

Senior Trust Capital Limited

**Consolidated Financial Statements
For the year ended 31 March 2025**

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SENIOR TRUST CAPITAL LIMITED

COMPANY DIRECTORY

IRD number	109-622-664
Nature of business	Investment
Registered office	Foley Hughes Lawyers 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	Acclime New Zealand Limited

SENIOR TRUST CAPITAL LIMITED

DIRECTORS' REPORT

The Board of Directors present their Annual Report including audited financial statements for the year ended 31 March 2025.

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	223,044	259,044
Andrew Franicevic	36,000	-	36,000
John Jackson	36,000	-	36,000
	<u>108,000</u>	<u>223,044</u>	<u>331,044</u>

SENIOR TRUST CAPITAL LIMITED

DIRECTORS' REPORT

Audit fees

Audit fees of \$40,873 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 2025 is one (31 March 2024: one).

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 two employees.

Donations

The Group made no donations during the year.

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

Director: _____ Director: _____

John Llewelyn Jackson

Raymond Clive Jimmieson

Dated: 18 July 2025

Independent auditor's report to the shareholders of Senior Trust Capital Limited

Report on the audit of the consolidated financial statements



Our opinion on the consolidated financial statements

In our opinion, the accompanying consolidated financial statements of Senior Trust Capital Limited (the Company) and its subsidiaries (the Group), present fairly, in all material respects:

- the consolidated financial position of the Group as at 31 March 2025, and
 - 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) and International Financial Reporting Standards (IFRS).

What was audited?

We have audited the consolidated financial statements of the Group, which comprise:

- the consolidated statement of financial position as at 31 March 2025,
- the consolidated statement of profit or loss and other comprehensive income for the year then ended,
- the consolidated statement of changes in equity for the year then ended,
- the consolidated statement of cash flows for the year then ended, and
- notes to the consolidated financial statements, including material accounting policy information.

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 we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, the Company or any of its subsidiaries.

Emphasis of matter – Orderly Wind Down & Maturity Analysis

We draw attention to Note 1 that states that the Directors have considered and reviewed the Company's business model and determined for an orderly wind down with progressive repayments of investor capital. We also draw to attention to Note 3(b) *Liquidity Risk: Maturity Analysis As Expected* which discloses the expected undiscounted cash flows based on expected liquidity maturity. Our opinion is not modified in respect of these matters.

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.

Recoverability of financial assets	Area of focus (refer also to note 11 and note 3)	How our audit addressed the key audit matter
	<p>The Group has significant Loans Receivable totalling \$67.6m with related credit risk.</p> <p>There is a concentration of credit risk with two Retirement Villages with \$35.3m due from the Palm Grove Group and \$26.4m from Forest Glen Limited Partnership (FGLP), a related party.</p> <p>Receivables are recorded at amortised cost less allowance for expected credit loss. The assessment of any provision for expected credit loss and the recoverability of the Loans Receivable requires management judgement.</p> <p>The assessment for Impairment 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.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> — A review of all the underlying loan agreements, to ensure that all aspects have been accounted for correctly. — 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. — Review and testing of the Cashflow models underlying the operations of the Palm Grove Group and Forest Glen. — Assessed the adequacy of the Group's disclosures in respect of the transactions.
Equity Accounted Investment	Area of focus (refer also to note 12)	How our audit addressed the key audit matter
	<p>The Company is a limited partner in FGLP with a 73.8% interest. The investment is accounted for using the equity method.</p> <p>The Forest Glen Limited Partnership is valued at \$nil at 31 March 2025 (\$3.5m at 31 March 2024).</p> <p>The equity accounting of this investment has a direct impact on the Comprehensive Income and Equity of the Group and accordingly we have given specific audit focus and attention to this area.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> — Obtained and reviewed the underlying accounting data of FGLP — Review the net asset position at year end of FGLP, including review of the underlying independent valuation report of the assets of FGLP. — Assessed the adequacy of the Group's note disclosures.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 March 2025, but does not include the consolidated financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the Directors' report, which is expected to be made available to us after that date.

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

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

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, 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 for the consolidated financial statements

The directors are responsible on behalf of the Group for the preparation and fair presentation of the consolidated financial statements in accordance with NZ IFRS, 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 on behalf of the Group for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the 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 the consolidated financial statements is located at the External Reporting Board's website:

<https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-1-1/>

This description forms part of our auditor's report.

