424,070	858,255
Total liabilities		4,802,873	1,424,070	858,255
Net assets		46.466,158	48,217,666	48,593,125
Share capital	15	45,507,037	44,738,390	45,529,990
Retained earnings		959,121	3,479,276	3,063,135
Total equity		46,466,158	48,217,666	48,593,125

Signed in accordance with a resolution of the board of directors.

Director: ______________________ Director: ______________________

Dated 7 July 2023

The accompanying notes form part of these financial statements.

Consolidated statement of changes in equity for the year ended 31 March 2023

	Note	Contributed capital $	Retained earnings $	Total equity $
Consolidated				
Balance as at 1 April 2021		45,529,990	2,949,024	48,479,014
Adjustment on change in accounting policy	21	-	114,111	114,111
Restated balance as at 1 April 2021		45,529,990	3,063,135	48,593,125
Balance as at 1 April 2021 (restated)		45,529,990	3,063,135	48,593,125
Total comprehensive income (restated)	21	-	3,430,660	3,430,660
Transactions with owners in their capacity as owners:				
Acquisition of treasury shares	15	(791,600)	-	(791,600)
Distribution to shareholders		-	(2,983,551)	(2,983,551)
Tax paid on behalf of shareholders		-	(30,968)	(30,968)
Total transactions with owners in their capacity as owners		(791,600)	(3,014,519)	(3,806,119)
Balance as at 31 March 2022		44,738,390	3,479,276	48,217,666
Balance as at 1 April 2022		44,738,390	3,479,276	48,217,666
Total comprehensive loss		-	(585,403)	(585,403)
Transactions with owners in their capacity as owners:				
Sale of treasury shares	15	794,171	-	794,171
Acquisition of treasury shares	15	(25,524)	-	(25,524)
Distribution to shareholders		-	(2,950,482)	(2,950,482)
Tax received on behalf of shareholders		-	1,015,730	1,015,730
Total transactions with owners in their capacity as owners		768,647	(1,934,752)	(1,166,105)
Balance as at 31 March 2023		45,507,037	959,121	46,466,158

The accompanying notes form part of these financial statements.

Consolidated statement of cash flows as at 31 March 2023

	Note	2023 $	2022 $
Cash flow from operating activities			
Fees paid - bank		(13,575)	(17,432)
Interest received - customers		3,256,712	2,183,290
Other income		1,116,147	1,738,923
Recharges		12,000	12,000
Payments to employees and suppliers		(552,298)	(962,404)
Interest paid		(243,648)	(3,557)
PIE tax refunded/(paid)		(2,088)	76,445
Net cash provided by operating activities	7(a)	3,573,250	3,027,265
Cash flow from investing activities			
Net loans repaid by/(advanced to) Retirement Villages		(4,165,935)	423,579
Net cash provided by investing activities		(4,165,935)	423,579
Cash flow from financing activities			
Proceeds from sale of treasury shares		794,171	-
Acquisition of treasury shares		(25,524)	(791,600)
Distributions to shareholders		(2,948,882)	(2,985,151)
Proceeds from/(advances to) related parties		2,734,848	(400,000)
Proceeds from unallotted subscriptions		190,000	-
Net cash used in financing activities		744,613	(4,176,751)
Reconciliation of cash and cash equivalents			
Cash at beginning of the period		(576,564)	149,343
Net decrease in cash held		151,928	(725,907)
Cash and cash equivalents at end of financial year	7(b)	(424,636)	(576,564)

The accompanying notes form part of these financial statements.

Notes to the financial statements for the year ended 31 March 2023

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements are the consolidated financial statements of Senior Trust Capital Limited ('the Company') and its 100% partnership investment in STEP Village Limited Partnership (formerly Senior Trust Equity Passive Limited Partnership) (together 'the Group').

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

The Group's business is investing in and providing secured lending to retirement villages and aged care facilities in New Zealand.

Senior Trust Capital Limited is a for-profit entity for the purpose of preparing the financial statements.

The financial statements were authorised for issue by the board of Directors of the Group on 7 July 2023.

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

(a) Basis of preparation of the financial statements

Statement of compliance

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

Historical Cost Convention

These financial statements have been prepared under the historical cost convention except for specific assets and liabilities that have been measured at fair value as detailed in the accounting policies below.

(b) Going concern

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

Current macro and micro economic conditions

The current macro and micro economic conditions are an evolving situation. These conditions, which include rising interest rates, rapidly rising inflation, skills shortages, global supply chain disruptions, and challenging international conditions, continue to have a significant impact on energy prices, as well as financial markets across the globe. The current adverse macro and micro economic conditions mentioned have lowered overall economic activity and confidence which in turn has resulted in significant volatility and instability in financial markets and economic uncertainty.

Consequently, there has been an increase in the level of inherent uncertainty in the critical accounting estimates and judgements applied by Management in the preparation of these financial statements.

It is not possible to estimate the full impact of the current macro and micro economic conditions. As at the date of signing of these financial statements, all reasonably known and available information with respect to the current adverse macro and micro economic conditions has taken into consideration in the critical accounting estimates and judgements applied by Management, and all reasonably determinable adjustments have been made in preparing these financial statements. The Group continues to monitor developments and initiate plans to mitigate adverse impacts and maximise opportunities.

(c) Functional and presentation currency

The financial statements of each entity within the consolidated entity is measured using the currency of the primary economic environment in which that entity operates (the functional currency). The consolidated financial statements are presented in New Zealand dollars which is the consolidated entity's functional and presentation currency. The presentation currency is rounded to the nearest dollar.

Notes to the financial statements for the year ended 31 March 2023

Note 1: Statement of Significant Accounting Policies (continued)

(d) Principles of consolidation

The consolidated financial statements are those of the consolidated entity ("the group"), comprising the financial statements of the parent entity and all of the entities the parent controls. The group controls an entity where it has the power, for which the parent has exposure or rights to variable returns from its involvement with the entity, and for which the parent has the ability to use its power over the entities to affect the amount of its returns.

The financial statements of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies which may exist.

All inter-company balances and transactions, including any unrealised profits or losses have been eliminated on consolidation. Subsidiaries are consolidated from the date on which control is transferred to the group and are de-recognised from the date that control ceases.

(e) Interests in joint arrangements

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about the relevant activities are required. Joint arrangements are classified as either joint operations or joint ventures based on the rights and obligations of the parties to the arrangement.

Joint ventures

The Group's interest in joint ventures are brought to account using the equity method after initially being recognised at cost. Under the equity method, the profits or losses of the joint venture are recognised in the Group's profit or loss and the Group's share of the joint venture's other comprehensive income is recognised in the Group's other comprehensive income.

(f) Revenue

Interest income

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

Other income

Other income includes procurement fee and establishment fee income, investor relations income, loan management income, recharge of costs, consultancy fees and other fees.

Procurement and establishment fees are charged to the borrower for securing the funding facility or changes to an existing facility. The fee is charged irrespective of whether the loan application is approved. The revenue is recognised when the loan application has been either considered, approved or in some instances on execution of the term loan agreement. The fee is deducted from the first drawdown of the loan or by a prescribed date.

Investor relations income, loan management income, recharge of costs, consultancy fees and other fees are single performance obligations and a receivable is recognised when the service has been performed as the performance obligation is considered to be at a point in time.

(g) Income tax

From 31 March 2013 the Group qualified as, and elected to become a portfolio tax rate entity ("PTRE") under the portfolio investment entity ("PIE") regime. Under the PIE regime, the Group attributes all of the taxable income of a PTRE to shareholders in accordance with their proportional interest in the Group and as such tax payments made on behalf of shareholders are treated as distributions.

(h) Goods and services tax (GST)

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

(i) Financial instruments

Classification

The group classifies its financial instruments based on the purpose for which the instruments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

Notes to the financial statements for the year ended 31 March 2023

Note 1: Statement of Significant Accounting Policies (continued)

Financial assets

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit and loss are initially recognised at fair value, plus directly attributable transaction costs (if any). Transaction costs are recognised in profit and loss. Subsequent to initial recognition investments in listed and non-listed securities are carried at fair value through profit or loss. They are measured at their fair value at each reporting date and any increment or decrement in fair value from the prior period is recognised in the profit or loss of the current period.

Fair value of listed investments are based on closing bid prices at the reporting date. Fair value of non-listed investments are based on valuation of underlying assets. Refer Note 10 for details of valuation techniques.

Financial assets at amortised cost

Financial assets at amortised cost are initially measured at fair value and subsequently at amortised cost.

The Group assesses on a forward looking basis the expected credit losses associated with its finance receivables carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 3(a) details how the Group determines whether there has been a significant increase in credit risk. If there has been a significant increase in credit risk then lifetime expected credit losses are recognised. If there has not been a significant increase in credit risk then 12 months expected credit losses are recognised.

For trade and other receivables, the Group applies the simplified approach permitted by NZ IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

The Group determines the expected credit losses by calculating:

- a probability weighted amount that is determined by evaluating a range of possible outcomes;
- time value of money;
- reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

When reassessing expected credit losses the Group also considers any change in the credit risk and quality of the receivable from the date credit was initially granted up to the end of the reporting period, referring to past default experience of the counterparty and an analysis of the counterparty's current financial position.

Financial liabilities

This category includes all financial liabilities other than those designated as fair value through profit or loss. Liabilities in this category are initially measured at fair value less transaction costs and thereafter carried at amortised cost.

Trade and other payables

Trade and other payables are initially measured at fair value, and subsequently measured at amortised cost, using the effective interest rate method. Income, expenses, assets and liabilities are recognised inclusive of goods and services tax ("GST"), except:

- The amount of GST incurred is not recoverable from the taxation authority therefore it is recognised as part of the cost of acquisition of an asset or as part of an item of expense;
- Receivables and payables are recognised inclusive of GST where invoiced.

Trade creditors and accruals principally comprise amounts outstanding for trade purchases and ongoing costs.

Notes to the financial statements for the year ended 31 March 2023

Note 1: Statement of Significant Accounting Policies (continued)

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance date.

(j) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with registered banks, bank overdrafts, and other short term highly liquid investments (i.e. term deposits) with original maturities of three months or less.

(k) Dividends payable

Dividend distributions to the Group's shareholders is recognised as a liability in the consolidated financial statements in the period in which the dividends are approved by the Group's directors.

(l) Treasury shares

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in the share premium.

(m) Comparatives

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

(n) Change in accounting policy

During the year, Forest Glen Limited Partnership adopted a change in accounting policy with respect to the treatment of interest on construction of the retirement village held in its joint arrangement which has previously been expensed. The change in policy resulted in the capitalisation of the interest.

The reason for this change in accounting policy is due to the inconsistency in treatment of interest compared to other related entities. The change in policy better reflects the economic substance of the transactions and activities pertaining to the development of the retirement villages and thus makes the financial statements more comparable with other similar entities that capitalise interest. See Note 21.

NOTE 2:
SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Group's financial statements requires Management to make estimates and judgements that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. The estimates and judgements are based on experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements. Uncertainty about these estimates and judgements could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Estimates and judgements are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any other periods affected.

Judgements made by Management in the application of NZ IFRS that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable, in the relevant notes to the financial statements. The following are significant items of judgement:

(a) Impairment of financial assets

The provision is based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. For details of the key assumptions and inputs used, refer note 3(a).

The categories that are assessed include liquidity, any management issues and security. In addition the Directors consider:

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

Impairment of financial assets has been estimated as $6,032,505 (2022: $1,081,767).

(b) Applicability of the going concern basis of accounting

Whilst the current macro and micro economic conditions have lowered overall economic activity and confidence (as previously described in note 1 (b)), Management have assessed and determined that the Group's application of the going concern basis of accounting remains appropriate. Management has applied judgment, having undertaken the responses and considerations described in note 1 (b) to reaffirm the Group's application of the going concern basis of accounting remains appropriate.

(c) Forest Glen Limited Partnership

The Group's 50% investment in the Forest Glen Limited Partnership has been treated as a joint venture. Significant judgement has been required to determine that the Group has joint control over the Partnership and accordingly the investment has been accounting for using the equity method.

The value of Forest Glen Limited Partnership is based on the Group's share of the Limited Partnership's net assets at reporting date and accordingly the underlying valuation of the property owned by the Partnership which is recorded at fair value in its financial statements. The property is appraised annually by an independent external valuer. Significant judgement is required relating to the assumptions made in order to assess the fair value of the property.

Notes to the financial statements for the year ended 31 March 2023

NOTE 3: FINANCIAL RISK MANAGEMENT

The group is exposed to a variety of financial risks comprising:

(a) Credit risk

(b) Liquidity risk

(c) Interest rate risk

Primary responsibility for identification and control of financial risks rests with the Directors of the Group. The Directors review and agree policies for managing each of the risks identified above.

The Directors use different methods to measure and manage different types of risks to which it is exposed. Ageing analyses and monitoring of specific credit allowances are undertaken to manage credit risk, liquidity risk is monitored through the development of future rolling cashflow forecasts.

The group holds the following financial instruments:

		2023 $	2022 $
Financial assets - amortised cost			
Cash and cash equivalents		195,752	400
Trade and other receivables	8	2,078,006	1,777,911
Finance receivables	11	44,938,806	44,972,871
Financial assets - fair value through profit and loss			
Financial assets at fair value through profit and loss	9	1	1
		47,212,565	46,751,183
Financial liabilities - amortised cost			
Borrowings	14	2,967,436	576,964
Payables	13	1,645,435	847,106
		4,612,871	1,424,070

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Financial instruments that subject the Group to credit risk consist primarily of cash, finance receivables, other receivables and financial assets. The Directors require collateral or other security to support loans and advances, as set out in the Group's product disclosure statement.

The Directors review all loans and any overdue loans at the monthly board meetings and any overdue loans are assessed on a continual basis.

The Directors review each loan against an internal security rating assessment.

Note 3: Financial Risk Management (continued)

The categories that are assessed include liquidity, any management issues and security. In particular, the Directors take the following steps to manage this risk:

- Focusing on lending to operators with a track record of proven performance and who have a material stake in the entity.
- Undertaking extensive due diligence including assessing credit risk and the nature of any prior ranking securities.
- Closely monitoring the performance of the entity, loan repayments, and compliance with loan agreements.
- Refinancing the term of the loan, or enforcing our loan, if necessary. Refinancing a loan carries its own risks in that the possibility of future default increases.
- Reviewing valuation reports.
- Reviewing current economic conditions.

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

Maximum exposure to credit risk

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

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

The credit risk of investment in Forest Glen Limited Partnership is related to the underlying property developments and the ability to complete those projects and on sell the finished units.

In regard to Roy's Bay Estate Limited, after undertaking the procedures outlined above and including reviewing credit risk characteristics relating to arrears, the loan to value ratio and considering forward looking information on economic factors affecting the ability of borrowers to settle finance receivables there is a provision for impairment of $2,914,272 (2022: $1,081,767) relating to the interest accrued on the loan to Roy's Bay Estate Limited. During the year, a portion of the loan was refinanced by entering into a loan with Stoney Creek GCO Limited.

In regard to Palm Grove Partnership, after undertaking the procedures outlined above and including reviewing credit risk characteristics, projecting future revenue, expenses and cashflows, and considering cost of capital, there is an impairment of $4,200,000

Credit quality per class of financial assets

Exposures to credit risk are graded by an internal risk grade mechanism. High grade represents the strongest credit profile where a potential loss is least likely. Substandard grade represents the weakest credit profile where a potential loss is most likely. Standard grade represents the mid range credit profile where the Directors believe a potential loss is unlikely. Past due loans are those that are where a counterparty has failed to make a payment when contractually due. Individually impaired loans are those where some potential loss is expected.

Cash and cash equivalents are designated as high grade and most other financial assets have been designated as standard grade, except for those where an impairment loss is predicted.