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

Restriction on distribution and use

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



William Buck Audit (NZ) Limited
Auckland

18 June 2025

SENIOR TRUST CAPITAL LIMITED

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2025**

	Note	2025 \$	2024 \$
Revenue and other income			
Interest income	4	6,968,557	7,573,239
Other income	4	<u>644,200</u>	<u>367,070</u>
		<u>7,612,757</u>	<u>7,940,309</u>
Less: expenses			
Employee benefits expense		469,917	327,178
Finance costs	5	336,244	401,902
Administration and compliance expenses		177,986	172,683
Marketing costs		12,127	128,627
Other operating expenses		6,008	3,335
Directors' fees		108,000	90,000
Audit fees - William Buck - review of the financial statements		40,873	47,546
Audit fees – Baker Tilley - review of the share register		2,013	3,750
Accounting fees		75,788	90,816
Management services expense		247,188	390,954
Impairment loss/(reversal)	3(a)	<u>1,314,019</u>	<u>(1,051,644)</u>
		<u>2,790,163</u>	<u>605,147</u>
		4,822,594	7,335,162
Share of net (loss)/profit of associates and joint ventures accounted for using the equity method	12	<u>(3,478,079)</u>	<u>(2,549,746)</u>
Profit/(loss) for the year		1,344,515	4,785,416
Other comprehensive income for the year		-	-
Total comprehensive income/(loss)		<u>1,344,515</u>	<u>4,785,416</u>
Earnings per share			
Basic and diluted earnings per share	16	0.02	0.09

SENIOR TRUST CAPITAL LIMITED

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2025**

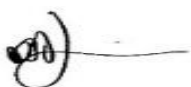
	Note	2025 \$	2024 \$
Current assets			
Cash and cash equivalents		201,086	435,875
Trade and other receivables	8	2,361,248	983,992
Financial assets at fair value through profit and loss	9	1	1
Finance receivables	11	280,000	4,800,000
Prepayments		114,289	28,293
Total current assets		<u>2,956,624</u>	<u>6,248,161</u>
Non-current assets			
Finance receivables	11	67,329,790	54,843,828
Equity accounted investments	12	-	3,478,079
Total non-current assets		<u>67,329,790</u>	<u>58,321,907</u>
Total assets		<u>70,286,414</u>	<u>64,570,068</u>
Current liabilities			
Payables	13	1,346,764	1,197,370
Borrowings	14	2,195,535	5,710,980
Unallotted subscriptions		200,000	30,000
Total current liabilities		<u>3,742,299</u>	<u>6,938,350</u>
Total liabilities		<u>3,742,299</u>	<u>6,938,350</u>
Net assets		<u>66,544,115</u>	<u>57,631,718</u>
Share capital	15	65,386,647	55,224,598
Retained earnings		1,157,468	2,407,120
Total equity		<u>66,544,115</u>	<u>57,631,718</u>

Signed in accordance with a resolution of the Board of Directors.



Director: _____

John Llewelyn Jackson



Director: _____

Raymond Clive Jimmieson

Dated: 18 July 2025

The accompanying notes form part of these financial statements

SENIOR TRUST CAPITAL LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2025**

	Note	Contributed capital \$	Retained earnings \$	Total equity \$
Consolidated				
Balance as at 1 April 2023		45,507,037	959,121	46,466,158
Total comprehensive loss		-	4,785,416	4,785,416
Transactions with owners in their capacity as owners:				
Issue of shares	15	9,717,561	-	9,717,561
Distribution to shareholders		-	(3,818,558)	(3,818,558)
Tax received on behalf of shareholders	6	-	481,141	481,141
Total transactions with owners in their capacity as owners		<u>9,717,561</u>	<u>(3,337,417)</u>	<u>6,380,144</u>
Balance as at 31 March 2024		<u>55,224,598</u>	<u>2,407,120</u>	<u>57,631,718</u>
Balance as at 1 April 2024		55,224,598	2,407,120	57,631,718
Total comprehensive income		-	1,344,515	1,344,515
Transactions with owners in their capacity as owners:				
Issue of shares	15	10,162,049	-	10,162,049
Distribution to shareholders		-	(4,478,593)	(4,478,593)
Tax received on behalf of shareholders	6	-	1,884,426	1,884,426
Total transactions with owners in their capacity as owners		<u>10,162,049</u>	<u>(2,594,167)</u>	<u>7,567,882</u>
Balance as at 31 March 2025		<u>65,386,647</u>	<u>1,157,468</u>	<u>66,544,115</u>

SENIOR TRUST CAPITAL LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2025**