Collateral and other credit enhancements

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

Notes to the financial statements for the year ended 31 March 2023

Note 3: Financial Risk Management (continued)

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

Risk concentrations of the maximum exposure to credit risk

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

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

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

The Group has 88% (2022: 92%) of its total assets as loans receivable from 6 (2022: 6) entities. Each loan is significant to the Group. The loans to Palm Grove Partnership has a third ranking mortgage, subject to a first ranking encumbrance registered in favour of the Statutory Supervisor. The loan to Forest Glen Limited Partnership has a third ranking mortgage. The loan to Ascension Retirement Villages Limited Partnership (formerly Senior Trust Equity Limited Partnership) has a second ranking general security agreement. The loan to Stoney Creek GCO has an all obligations second ranking registered mortgage granted by the borrower over the land and all obligations general security agreement granted by the Borrower. The balance of the Roy's Bay loan is subject to recovery processes from the guarantors.

The Group has 21% (2022: 40%) of its total assets as loans receivable from Palm Grove Partnership. In addition the Group has a 0.001% investment in Ascension Retirement Villages Limited Partnership recorded at $1 which holds an 80% investment in Palm Grove Partnership. The Group has a loan to Ascension Retirement Villages Limited Partnership of $19.3 million (2022: $11.2 million).

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

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

	2023 $	2022 $
Auckland	38,291,365	36,528,672
South Island	6,647,441	8,444,199
	44,938,806	44,972,871

(b) Liquidity risk

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

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

Note 3: Financial Risk Management (continued)

Maturity analysis

The tables below present contractual undiscounted cash flows payable to the Group for financial instruments and unrecognised loan commitments based on contractual maturity.

	On demand $	0-12 months $	1-5 years $	Total contractual cash flows $	Carrying amount $
Year ended 31 March 2023					
Cash and cash equivalents	195,752	-	-	195,752	195,752
Trade and other receivables	1,665,806	-	412,200	2,078,006	2,078,006
Finance receivables	1,342,496	14,746,740	36,986,175	53,075,411	44,938,806
Financial assets at fair value through profit and loss	-	-	1	1	1
Payables	(1,645,435)	-	-	(1,645,435)	(1,645,437)
Borrowings	(2,967,436)	-	-	(2,967,436)	(2,967,436)
Net maturities	(1,408,817)	14,746,740	37,398,376	50,736,299	42,599,692
Year ended 31 March 2022					
Cash and cash equivalents	400	-	-	400	400
Trade and other receivables	977,911	-	800,000	1,777,911	1,777,911
Finance receivables	8,444,199	5,388,587	40,784,043	54,616,829	44,972,871
Financial assets at fair value through profit and loss	-	-	1	1	1
Payables	(847,106)	-	-	(847,106)	(847,106)
Borrowings	(576,964)	-	-	(576,964)	(576,964)
Net maturities	7,998,440	5,388,587	41,584,044	54,971,071	45,327,113

The Group intends to make loans and advances subsequent to the reporting date from the available cash and cash equivalents of the Group. Until such time as the loan is made the funds will remain lodged in an interest bearing bank account which will generate sufficient cash flows to meet the liquidity requirements of the Group.

Notes to the financial statements for the year ended 31 March 2023

Note 3: Financial Risk Management (continued)

(c) Interest rate risk

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

The only financial instruments that expose the Group to interest rate risk are borrowings. Any change in the bank interest rate would appear to be minimal in the current market and would have no marked effect on profit or equity. The Group is not exposed to interest rate risk in respect of deposits or loans to customers because both are for fixed terms and are at fixed interest rates.

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

	Interest bearing $	Non-interest bearing $	Total carrying amount $	Weighted average interest rate
Period ending 31 March 2023				
Financial instruments				
Financial assets				
Cash and cash equivalents	-	195,752	195,752	N/A
Trade and other receivables	-	2,078,006	2,078,006	0.0 %
Finance receivables	44,938,806	-	44,938,806	10.1 %
	44,938,806	2,273,758	47,212,564	
Financial liabilities				
Borrowings	2,967,436	-	2,967,436	7.9 %
Payables	-	1,645,435	1,645,435	N/A
	2,967,436	1,645,435	4,612,871	
Period ending 31 March 2022				
Financial instruments				
Financial assets				
Cash and cash equivalents	-	400	400	N/A
Trade and other receivables	400,000	1,377,911	1,777,911	5.8 %
Finance receivables	44,972,871	-	44,972,871	7.3 %
	45,372,871	1,378,311	46,751,182	
Financial liabilities				
Borrowings	576,964	-	576,964	6.4 %
Payables	-	847,106	847,106	N/A
	576,964	847,106	1,424,070	

No other financial assets or financial liabilities are expected to be exposed to interest rate risk.

(d) Fair values compared with carrying amounts

The fair value of financial assets and financial liabilities approximates their carrying amounts as disclosed in the consolidated statement of financial position and notes to financial statements.

Note 4: Revenue and Other Income (continued)

NOTE 4: REVENUE AND OTHER INCOME

	Note	2023 $	2022 Restated $
Interest income			
Interest received - third parties		1,289,053	1,564,426
Interest received - related party		3,432,174	2,221,666
		4,721,227	3,786,092
Other revenue			
Gain on disposal of financial assets		-	51,829
Other income			
Brokerage fees	18	344,355	199,556
Procurement and establishment fee income		801,472	1,217,778
Consultancy and other fees		10,475	419,700
		1,156,302	1,837,034
		5,877,529	5,674,955

NOTE 5: FINANCE COSTS

	Note	2023 $	2022 Restated $
Profit has been determined after:			
- Bank charges		13,574	17,433
- Interest expense - bank		59,274	3,557
- Interest expense - Stoney Creek Funding		104,051	-
- Interest expense - STML		80,323	-
		257,222	20,990

Notes to the financial statements for the year ended 31 March 2023

NOTE 6: PIE TAXATION PAYABLE ON BEHALF OF SHAREHOLDERS

From 31 March 2013 the Group became a portfolio investment entity ("PIE") for tax purposes.

Under the PIE regime, for financial reporting purposes, income is effectively taxed in the hands of shareholders and therefore the Group has no tax expense or deferred tax assets or liabilities.

From 31 March 2016 the Group is a multi-rate PIE under the PIE regime.

Imputation Credits

On 31 March 2013 the Group elected to become a PIE and ceased to maintain an imputation credit account from that date.

(a) PIE tax liability

	Note	2023 $	2022 $
Profit before tax per statement of profit or loss and other comprehensive income		(585,403)	3,430,660
Opening Balance		(2,088)	105,325
Taxation (at prescribed investor rates)		2,033,548	(138,381)
PIE tax paid/(refunded)		(1,015,730)	30,968
PIE tax receivable/(payable)		1,015,730	(2,088)

NOTE 7: CASH FLOW INFORMATION

(a) Reconciliation of cash flow from operations with profit after income tax

	Note	2023 $	2022 $
Profit/(loss) for the year		(585,403)	3,430,660
Tax refunded / (paid)		1,015,730	(30,968)
Impairment of interest receivables and finance receivables		6,032,505	1,081,767
Net gain on disposal of investment in subsidiary		-	(51,829)
Share of joint venture entity net (profit)/loss		(1,153,473)	140,241
Changes in operating assets and liabilities			
Increase in receivables		(40,155)	(86,111)
Increase in accrued interest receivable		(1,464,515)	(1,602,802)
Increase in payables		786,379	38,894
Increase/ (decrease) in PIE tax liability		(1,017,818)	107,413
Cash flows from operating activities		3,573,250	3,027,265

Note 7: Cash Flow Information (continued)

(b) Reconciliation of cash

Cash at the end of the financial year as shown in the consolidated statement of cash flows is reconciled to the related items in the consolidated statement of financial position is as follows:

	Note	2023 $	2022 $
Cash at bank		195,752	400
Bank overdrafts	14	(620,388)	(576,964)
		(424,636)	(576,564)

NOTE 8: TRADE AND OTHER RECEIVABLES

	Note	2023 $	2022 $
CURRENT			
Accrued interest and loan extension fees receivable		3,524,196	1,972,566
Provision for expected credit losses		(2,914,272)	(1,081,767)
		609,924	890,799
Trade debtors		40,152	87,112
PIE tax receivable	6	1,015,730	-
		1,665,806	977,911
NON CURRENT			
Loan to employees	17	-	400,000
Loan to STC Orewa Limited	18	412,200	400,000
		412,200	800,000

Trade debtors

Included in trade debtors are related party and key management personnel balances of $40,152 (2022: $87,112). Included in accrued interest receivable are related party balances of $434,238 (2022: $260,897). Refer Note 17 and Note 18.

Trade debtors are on normal commercial terms and the provision for impairment of $2,914,272 (2022: $1,081,767) relates to interest and loan extension fees accrued on the loan to Roy's Bay Estate Limited (refer Note 11).

Notes to the financial statements for the year ended 31 March 2023

Note 8: Trade and Other Receivables (continued)

Aged Analysis

Expected credit losses (ECLs) in relation to trade receivables have been recognised as follows:

		12-month expected credit losses Days past due			
	Not due $	31 - 60 $	61 - 90 $	Over 90 days $	Total $
2023					
Gross	469,019	166,178	59,518	2,869,633	3,564,348
Expected credit loss rate	0.00 %	0.00 %	75.00 %	100.00 %	
Expected credit loss	-	-	44,639	2,869,633	2,914,272

		12-month expected credit losses Days past due			
	Not due $	31 - 60 $	61 - 90 $	Over 90 days $	Total $
2022					
Gross	561,990	368,590	189,323	939,775	2,059,678
Expected credit loss rate	0.00 %	0.00 %	75.00 %	100.00 %	
Expected credit loss	-	-	141,992	939,775	1,081,767

	2023 $	2022 $
Provision for expected credit loss		
Opening balance	(1,081,767)	-
Additional losses accrued in the year	(1,832,505)	(1,081,767)
Closing balance	(2,914,272)	(1,081,767)

NOTE 9:
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

	2023 $	2022 $
NON CURRENT		
Investment in Palm Grove Partnership	-	-
Investment in Ascension Retirement Villages Limited Partnership	1	1
	1	1
Cumulative change in fair value that is attributable to changes in credit risk	-	-

The Group determines the amount of fair value changes which are attributable to credit risk, by first determining the changes due to market conditions which give rise to market risk, and then deducting those changes from the total change in fair value of the investment. Market conditions which give rise to market risk include changes in the benchmark interest rate.

The Group believes that this approach most faithfully represents the amount of change in fair value due to the Group's own credit risk, as the changes in factors contributing to the fair value of the investment other than changes in the benchmark interest rate are not deemed to be significant.

Investment in Ascension Retirement Villages Limited Partnership *(formerly Senior Trust Equity Limited Partnership).*

At balance date, the Group held one unit with a fair value of $1 in Ascension Retirement Villages Limited Partnership (formerly Senior Trust Equity Limited Partnership). The carrying amount is equivalent to the fair value of the investment.

Ascension Retirement Villages Limited Partnership was previously a related party of the Group. Refer Note 18.

Notes to the financial statements for the year ended 31 March 2023

NOTE 10: FAIR VALUE MEASUREMENT

(a) Fair Value Hierarchy

Assets and liabilities measured and recognised at fair value have been determined by the following fair value measurement hierarchy:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: Input other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Inputs for the asset or liability that are not based on observable market data

	Level 1 $	Level 2 $	Level 3 $	Total $
2023				
Recurring fair value measurements				
Financial assets				
Financial assets at fair value through profit or loss				
Investment in Ascension Retirement Villages Limited Partnership	-	-	1	1
Total financial assets	-	-	1	1
2022				
Recurring fair value measurements				
Financial assets				
Financial assets at fair value through profit or loss				
Investment in Ascension Retirement Villages Limited Partnership	-	-	1	1
Total financial assets	-	-	1	1

(b) Reconciliation of recurring level 3 fair value movements

For each asset and liability categorised as recurring level 3 fair value measurements, the following table presents the reconciliation of fair value from opening balances to the closing balances.

	Note	2023 $	2022 $
Investment in Palm Grove Partnership			
Opening balance		-	1,000,000
Disposal of investment		-	(1,000,000)
Closing balance		-	-
Investment in Ascension Retirement Villages Limited Partnership			
Opening balance		1	-
Purchases		-	13,900,482
Disposal of investment		-	(13,900,481)
Closing balance		1	1

NOTE 11:
FINANCE RECEIVABLES

	Note	2023 $	2022 $
CURRENT			
Amounts receivables from:			
- Roy's Bay Estate Limited		1,136,412	8,444,199
- Anthony and Catherine Hannon		206,084	162,779
- Harbourside Investments Limited		-	2,100,000
- Stoney Creek GCO Limited		5,304,945	-
Total current financial assets at amortised cost		6,647,441	10,706,978
NON CURRENT			
Amounts receivables from:			
- Forest Glen Limited Partnership	18	8,191,127	3,179,226
Palm Grove Group			
- Palm Grove Partnership	18	15,000,000	19,857,766
- Ascension Retirement Villages Limited Partnership		19,300,238	11,228,901
- Impairment		(4,200,000)	-
Total Palm Grove Group		30,100,238	31,086,667
Total non current financial assets at amortised cost		38,291,365	34,265,893

Roy's Bay Estate Limited

The loan to Roy's Bay Estate Limited (the Borrower) allowed for a maximum facility of $8.35 million and expired no later than 30 September 2021 but has not yet been fully repaid as at 31 March 2023. The loan earned interest at a rate of 15% per annum (2022: 15%). A portion of the loan was refinanced by entering into a new loan with Stoney Creek GCO Limited (see below)

The loan securities are as follows:

- All obligations first ranking registered mortgage granted by the Borrower over Units 48, 49 and 50;
- All obligations general security agreement granted by the Borrower;
- All obligations guarantee and indemnity granted by A Hannon and C Holmes;
- Security Sharing and Priority deed between first and second mortgagee.
- Guarantee from Catherine Phyllis Hannon, limited to a sum not exceeding $900,000, supported by a first mortgage over record of title 881546.
- Second ranking mortgage from Relational Capital Limited;
- Guarantee from Relational Capital Limited, limited to the proceeds of 102/9 Lakeside Road, Wanaka
- second ranking mortgage from the trustees of the Victoria Trust, limited to the proceeds of sale of 35 Tiri View Road;
- Guarantee from C Holmes and Victrust Corporate Trustee Limited as trustees of the Victoria Trust, limited to the net proceeds of 35 Tiri View Road, Waiheke after repayment of the first mortgage to ASB;
- deed of priority in relation to second ranking mortgages over 102/9 Lakeside Road and 35 Tiri View Road for $500,000;
- Guarantees granted in respect of the obligations of the Borrower by Anthony Hannon and Catherine Hannon as trustees of the Hannon Investment Trust, Sym Trustee Limited as trustee of Sym Trust, Christopher Holmes and Vic trust Corporate Trustee Limited as trustees of the Victoria Trust, Anthony Hannon and Christopher Holmes.

Notes to the financial statements for the year ended 31 March 2023

Note 11: Finance Receivables (continued)

The credit quality of the receivable (Note 8) is estimated by the Directors of the Group and is considered to be impaired based on their knowledge and their consideration of future looking events. After undertaking the procedures outlined in note 3(a) including reviewing credit risk characteristics relating to arrears and loan to value ratio, a provision for impairment of $2,914,272 has been recorded on the interest and fees receivable from Roy's Bay Estate Limited (2022: $1,081,767). See Note 8. The remaining loan has not been impaired as it is adequately covered by securities held.

The development was marketed by Bayleys Real Estate Limited for mortgagee sale, by competitive tender. A Sale and Purchase agreement was entered into with the purchase price for the village being $18 million, which excludes three units which were valued at $3,510,000. The settlement occurred on 5 Aug 2022 with the buyer, Stoney Creek GCO Limited.

The transaction partially refinanced the Senior Trust Capital loan with $4.96m being directed to Senior Trust Capital (as mortgagee vendor) to complete the mortgagee sale.