	Note	2025 \$	2024 \$
Cash flow from operating activities			
Interest received – customers		4,797,393	2,776,737
Other income received		354,357	275,388
PIE tax refunded/(paid)		260,511	1,553,862
Payments to employees and suppliers		(1,181,198)	(1,732,797)
Interest and bank fees paid		(336,244)	(401,902)
Net cash provided by operating activities	7(a)	<u>3,894,819</u>	<u>2,471,288</u>
Cash flow from investing activities			
Net loans repaid by/ (advanced to) Retirement Villages		(12,248,396)	(8,577,377)
Funding from increase in Bank Overdraft		56,035	-
Shares acquired in joint venture		-	(2,000,000)
Net cash used by investing activities		<u>(12,192,361)</u>	<u>(10,577,377)</u>
Cash flow from financing activities			
Proceeds from issue of shares		10,332,049	9,557,561
Proceeds from related parties		2,139,500	2,938,000
Distributions to shareholders		(4,408,796)	(3,528,961)
Net cash provided by financing activities		<u>8,062,735</u>	<u>8,966,600</u>
Reconciliation of cash and cash equivalents			
Cash and cash equivalents at beginning of the period		435,875	(424,636)
Net (decrease) / increase in cash held		(234,789)	860,511
Cash and cash equivalents at end of financial year	7(b)	<u><u>201,086</u></u>	<u><u>435,875</u></u>

SENIOR TRUST CAPITAL LIMITED
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

NOTE 1: MATERIAL ACCOUNTING POLICY INFORMATION

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 (together 'the Group').

The Group is domiciled and incorporated in New Zealand and registered under the Companies Act 1993. The Group is an 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.

In December 2024, the Financial Markets Authority (FMA) advised Senior Trust Capital that they had opened an investigation into STC under the Financial Markets Authority Act 2011. The investigation is ongoing.

The Directors have considered and reviewed the company's business model and determined that an orderly wind down of STC with progressive repayments of investor capital is in the company's best interest and will provide the best outcome for the shareholders. Accordingly, the company will no longer invite investments, and the current Product Disclosure Statement dated 3 November 2023 (PDS) was closed for applications on 14 May 2025. In addition, the company will not be lending to new parties in the current market conditions.

The directors intend to reduce capital over time as key finance receivables are collected. This is expected to occur as set out in the maturity analysis – As expected table in Note 3(b).

The financial statements were authorised for issue by the board of Directors of the Group on 18 July 2025.

The Directors have reviewed the accounting policies and consider that the primary users of the financial statements (our investors) may not have an in-depth knowledge of generally accepted accounting policies.

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.

SENIOR TRUST CAPITAL LIMITED
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

NOTE 1: MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(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.

(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.

(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.

SENIOR TRUST CAPITAL LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

NOTE 1: MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(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, brokerage fees, 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.

SENIOR TRUST CAPITAL LIMITED
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

NOTE 1: MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(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.

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. 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 plus directly attributable transaction costs (if any). and subsequently at amortised cost. The Group assesses on a forward-looking basis the expected credit loss 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.

SENIOR TRUST CAPITAL LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

NOTE 1: MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(i) Financial instruments (Continued)

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.

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 reporting date.

(k) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with registered banks, and other short term highly liquid investments (i.e. term deposits) with original maturities of three months or less. Bank overdrafts are shown within payables (current liabilities) in the statement of financial position.

SENIOR TRUST CAPITAL LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

NOTE 1: MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(l) Treasury shares

The Group's 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

The accounting policies adopted have been applied consistently throughout the periods presented in these financial statements.

In April 2024, the International Accounting Standards Board issued *IFRS 18 Presentation and Disclosure in Financial Statements* that is effective for the accounting period that begins on or after 1 January 2027. This standard has not been early adopted in preparing these financial statements.

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

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:

SENIOR TRUST CAPITAL LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

NOTE 2: SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

i) 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

Provisions for impairment of financial assets has been estimated at \$6,077,339 (2024: \$6,062,628).

ii) Financial Asset Write Off's

The gross carrying amount of a financial asset is written off (i.e., reduced directly) when the counterparty is in severe financial difficulty and the group has no realistic expectation of recovery of the financial asset. Financial assets written off remain subject to enforcement action by the group. Recoveries, if any, are recognised in profit or loss.

iii) Forest Glen Limited Partnership

The Group's 73.8% (2024: 73.8%) investment in the Forest Glen Limited Partnership ("the Limited Partnership") has been treated as a joint venture.

The Limited Partnership has two limited partners – Senior Trust Capital (STC) and Coastal Retirement Limited (CRL). On 14 June 2023, STC increased its Partnership share in the Joint Arrangement with Forest Glen Limited partnership from 50% to 73.80%. Coastal Retirement Limited reduced its holding by 23.80% and now owns 26.20% of the joint arrangement.

While STC is entitled to a greater share of the returns from the joint venture i.e. 73.80% this must be distinguished from control. Neither limited partner has the power to direct the Limited Partnership's operating and financing activities as there is an 80% voting threshold in the Limited Partnership's agreement. Accordingly, the Directors have exercised their judgment and have concluded that STC does not have control over the Limited Partnership.

In addition, CRL had the option to reacquire these shares on 30 June, 2024. CRL did not exercise this option by the due date.

As such the Group's investment in the Limited Partnership has been accounted for using the equity method.

The value of Forest Glen Limited Partnership is based on the Group's share (73.80%) of the Limited Partnership's net assets at reporting date. The underlying valuation of the property owned by the Partnership is recorded at fair value in its financial records. 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.

SENIOR TRUST CAPITAL LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

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:

	Note	2025 \$	2024 \$
Financial assets - amortised cost			
Cash and cash equivalents		201,086	435,875
Trade and other receivables	8	794,323	983,992
Finance receivables	11	67,609,790	59,643,828
Financial assets - fair value through profit and loss			
Financial assets at fair value through profit and loss	9	<u>1</u>	<u>1</u>
		68,605,200	61,063,696
Financial liabilities - amortised cost			
Borrowings	14	2,195,535	5,710,980
Payables	13	<u>1,346,764</u>	<u>1,197,370</u>
		3,542,299	6,908,350

(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.

SENIOR TRUST CAPITAL LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

NOTE 3: FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit risk (continued)

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.

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 individually assessed for their credit risk using risk management steps outlined above.

In summary the following movements in provisions for impairment reversal relating to both Trade Debtors and Finance Receivables have been reflected in the Income Statement as follows:

	2025	2024
	\$	\$
Trade Debtors		
Roy's Bay Estate Limited Interest & Debt Recovery Costs written off	(706,587)	2,321,551
Finance Receivables		
Senior Care Partnership (impairment)	(607,432)	-
Palm Grove Partnership (impairment)	-	4,200,000
Stoney Creek GCO Limited (impairment)	-	(5,469,907)
Total (Loss)/ reversal in Income Statement	<u>(1,314,019)</u>	<u>6,521,551</u>

SENIOR TRUST CAPITAL LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

NOTE 3: FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit risk (continued)

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.

With respect 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 \$Nil (2024: \$592,721) relating to the Principal and Interest accrued on the loan to Roy's Bay Estate Limited. (refer to note 11)

With respect 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 no provision for impairment as at reporting date (2024: \$Nil).

The credit risk of investment in Senior Care LP related to the underlying property development and the ability to complete those projects. After undertaking the procedures outlined above and including reviewing credit risk characteristics, projecting future revenue, expenses and cashflows, considering cost of capital, and Changes in the underlying land value as assessed by an independent valuer the directors have raised a provision for impairment of \$607,432 (2024: \$Nil).

With respect to Stoney Creek GCO Ltd, 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 a provision for impairment of \$5,469,907 (2024: \$5,469,907).

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.

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.

SENIOR TRUST CAPITAL LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

NOTE 3: FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit risk (continued)

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 96% (2024: 92%) of its total assets as loans receivable from two retirement villages: Orewa Sands and The Grove, Orewa. Each loan is significant to the group. The investment in Orewa Sands is in the form of a majority ownership in Forest Glen Limited Partnership, the developer and owner of Orewa Sands. The investment in The Grove, Orewa is through its position as a lender to both Palm Grove Partnership, as operator of The Grove, Orewa and also as a lender to Ascension Villages Limited Partnership which is an 80% stakeholder in Palm Grove Partnership. The group also holds a nominal interest in Ascension Villages Limited Partnership which presently provides the group with significant tax benefits which the group has in turn been passing through to its own investors.

The loans to Palm Grove Partnership are secured by a 3rd ranking mortgage, subject to a 1st ranking encumbrance registered in favor of the Statutory Supervisor. A 1st ranking mortgage in favour of the Bank of New Zealand and 2nd Ranking mortgage in favour of the Senior Trust Retirement Village Income Generator Limited. The loan to Forest Glen Limited Partnership is secured by a 2nd ranking mortgage. The loan to Ascension Villages Limited Partnership has a 2nd ranking general security agreement. The balance of the Roy's Bay loan is subject to recovery processes from the guarantors.

The Group has \$35.4m invested in the Palm Grove Partnership. In addition, the Group has a 1/1001 shares investment in Ascension Villages Limited Partnership recorded at \$1 which holds an 80% investment in Palm Grove Partnership. The Group has a loan to Ascension Villages Limited Partnership of \$30.1 million (2024 \$29.5 million) whose sole asset is an 80% equity investment in the Palm Grove Partnership.