Three properties held by Senior Trust Capital as collateral security were subsequently sold and settled as follows: November 2022, a second was settled in January 2023 and a third was subject to a mortgagee sale on April 14 2023 with settlement proceeds received 21 April 2023. See Note 22.

The Funds from the three settlements were applied to outstanding Loan balances.

A $0.5m settlement was received to release collateral securities over the 102/9 Lakeside property.

The Directors have initiated legal action against the Guarantors for all outstanding loan amounts, interest and legal costs.

Palm Grove Partnership

The loan to Palm Grove Partnership allows for a maximum facility of $15 million and consists of $10.9 million which expires no later than 1 March 2026, and $10.1 million which expires no later than 13 December 2023. The loan balance as at 31 March 2023 is $15 million. The loan earns interest at a rate of 8% per annum (2022: 8%).

The loan was previously a related party transaction as STC Orewa Limited was a partner, with an 80% shareholding, in the Palm Grove Partnership, and was a wholly owned subsidiary of Senior Trust Capital Limited (see Note 9 and 18).

The loan securities are as follows:

- 3rd registered all obligations mortgage over the village property, which is also subject to a first ranking encumbrance registered in favour of the statutory supervisor;
- general security agreement from Palm Grove Partnership, STC Orewa Limited and Orewa Village Limited;
- all obligations guarantee and indemnity granted by STC Orewa Limited and Orewa Village Limited;
- the Security Sharing and Priority Deed.

The estimated collateral value of the security over the loans is $50.1 million (2022: $55.7 million) excluding GST. Including all prior ranking security (Senior Trust Retirement Village Income Generator Limited prior ranking debt of $10 million (2022: $1.6 million) and BNZ of $25.1 million (2022: $10 million)), this represents a LVR of 92% (2022: 56%). The fair value of the collateral was determined based on an "as is" valuation performed by a registered valuer CBRE as at 31 March 2023 (2022: CBRE, 31 March 2022) and capitalised costs incurred as part of the overall retirement village development of $34.5 million (2022: $29 million). The fair value of the collateral contains $16.1 million (2022: $6.6 million) of work in progress which is based on a cost report prepared by Barnes Beagley Doherr, a construction cost management company.

Valuation of the Operator's interest has been performed based on a discounted cash flow methodology whereby the future cash flows expected to be generated from the Operator's interest have been discounted to the valuation date at a discount rate reflecting the risk of the Operator's interest. Significant assumptions used by the valuer include a discount rate of 15% (2022: 15%). Other assumptions used by the valuer include current unit pricing, turnover of units, growth rates and non-recoverable expenses and income and expenses flow. In addition to the Operator's interest of $8.3 million (2022: $8.9 million) the valuation consists of unsold primary stock (apartments) of $0.8 million (2022: $3.9 million), basement car parks of $0.4 million (2022: $0.4 million), and development land of $6.1 million (2022: $6.7 million).

Note 11: Finance Receivables (continued)

Ascension Retirement Villages Limited Partnership *(formerly Senior Trust Equity Limited Partnership)*

The loan to Ascension Retirement Villages Limited Partnership allows for a maximum facility of $15 million and expires no later than 21 December 2026. The loan earns interest at a rate of 8% per annum (2022: 8%). The loan facility was increased to $20 million in October 2022 at 8% expiring 21 December 2026. For loan extension refer Note 22.

The loan arose out of a restructure whereby the Group transferred and assigned its shares in and loan to STC Orewa Limited in consideration for units amounting to $13,900,482 in Ascension Retirement Villages Limited Partnership. $2,900,482 worth of committed capital was withdrawn in exchange for a 50% interest in the Forest Glen Limited Partnership. Subsequent to this, $10,999,999 of committed capital was withdrawn and a loan of $10,999,999 was provided to Ascension Retirement Villages Limited Partnership. The loan to Ascension Retirement Villages Limited Partnership was previously a related party transaction. Refer Note 18.

The loan securities are as follows:

- All obligations second ranking general security agreement granted by the Borrower over all present and after acquired property of the Borrower.
- The major asset of Ascension Retirement Villages Limited Partnership is an equity investment in Palm Grove Partnership, the value of which is supported by the valuation of Palm Grove Partnership (see Note 11 for details of the valuation of Palm Grove Partnership).

General Impairment

The credit quality of the loan is estimated by the Directors of the Group and is considered to be impaired grade based on their knowledge and their consideration of future looking events. After undertaking the procedures outlined in note 3(a) including reviewing credit risk characteristics relating to arrears and loan to value ratio, an impairment valued at $4.2 million has been recognised in the current year (2022: $Nil).

The impairment was quantified using the following assumptions and inputs:

- Projections of the Palm Grove Partnership to March 2024
- Partner investment in Palm Grove Partnership
- Business plan forecast with projections for 19 years
- Projected Operator revenue and expenses
- Cost of capital reports

Based on the viability of Palm Grove Partnership and a net present value using a blended rate of 12.5%, the impairment was assessed to be $4.2 million.

Forest Glen Limited Partnership

The loan to Forest Glen Limited Partnership (of which the Group is a 50% joint venture partner as outlined in Note 12), which allows for a maximum facility of $16 million, expires no later than 17 November 2023. The loan earns interest at a rate of 16% per annum (2022: 16%). For loan extension, refer Note 22

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

The loan securities are as follows:

- Third ranking all obligations mortgage over the village property 488 & 496c Hibiscus Coast Highway (after Senior Trust Retirement Village Income Generator Limited and Cressida Capital One Limited);
- Second ranking general security agreement from Forest Glen Limited Partnership and Coastal Properties Orewa Forest Glen Limited;
- All obligations guarantee and indemnity granted by Coastal Properties Orewa Forest Glen Limited.

The collateral value of the security over the loans is estimated at $60.4 million (2022: $30 million) (excluding GST). The fair value of the collateral was based on a valuation performed by a registered valuer Eyles McGough dated 31 March 2023 (2022: Eyles McGough, 31 March 2022). Including all prior ranking security (Cressida Capital One Limited $2 million (2022: $2 million), Senior Trust Retirement Village Income Generator Limited of $38.2 million (2022: $18.5 million), Senior Trust Capital of $8.19m (2022: $Nil)), this represents a LVR of 80.1% (2022: 79%).

Valuation of the Operator's interest has been performed based on a discounted cash flow methodology whereby the future cash flows expected to be generated from the Operator's interest have been discounted to the valuation date at a discount rate reflecting the risk of the Operator's interest. Significant assumptions used by the valuer include a discount rate of 15% (2022: 15%). Other assumptions used by the valuer include timing of future resales, level of occupancy of existing and future residents, the ingoing contribution price, resale value of units.

Notes to the financial statements for the year ended 31 March 2023

Note 11: Finance Receivables (continued)

The credit quality of the loan is estimated by the Directors of the Group and is considered to be satisfactory grade based on their knowledge and their consideration of future looking events. After undertaking the procedures outlined in note 3(a) including reviewing credit risk characteristics relating to arrears and loan to value ratio, no provision for impairment is considered necessary (2022: Nil).

Anthony and Catherine Hannon

The loan to Anthony and Catherine Hannon allows for a maximum facility of $150,000 and expired 25 November 2021. Enforcement action is being undertaken to recover the loan as it has expired. The loan earns interest at a rate of 21% per annum (2022: 16%).

Anthony and Catherine Hannon are co-shareholders of Roy's Bay Estate Limited, which the Group currently has a loan receivable of $1,136,412 from (refer Note 11).

The loan security is as follows:

- First registered all obligations mortgage over record of title 881546 given by Catherine Hannon as registered owner.

The credit quality of the loan is estimated by the Directors of the Group and is considered to be standard grade based on their knowledge and their consideration of future looking events. After undertaking the procedures outlined in note 3(a) including reviewing credit risk characteristics relating to arrears and loan to value ratio, no provision for impairment is considered necessary (2022: Nil).