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:

	Note	2025	2024
		\$	\$
Auckland		62,829,790	54,843,828
South Island		4,780,000	4,800,000
		<u>67,609,790</u>	<u>59,643,828</u>

(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.

SENIOR TRUST CAPITAL LIMITED

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

NOTE 3: FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Liquidity risk (continued)

Maturity analysis - as contracted

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

Year ended 31 March 2025	On demand	1 Year	2-5 years	Total contractual cash flows	Carrying amount
	\$	\$	\$	\$	\$
Cash and cash equivalents	201,086	-	-	201,086	201,086
Trade and other receivables	2,361,248	-	-	2,361,248	2,361,248
Finance receivables	-	7,461,972	72,711,908	80,173,880	67,609,790
Financial assets at fair value through profit and loss	-	-	1	1	1
Payables	(1,346,764)	-	-	(1,346,764)	(1,346,764)
Borrowings	(2,195,535)	-	-	(2,195,535)	(2,195,535)
Net maturities	<u>(979,965)</u>	<u>7,461,972</u>	<u>72,711,909</u>	<u>79,193,916</u>	<u>66,629,826</u>

Year ended 31 March 2024	On demand	1 Year	2-5 years	Total contractual cash flows	Carrying amount
	\$	\$	\$	\$	\$
Cash and cash equivalents	435,875	-	-	435,875	435,875
Trade and other receivables	983,992	-	-	983,992	983,992
Finance receivables	4,800,000	15,768,746	60,686,747	81,255,493	59,643,828
Financial assets at fair value through profit and loss	-	-	1	1	1
Payables	(1,197,370)	-	-	(1,197,370)	(1,197,370)
Borrowings	(5,710,980)	-	-	(5,710,980)	(5,710,980)
Net maturities	<u>(688,483)</u>	<u>15,768,746</u>	<u>60,686,748</u>	<u>75,767,011</u>	<u>54,155,346</u>

SENIOR TRUST CAPITAL LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

NOTE 3: FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Liquidity risk (continued)

Maturity analysis – As expected

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

Year ended 31 March 2025	On demand	1 Year	2-5 years	6-10 years	Total expected cash flows
	\$	\$	\$	\$	\$
Cash and cash equivalents	201,086	-	-	-	201,086
Trade and other receivables	2,361,248	-	-	-	2,361,248
Finance receivables	-	9,399,102	54,956,983	26,889,141	91,245,226
Financial assets at fair value through profit and loss	-	-	1	-	1
Payables	(1,346,764)	-	-	-	(1,346,764)
Borrowings	(2,195,535)	-	-	-	(2,195,535)
Net maturities	<u>(979,965)</u>	<u>9,399,102</u>	<u>54,956,984</u>	<u>26,889,141</u>	<u>90,265,262</u>

In preparing the above table the directors have made the following assumptions:

1. Apartment sales plans for the underlining retirement villages will be achieved as forecasted.
2. Interest rates will remain at the levels currently being achieved.
3. Refinancing of Palm Grove Partnership (PG) debt \$16.4m in 2029 which will enable the repayment of a loan to PG by the BNZ of \$8.3m and repay its loan from STC \$4.7m.
4. That Occupation Right Agreements (ORA's) in Palm Grove Partnership will on average re-sell every 8 or 9 years. The cash flows outlined above in the period 2030 to 2033 are dependent upon these resale averages.
5. Capital of \$8.0m will be introduced into Forest Glen in November 2025 by the junior JV partner.
6. That the guarantor of the Roys Bay loan settles the \$4.5m due in the latter part of 2026.
7. That the sales prices for apartment resales at Forest Glen and the ORA's at Palm Grove will increase by 2.5% annually.
8. The forecast construction costs to complete Building B and to construct Building C at Forest Glen are achieved.
9. The residential Property market continuing a positive recovery.

Achievement of the above assumptions will allow for progressive repayment of share capital sourced from loan repayments and maintenance of dividends distributions from loan interest receipts.

In addition, one of the Directors of the Company (John Jackson) is a settlor and beneficiary of the Dadrew Family Trust. Andrew Franicevic is a co -director of the independent corporate trustee of Dadrew Family Trust (DFT).

To support the group's cashflow, STML has agreed that it will assign its existing \$2.13m loan that it is owed by the group to the DFT. DFT will then release the group from its debt obligations, in exchange for the DFT taking an assignment of \$2.13m from the existing loan that Ascension presently owes the group. This happened on 1st of July 2025.

DFT has agreed to continue its support of STC cashflow by further part purchases of STC's existing loan to Ascension, subject to compliance with the loan terms between Ascension and DFT. The contracted commitment will be applied to the Ascension loan to STC. There will be no interest charged on any support provided by DFT.

SENIOR TRUST CAPITAL LIMITED

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

NOTE 3: FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Interest rate risk (Continued)

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 material 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:

Year ended 31 March 2025

Financial instruments	Interest bearing	Non-interest bearing	Total carrying amount	Weighted average interest rate
	\$	\$	\$	
<i>Financial assets</i>				
Cash and cash equivalents	-	201,086	201,086	N/A
Trade and other receivables	-	794,324	794,324	N/A
Finance receivables	62,829,790	4,780,000	67,609,790	10.6 %
	<u>62,829,790</u>	<u>5,775,410</u>	<u>68,605,200</u>	
<i>Financial liabilities</i>				
Borrowings	2,195,535	-	2,195,535	0.0 %
Payables	-	1,346,764	1,346,764	N/A
	<u>2,195,535</u>	<u>1,346,764</u>	<u>3,542,299</u>	

Year ended 31 March 2024

Financial instruments	Interest bearing	Non-interest bearing	Total carrying amount	Weighted average interest rate
	\$	\$	\$	
<i>Financial assets</i>				
Cash and cash equivalents	-	435,875	435,875	N/A
Trade and other receivables	-	983,992	983,992	N/A
Finance receivables	59,643,828	-	59,643,828	10.7 %
	<u>59,643,828</u>	<u>1,419,867</u>	<u>61,063,695</u>	
<i>Financial liabilities</i>				
Borrowings	5,710,980	-	5,710,980	8 %
Payables	-	1,197,370	1,197,370	N/A
	<u>5,710,980</u>	<u>1,197,370</u>	<u>6,908,350</u>	

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

SENIOR TRUST CAPITAL LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

NOTE 3: FINANCIAL RISK MANAGEMENT (CONTINUED)

(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	2025 \$	2024 \$
NOTE 4: REVENUE AND OTHER INCOME			
<i>Interest income</i>			
Interest received - third parties		3,633,496	5,733,713
Interest received - related party	18	3,335,061	1,839,526
		<u>6,968,557</u>	<u>7,573,239</u>
<i>Other income</i>			
Brokerage fees	18	230,492	86,626
Procurement and establishment fee income		401,708	250,887
Consultancy and other fees	18	12,000	29,557
		<u>644,200</u>	<u>367,070</u>
		<u>7,612,757</u>	<u>7,940,309</u>

NOTE 5: FINANCE COSTS

Bank charges		9,066	12,257
Interest expense - Bank		59,309	42,579
Interest expense - Stoney Creek Funding		-	1,457
Interest expense - Senior Trust Management Limited	18	-	345,609
Interest expense – Dadrew Trust	18	267,869	-
		<u>336,244</u>	<u>401,902</u>

Note 6: TAXATION RECEIVABLE / (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.

SENIOR TRUST CAPITAL LIMITED

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

NOTE 6: TAXATION RECEIVABLE / (PAYABLE) ON BEHALF OF SHAREHOLDERS (CONTINUED)

	Note	2025 \$	2024 \$
(a) PIE tax liability			
Profit / (Loss) before tax per statement of profit or loss and other comprehensive income		1,344,515	4,785,416
Opening Balance		(56,991)	1,015,730
Taxation (at prescribed investor rates)		1,884,426	481,141
PIE tax (refunded)		(260,511)	(1,553,862)
PIE tax receivable / (payable)		<u>1,566,924</u>	<u>(56,991)</u>

NOTE 7: CASH FLOW INFORMATION

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

Profit/(loss) for the year	1,344,515	4,785,416
Tax refunded	1,884,426	481,141
(Reversal) / Impairment of interest receivables and finance receivables	1,314,019	(1,051,644)
Share of joint venture entity net profit/(loss)	3,478,079	2,549,746

Changes in operating assets and liabilities

Decrease / (Increase) in receivables	(70,557)	(91,683)
Increase in accrued interest receivable	(2,390,225)	(4,796,502)
Increase / (Decrease) in payables	(41,523)	(477,906)
(Decrease) / Increase in PIE tax liability	(1,623,915)	1,072,721
Cash flows from operating activities	<u>3,894,819</u>	<u>2,471,289</u>

(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:

Cash at bank	<u>201,086</u>	<u>435,875</u>
	<u>201,086</u>	<u>435,875</u>

SENIOR TRUST CAPITAL LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

NOTE 8: TRADE AND OTHER RECEIVABLES

	Note	2025 \$	2024 \$
CURRENT			
Accrued interest and loan extension fees receivable		688,442	800,878
		<u>688,442</u>	<u>800,878</u>
Trade debtors		105,881	183,114
PIE tax receivable	6	1,566,924	-
		<u>2,361,247</u>	<u>983,992</u>

Trade debtors

Included in trade debtors are related party balances of \$105,881 (2024: \$183,114). Included in accrued interest receivable are related party balances of \$344,071 (2024: \$381,154). Refer Note 18.