Harbourside Investments Limited

The loan to Harbourside Investments Limited allowed for a maximum facility of $3 million and expired on 28 February 2023. The loan earned interest at a rate of 12% per annum (2022: 12%). The loan was fully repaid on 21 March 2023.

Stoney Creek GCO Limited

The loan to Stoney Creek GCO Limited, entered into on 4 August 2022, allows for a maximum combined facility of $18 million and expires no later than 5 May 2023. The loan earns interest at a rate of 11.75% per annum. The loan value of $18m cannot be exceeded by the combined loan advanced to Senior Trust Retirement Village Income Generator and Senior Trust Capital under the Term Loan Agreement. For loan extensions, refer Note 22.

The loan securities are as follows:

- All obligations second ranking registered mortgage granted by the Borrower over the land;
- All obligations general security agreement granted by the Borrower.
- Guarantees granted in respect of the obligations of the Borrower by Andrew Roman Bendemski

The collateral value of the security over the loans is estimated at $26 million (excluding GST). The fair value of the collateral was based on a valuation performed by a registered valuer Eyles McGough dated 31 March 2023. Including all prior ranking security (Senior Trust Retirement Village Income Generator Limited of $13 million, and the second ranking Senior Trust Capital Limited loan of $5m), this represents a LVR of 71%.

Valuation of the Operator's interest has been performed based on a discounted cash flow methodology whereby the future cash flows expected to be generated from the Operator's interest have been discounted to the valuation date at a discount rate reflecting the risk of the Operator's interest. Significant assumptions used by the valuer include a discount rate of 15%. Other assumptions used by the valuer include timing of future resales, level of occupancy of existing and future residents, the ingoing contribution price, resale value of units.

The credit quality of the loan is estimated by the Directors of the Group and is considered to be satisfactory grade based on their knowledge and their consideration of future looking events. After undertaking the procedures outlined in note 3(a) including reviewing credit risk characteristics relating to arrears and loan to value ratio, no provision for impairment is considered necessary.

NOTE 12:
INTERESTS IN JOINT ARRANGEMENTS

(a) Joint Ventures

	Nature of relationship	Ownership interest		Measurement basis
		2023 %	2022 %	
Joint arrangement				
Forest Glen Limited Partnership	Partner	50	50	Equity accounted

Country of incorporation: New Zealand
Principal place of business: Auckland
Registration date: 29 November 2018

(b) Summarised financial information for joint venture

	Note	2023 $	2022 Restated $
Forest Glen Limited Partnership			
Cash and cash equivalents		23,239	43,910
Receivables		7,923	292,173
Employee Advances		20,000	-
Investment property		64,275,000	33,181,384
Total assets		64,326,162	33,517,467
GST liability		(680,588)	(691,166)
Other current liabilities		(5,246,116)	(1,681,578)
Borrowings		(49,996,615)	(25,048,828)
Total liabilities		(55,923,319)	(27,421,572)
Net assets		8,402,843	6,095,895
Rent received		44,638	41,451
Management Fees Received		96,624	-
Interest Received		310	-
Fair value gain		4,276,052	961,061
Finance costs		(1,432,497)	(1,180,946)
Other expenses		(561,162)	(219,258)
GST (expense)/income		(117,019)	117,211
Total comprehensive income		2,306,946	(280,481)
Group's % share of total comprehensive income		50 %	50 %
Group's share of total comprehensive income		1,153,473	(140,241)

Notes to the financial statements for the year ended 31 March 2023

Note 12: Interests in Joint Arrangements (continued)

(b) Summarised financial information for joint venture

	Note	2023 $	2022 Restated $
Reconciliation to carrying amount of interest in joint venture:			
Opening net assets		6,095,895	6,376,376
Add: Current year profit / (loss)		2,306,946	(280,481)
Add: Other comprehensive income		-	-
Closing net assets		8,402,841	6,095,895
Group's % share of net assets		50.0%	50.0%
Group's share of net assets		4,201,421	3,047,948
Additional capital contributed by joint venture partner		(173,596)	(173,596)
Carrying amount of investment		4,027,825	2,874,352

The Forest Glen Limited Partnership ("the Limited Partnership") has two limited partners each with a 50% ownership interest. Previously one of the limited partners was STC Orewa Limited, which was a wholly owned subsidiary of the Group. During the previous year, the Group transferred its shares in STC Orewa Limited to Ascension Retirement Villages Limited Partnership and subsequently acquired the 50% ownership interest in Forest Glen Limited Partnership in exchange for the withdrawal of $2,900,482 of committed capital in Ascension Retirement Villages Limited Partnership. $2,900,482 was determined to be the fair value of the 50% ownership interest in Forest Glen Limited Partnership at the date of the transfer of the shares.

The Group's capital contribution to the Limited Partnership was $4,489,757.

The Directors have exercised significant judgment and it has been concluded that neither limited partner has power over the Limited Partnership to direct its operating and financing activities and as such the Group's investment in the Limited Partnership has been accounted for using the equity method.

Investment property

Investment property was valued by Eyles McGough, independent registered valuers, on 31 March 2023, based on sales data, cost estimates, comparable sales and valuation calculations (2022: Eyles McGough Limited on 31 March 2022). The key inputs, judgments, estimate and assumptions made in the valuation include returns from the sale of units, profits from operations, long term financial entitlements, the value of undeveloped land and value of operators interest using a discount rate of 15% (2022: 15%).

Investment property consists of:

- 488 & 496C Hibiscus Coast Highway Orewa - The property has an area of 11,523 sqm and resource consent has been granted to develop a 120 (2022: 120) Residential Unit Retirement Village. Factoring in the Resource Consent, an independent valuer has valued the land at $60.4 million (2022: $30 million). The land was valued at $17 million on acquisition.
- 31 Forest Glen Road - The property has an area of 1,300 sqm and has a 1970's dwelling with later additions and alterations which include a large conservatory area, double garage and second self-contained living area on site on site generating rental income. An independent valuer has valued the land at $2 million (2022: $2 million).

Borrowings

Cressida Capital has loaned the Limited Partnership $2 million (2022: $2 million) secured by a second mortgage. The facility is interest only and interest is charged at 10.25% (2022: 10.25%). The loan is repayable by May 2023.

LM Custodians Limited loaned the Limited Partnership $0.8 million secured by a first ranking all obligations mortgage with a priority sum of $1,400,000. The facility is interest only and interest is charged at 15% per annum (2022: 7.95%). The loan was repaid during the year.

Note 12: Interests in Joint Arrangements (continued)

Senior Trust Capital Limited has a facility balance to the Limited Partnership of $8.2 million (2022: $3.1 million). The maximum facility of the loan is $16,000,000 and it expires no later than 17 November 2023. The loan earns interest at a rate of 16% per annum (2022: 16%), refer Note 11.

Senior Trust Retirement Village Income Generator Limited has loaned the Limited Partnership $38.2 million (2022: $18.5 million). The loan earns interest at 11% (2022: 11%).

Senior Trust Management Limited had provided a short-term loan to the Limited Partnership of $0.6 million (2022: $0.6 million). At balance date the loan balance is $0.6 million and is non-interest bearing.

Commitments and contingent liabilities

Forest Glen Limited Partnership does not have any commitments or contingent liabilities at 31 March 2023 (2022: Nil).

Change in accounting policy

During the year the partnership adopted a change in accounting policy with respect to the treatment of interest on construction of retirement villages which has previously been expensed. The change in policy resulted in the capitalisation of the interest. The impact of this was a $953,162 decrease in finance costs and a $228,222 increase in opening retained earnings with a corresponding total increase of $1,181,384 in investment property in the comparative year (refer to Note 21).

The reason for this change in accounting policy is due to the inconsistency in treatment of interest compared to other related entities. The change in policy better reflects the economic substance of the transactions and activities pertaining to the development of the retirement villages and thus makes the financial statements more comparable with other similar entities that capitalise interest.

NOTE 13: PAYABLES

	Note	2023 $	2022 $
CURRENT			
Trade creditors		655,675	46,989
Sundry creditors and accruals			
Distribution payable		736,041	734,441
PIE tax payable	6	-	2,088
Accrued expenses		89,947	63,588
Sundry creditors		163,774	-
		1,645,437	847,106

Trade creditors

Included in trade creditors are related party balances of $318,756 (2022: $32,989). Refer Note 17 and 18.