Accrued interest and loan extension fees receivable are on normal commercial terms.

Aged Analysis

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

	12-month expected credit losses				
	Days past due				Total \$
	Not due \$	31 - 60 \$	61 - 90 \$	Over 90 days \$	
2025					
Gross	794,323	-	-	-	794,323
Expected credit loss					
Rate	0.00 %	0.00 %	75.00 %	100.00 %	
Expected credit loss	-	-	-	-	-
	Not due \$	31 - 60 \$	61 - 90 \$	Over 90 days \$	Total \$
2024					
Gross	983,992	-	-	-	983,992
Expected credit loss					
rate	0.00 %	0.00 %	75.00 %	100.00 %	
Expected credit loss	-	-	-	-	-

SENIOR TRUST CAPITAL LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

NOTE 8: TRADE AND OTHER RECEIVABLES (CONTINUED)

	2025 \$	2024 \$
Provision for expected credit loss		
Opening balance	-	(2,914,272)
Additional losses accrued in the year	-	-
Losses reversed in the year	-	2,321,551
Transferred to Finance Receivable's	-	592,721
Movement for the Year	-	2,914,272
Closing balance	-	-

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

NON-CURRENT

Investment in Ascension Villages Limited Partnership	1	1
Cumulative change in fair value that is attributable to changes in credit risk	-	-

Investment in Ascension Villages Limited Partnership

At reporting date, the Group held one unit with a fair value of \$1 in Ascension Villages Limited Partnership. The carrying amount is equivalent to the fair value of the investment.

Ascension Villages LP is the owner of all issued shares in STC Orewa Limited which is one of the two partners of the general partnership Palm Grove Partnership holding a partnership interest equating to 80%. The company acquired a single partnership interest (1/1001) in Ascension Villages LP meaning that the two existing limited partners of Ascension Villages LP, Joseph Van Wijk and Neville Brummer each hold 500 shares and the company 1 partnership interest. The company has no representation within the general partner of Ascension Villages LP and no day to day or material decision making rights. Control is held by Joseph Van Wijk and Neville Brummer.

The benefit of any Net Income/Loss received by Ascension Villages LP is passed on proportionately through to the 3 limited partners, not in a 500/500/1 ratio, but instead in those specific circumstances the company would benefit by adding the face value of its loan that has made available to Ascension Villages LP to it \$1 partnership interest, and so for practical purposes receiving almost the full benefit of the net income loss arising from the new arrangement. In essence then there will be no accumulated tax losses in Ascension Villages LP as Net Income Losses are allocated to the Limited partners annually as they accrue in the manner set out immediately preceding.

NOTE 10: FAIR VALUE MEASUREMENT

The Group does not have material assets or liabilities measured at fair value.

SENIOR TRUST CAPITAL LIMITED

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

NOTE 11: FINANCE RECEIVABLES

		2025	2024
		\$	\$
CURRENT			
<i>Amounts receivables from:</i>			
- Guarantor's of Roy's Bay Estate Limited		280,000	5,392,721
- Allowance for expected credit losses		<u>-</u>	<u>(592,721)</u>
Total current financial assets at amortised cost		<u>280,000</u>	<u>4,800,000</u>
NON-CURRENT			
<i>Amounts receivables from:</i>			
- Forest Glen Limited Partnership	18	26,453,457	16,614,127
- Senior Care Limited Partnership		1,607,432	-
- Allowance for expected credit losses		(607,432)	-
- Guarantor's of Roy's Bay Estate Limited		4,500,000	-
Palm Grove Group			
- Palm Grove Partnership		4,749,323	8,361,009
- Ascension Villages Limited Partnership		30,118,410	29,468,692
- STC Orewa Limited	18	400,000	400,000
- STC Orewa Limited		108,600	-
- Stoney Creek GCO Limited		5,469,907	5,469,907
- Allowance for expected credit losses		<u>(5,469,907)</u>	<u>(5,469,907)</u>
Total Palm Grove Group		<u>35,376,333</u>	<u>0</u>
Total non-current financial assets at amortised cost		<u>67,329,790</u>	<u>54,843,828</u>
		2025	2024
		\$	\$
Provision for expected credit loss			
Opening balance		(6,062,628)	(4,200,000)
Additional losses accrued in the year		(1,314,019)	(5,469,907)
Transfer from Trade Receivables		1,299,308	(592,721)
Losses reversed in the year		<u>-</u>	<u>4,200,000</u>
Net Movement for the Year		<u>(14,711)</u>	<u>(1,862,628)</u>
Closing balance		<u>(6,077,339)</u>	<u>(6,062,628)</u>