Notes to the financial statements for the year ended 31 March 2023

NOTE 14: BORROWINGS

	Note	2023 $	2022 $
CURRENT			
Amounts payable to:			
Loan from Senior Trust Management Limited		2,347,048	-
Secured liabilities			
Bank overdraft		620,388	576,964
		2,967,436	576,964

Overdraft

The Group has an overdraft facility of $1,000,000 (2022: $1,000,000) with the Bank of New Zealand. This facility is secured by a first ranking general security agreement in favour of the Bank of New Zealand. Interest is charged at an average rate of 8.37% (2022: 6.37%).

Loan from Senior Trust Management Limited

The Group has a facility loan of $4,500,000 with Senior Trust Management Limited. The facility has an interest rate of 8% pa and expires 20 September 2024 (2022: $Nil).

Senior Trust Management Limited is a related party of the Group. See Note 18.

NOTE 15:
SHARE CAPITAL

Issued and paid-up capital			
45,896,503 (2022: 45,106,275) Ordinary shares	(a)	45,507,037	44,738,390

	2023		2022	
	Number	$	Number	$
(a) Ordinary shares				
Opening balance	45,106,275	44,738,390	45,923,955	45,529,990
Treasury shares sold	817,000	794,171	-	-
Treasury shares acquired:	(26,772)	(25,524)	(817,680)	(791,600)
At reporting date	45,896,503	45,507,037	45,106,275	44,738,390

Treasury share buy-back

During the year, the Group acquired 26,772 treasury shares for $25,772. This was done through STEP Villages Limited Partnership purchasing shares through off-market transfers.

During the previous year the Group acquired 817,680 treasury shares for $791,600. This was done through STEP Villages Limited Partnership purchasing shares through off-market transfers from Ascension Retirement Villages Limited Partnership. STEP Villages Limited Partnership is wholly controlled by the Group. Refer Note 18.

Treasury shares sold

During the year, the Group sold 817,000 treasury shares for $794,171 which includes a gain of $3,221 which has been recognised against share capital.

Shares issued

Shares have been issued under the terms of the continuous offer which opened on 14 April 2015 and has no end date. Under the terms of the Share offer, Directors are not obliged to accept applications and can decide to suspend offering Shares at any time.

The price during each Dividend Distribution Period is calculated as the value of a share as determined by the directors as fair and reasonable to existing Shareholders based on the net tangible assets at the end of the last Dividend Distribution Period.

Rights of each type of share

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

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

Capital management

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

Notes to the financial statements for the year ended 31 March 2023

NOTE 16: EARNINGS PER SHARE

	2023 $	2022 Restated $
Cents per share		
Basic earnings per share	(0.01)	0.08
Diluted earnings per share	(0.01)	0.08

Basic earnings per share is calculated as profit divided by the weighted number of issued shares for the year.

Diluted earnings per share is calculated as profit divided by the weighted number of shares plus any deferred shares which are expected to be issued after balance date.

Reconciliation of earnings used in calculating earnings per share

Profit attributable to the shareholders of the Group used in calculating earnings per share	(585,403)	3,430,660

	Number of Shares	Number of Shares
Weighted average number of shares used as the denominator		
Weighted average number of shares used as the denominator in calculating basic earnings per share	44,576,869	45,674,204
Weighted un-allotted shares issued after balance date	877	1,072
Weighted average number of shares and potential shares used as the denominator in calculating diluted earnings per share	44,577,746	45,675,276

As a result of the change in accounting policy disclosed in Note 1(n), the basic and diluted earnings per share were restated. See Note 21.

NOTE 17:
KEY MANAGEMENT PERSONNEL COMPENSATION

Compensation received by key management personnel of the Group:

	2023 $	2022 Restated $
Salaries and bonuses	264,235	255,449
Director fees	72,000	72,000
	336,235	327,449

The key management personnel of the Group are the Directors:

- John Jackson - Director and Employee (appointed 1 August 2012)
- Andrew Franicevic - Non- Executive Director (appointed 9 August 2019)
- Clive Jimmieson - Non- Executive Director (appointed 21 August 2020)

The Group has an employment contract with John Jackson. Executive Director remuneration of $264,235 (2022: $255,449) was paid to John Jackson during the year.

The Group has a directorship contract with Andrew Franicevic. Remuneration of $36,000 (2022: $36,000) was paid during the year. The amount includes $3,000 (2022: $3,000) recorded in trade creditors (refer Note 13).

The Group has a directorship contract with Clive Jimmieson. Remuneration of $36,000 (2022: $36,000) was paid during the year.

John Jackson received a quarterly shareholder distribution, similar to all other shareholders amounting to $26,000 (2022: $26,000).

In the previous year, John Jackson held an employee loan of $400,000 from the Group. The employee loan incurred interest at the FBT prescribed rates and was repayable on the winding up of the Group. The loan was secured by way of General Security Agreement over the 400,000 in the Group shares held by John Jackson. The loan was fully repaid on January 12 2023.

During the year interest of $17,388 (2022: $23,079) was recorded in relation to the employee loan (recorded in related party interest income, refer Note 4). This amount includes $Nil (2022: $1,960) of accrued interest (refer Note 8).

Notes to the financial statements for the year ended 31 March 2023

NOTE 18: RELATED PARTY TRANSACTIONS

Senior Trust Management Limited

Senior Trust Management Limited and the Group are related as one of the Directors of the Group (John Jackson) is a beneficiary of the Dadrew Trust which is the sole shareholder of Senior Trust Management Limited.

A management services agreement between the Group and Senior Trust Management Limited was entered into on 7 March 2016. The agreement records the terms under which the Senior Trust Management Limited provides administration management and accountancy services to the Group (this section of the agreement was in abeyance from 1 November 2017 to 31 October 2019) and receives sales and marketing services from the Group.

Palm Grove Partnership

Palm Grove Partnership was related to the Group as 80% is owned by Ascension Retirement Villages Limited Partnership. Palm Grove Partnership is no longer a related party of the Group as Ascension Retirement Villages Limited Partnership is no longer a related party.

Ascension Retirement Villages Limited Partnership *(formerly Senior Trust Equity Limited Partnership)*

Ascension Retirement Villages Limited Partnership was previously related to the Group as its general partner, who controlled the Partnership, was wholly owned by Senior Trust Management Limited. During the year Senior Trust Management Limited sold their shares and therefore Ascension Retirement Villages Limited Partnership is no longer a related party.

STEP Villages Limited Partnership *(formerly Senior Trust Equity Passive Limited Partnership)*

STEP Villages Limited Partnership is related to the Group as Senior Trust Capital is the sole limited partner of the partnership.

Senior Trust Retirement Village Income Generator Limited

Senior Trust Retirement Village Income Generator Limited is related to the Group as it has common directorship with Senior Trust Management Limited through John Jackson.

Forest Glen Limited Partnership

Forest Glen Limited Partnership is related as the Group is a 50% joint venture partner in the Forest Glen Limited Partnership.

Neville Brummer

Neville Brummer was related to the Group as he was a Director in Senior Trust Management Limited (resigned on 27 May 2021). He is no longer a related party of the Group.

STC Orewa Limited

STC Orewa Limited is related to the Group as it has common directorship through John Jackson.

No related party balances have been written off or forgiven during the year (2022: Nil).

Note 18: Related Party Transactions (continued)

	Note	2023 $	2022 $
(a) Transactions with Palm Grove Partnership			
Interest received	4	1,439,316	1,536,011
(b) Amounts due from Palm Grove Partnership			
Finance receivables	11	10,800,000	19,857,766
Interest receivable	8	100,712	134,924
(c) Transactions with Senior Trust Management Limited			
Management services income		12,000	12,000
Management services expense		(391,385)	(328,253)
(d) Amounts due from/ (payable to) Senior Trust Management Limited			
Management services income in trade debtors	8	2,515	25,617
Overhead recharge expense included in trade creditors	13	(6,125)	(3,189)
Management services expense included in trade creditors	13	(65,957)	(28,187)
Loan line fee expense included in trade creditors	13	(162,951)	-
Interest payable included in trade creditors	13	(80,323)	-
Loan from Senior Trust Management Limited on demand	14	(2,347,048)	-
(e) Transactions with Forest Glen Limited Partnership ('FGLP')			
Interest received	4	812,430	372,130
(f) Amounts due from Forest Glen Limited Partnership			
Finance receivable	11	8,191,127	3,179,226
Interest receivable	8	202,647	43,203
(g) Transactions with Neville Brummer			
Interest received	4	-	51,081
(h) Transactions with Ascension Retirement Villages Limited Partnership			
Interest received	4	1,163,040	239,365
Purchase of treasury shares	15	-	(791,600)
Gain on disposal of STC Orewa Limited	4	-	51,829
(i) Amounts due from Ascension Retirement Villages Limited Partnership			
Finance receivable	11	19,300,238	11,228,901
Interest receivable	8	130,879	76,235
(j) Transactions with Senior Trust Retirement Village Income Generator Limited			
Brokerage fees	4	344,355	199,556
Expenses recharged		(25,378)	-
Accrued interest		(177,808)	-

Notes to the financial statements for the year ended 31 March 2023

Note 18: Related Party Transactions (continued)

(k) Amounts due from/ (payable to) Senior Trust Retirement Village Income Generator Limited

Brokerage fees in trade debtors	8	37,637	61,495
Accrued interest included in trade creditors	8	(177,808)	-
Expense recharges included in trade creditors		(1,283)	-

In the previous year, the Group assisted with the disposal of a retirement village owned by Ascension Retirement Villages Limited Partnership and received a fee of $400,000 for its services (recorded in other income under consultancy and other fees, refer Note 4). The balance of $400,000 was advanced to STC Orewa Limited.

(l) Amounts due from STC Orewa Limited

Loan Principal	8	412,000	400,000
Interest receivable	8	-	4,575

NOTE 19: CAPITAL AND LEASING COMMITMENTS

There are no material capital or leasing commitments at reporting date (2022: Nil).

NOTE 20: CONTINGENT LIABILITIES

Senior Trust Capital Limited has provided a guarantee in favour of the Bank of New Zealand up to the value of $34,480,000 (2022: $14,480,000) for all amounts payable by Palm Grove Partnership to the Bank of New Zealand. The Group has no other contingent liabilities at year end (2022: Nil).

NOTE 21:
CHANGE IN ACCOUNTING POLICY

During the year, Forest Glen Limited Partnership adopted a change in accounting policy with respect to the treatment of interest on construction of the retirement village held in its joint arrangement which has previously been expensed. The change in policy resulted in the capitalisation of the interest.

The reason for this change in accounting policy is due to the inconsistency in treatment of interest compared to other related entities. The change in policy better reflects the economic substance of the transactions and activities pertaining to the development of the retirement villages and thus makes the financial statements more comparable with other similar entities that capitalise interest.

The change in accounting policy has been applied by restating each of the affected financial statement line items for the prior period as follows:

	2022 Opening $	Increase / (Decrease) $	2022 Restated $
Restatement of financial position			
Equity accounted investments	2,283,660	590,692	2,874,352
Total non-current assets	37,349,553	590,692	37,940,245
Total assets	49,051,044	590,692	49,641,736
Net assets	47,626,974	590,692	48,217,666
Equity			
Retained earnings	2,888,584	590,692	3,479,276
Total equity	47,626,974	590,692	48,217,666
Restatement of comprehensive income			
Share of net loss of associates and joint ventures accounted for using the equity method	616,822	(476,581)	140,241
Profit for the year	2,954,079	476,581	3,430,660
Total comprehensive income	2,954,079	476,581	3,430,660
Earnings per Share			
Basic earnings per share	0.06	0.02	0.08
Diluted earnings per share	0.06	0.02	0.08

	2021 Opening $	Increase / (Decrease) $	2021 Restated $
Restatement of financial position			
Equity accounted investments	2,900,482	114,111	3,014,593
Total non-current assets	24,198,306	114,111	24,312,417
Total assets	49,337,269	114,111	49,451,380
Net assets	48,479,014	114,111	48,593,125
Equity			
Retained earnings	2,949,024	114,111	3,063,135
Total equity	48,479,014	114,111	48,593,125

Notes to the financial statements for the year ended 31 March 2023

NOTE 22: EVENTS SUBSEQUENT TO REPORTING DATE

The following transactions have occurred subsequent to reporting date:

On 8 June 2023 the loan with Ascension Retirement Villages Limited Partnership has been amended to the value of $22m.

Senior Trust Capital and Stoney Creek GCO Ltd have agreed an extension of the current Loan facility to an expiry date of 29 February 2024. A Guarantee is provided by Andrew Roman Bendemski. The combined facility for Senior Trust Retirement Village and Senior Trust Capital is $23m.

On 23 May 2023, the loan agreement with Forest Glen Limited Partnership was renewed with a facility of $61m.

The final property at Roy's Bay was subject to a mortgagee sale and settlement was made on 21 April 2023 for $757,000. The recovery of the loan to Roy's Bay Estate Limited was reviewed and the outstanding loan balance, interest and legal costs is subject to a claim lodged against the Guarantors. Liquidation action has been filed April 17 2023 against the Guarantors. Bankruptcy proceedings have been filed with respect to one of the Guarantors. See Note 11.

On 14 June 2023, the Group increased its Partnership share in the Joint Arrangement with Forest Glen Limited Partnership from 50% to 73.8%.

On 17 May 2023 Forest Glen Limited Partnership agreed a variation of the loan facility with Cressida Capital Limited to $4.1m (2022 $2.0m) with an expiry of six months from the variation date.

There has been other no matter or circumstance, which has arisen since 31 March 2023 that has significantly affected or may significantly affect:

(a) the operations, in financial years subsequent to 31 March 2023, of the Group, or

(b) the results of those operations, or

(c) the state of affairs, in financial years subsequent to 31 March 2023, of the Group.


LAKE WANAKA

STONEY CREEK, WANAKA

SENIOR TRUST
CAPITAL

COMPANY DIRECTORY

Senior Trust Capital Limited

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TELEPHONE: 0800 609 600
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COMPLAINTS CAN BE MADE TO:

Senior Trust Capital Limited

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ATTENTION: Directors
TELEPHONE: 0800 609 600

Senior Trust Capital's offer number is OFR10040.

As a financial service provider registered under the Financial Service Providers (Registration and Dispute Resolution) Act 2008, we are a member of an approved dispute resolution scheme (registration number FSP255645).

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

FSCL'S CONTACT DETAILS ARE:

Financial Services Complaints Limited

PO Box 5967, Lambton Quay,
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TELEPHONE: 0800 347 257
or (04) 472 FSCL (472 3725)
FAX: (04) 472 3727
EMAIL: info@fscl.org.nz

www.fscl.org.nz

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

www.seniortrustcapital.co.nz

INVEST IN THE STABLE RETIREMENT VILLAGE SECTOR

SENIOR TRUST CAPITAL

When investing, past performance is no guarantee of future performance. A minimum subscription of $5,000 applies. Applications will only be received on the application form supplied with the Product Disclosure Statement. The targeted return is for a full financial year, is not fixed or guaranteed and may vary. The potential to share in any capital growth may arise through any equity ownership Senior Trust Capital Limited may have in carefully selected retirement villages and aged care facilities. The after tax distribution only takes into account New Zealand income tax and assumes: 1. Senior Trust Capital is a PIE for tax purposes and can take advantage of tax benefits arising from Senior Trust Capital's equity investments in retirement villages. 2. The taxable benefits are currently anticipated to be available through to 31st March 2026. 3. No change in the relevant tax law. Senior Trust Capital Limited is the issuer of the products. The Product Disclosure Statement for the offer is available and can be obtained at **www.seniortrustcapital.co.nz**