SENIOR TRUST CAPITAL LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

NOTE 11: FINANCE RECEIVABLES (CONTINUED)

Roy's Bay Estate Limited (RBEL)

The table below sets out the overall position for Roy's Bay in the financial statements:

Roy's Bay Estate Ltd	2025	2024
Interest and Fees Receivable	-	121,994
	-	121,994
Loans Receivable	4,780,000	5,392,721
Allowance for expected credit losses	-	(592,721)
	4,780,000	4,800,000
Net Receivable	4,780,000	4,921,994

The original loan to Roy's Bay Estate Limited allowed for a maximum facility of \$8.35 m and expired no later than 30 September 2021. This loan has not yet been fully repaid as at 31 March 2025. The loan earned interest at a rate of 15% per annum. The loan securities were secured as follows:

- 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.
- 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.

During the current period a further \$706,587 in interest and debt recovery costs has been written off.

The Directors initiated legal action against the Guarantors for all outstanding loan amounts, interest and legal costs. On 9 August 2024 Senior Trust Capital entered into Settlement Deed with the Loan Guarantors. The repayment terms of these Deeds are:

- \$4,500,000 to be repaid on or before 26 December 2026 from one guarantor. Senior Trust Capital holds a General Security Agreement – all present and after acquired property in relation to the sum of \$4,500,000, over the guarantor and their personal property, and there are agreed steps required to be undertaken by the guarantor under the terms of their settlement deed, which are monitored.
- \$400,000 to be repaid by 22 November 2024 from one guarantor. In accordance with the respective settlement deed, \$120,000 of the \$400,000 was repaid on 22 November 2024. The balance of \$280,000 was agreed to be repaid 23 May 2025. Senior Trust Capital also holds a Second Mortgage over a property at 2 Ashgrove Lane, Wanaka in relation to the balance owed of \$280,000 owing. The repayment due on 23 May 2025 was not received. STC has required the guarantor to accelerate the marketing of the property and is negotiating an extension to the repayment date.

The directors have reassessed the Guarantor's current statements of financial position at reporting date and determined that there remain sufficient assets to recover the debts.

The Directors of the Group considered the quality of this loan to be satisfactory and without a significant increase or decrease in credit risk and with low credit risk at the reporting date. Therefore, no impairment provision has been made.

SENIOR TRUST CAPITAL LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

NOTE 11: FINANCE RECEIVABLES (CONTINUED)

Palm Grove Partnership (PGP)

Details of the loan are as follows:

	2025 \$	2024 \$
Amount receivable at reporting date	4,749,323	8,361,009
Loans included for Loan to value ratio (LVR) purposes		
Bank of New Zealand	24,159,107	26,535,898
Senior Trust Retirement Village Income Generator Limited	10,000,000	10,000,000
Total loans for LVR purposes	38,908,430	44,896,907
Collateral Security Valuation (including operators' interest)	49,600,000	50,100,000
Loan to Value Ratio	78%	90%
Maximum Loan facility	9,250,000	9,250,000
Interest rate earned	8%	8%
Loan expiry date	23/03/2027	23/03/2027
Operator's Interest Discount rate	14%	15%

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 favor of the statutory supervisor and a 2nd ranking mortgage registered in favor of Senior Trust Retirement Village Income Generator Ltd;
- 3rd ranked general security agreements 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;
- Security Sharing and Priority Deed.

The value of the collateral security was based on a "fair market" valuation basis performed by Eyles McGough registered valuers as at 31 March 2025 (2024: Eyles McGough, 31 March 2024)

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. Other assumptions used by the valuer include average price of Independent Living Units, occupancy periods, growth rates and estimated disposal costs.

Based on cash flow forecasts, Palm Grove Partnership will be unable to repay this loan on its expiry date of 23 March 2027. The directors intend to renew this facility on similar terms until repayment which is forecasted to occur in 2034.

SENIOR TRUST CAPITAL LIMITED

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

NOTE 11: FINANCE RECEIVABLES (CONTINUED)

Ascension Villages Limited Partnership (AVLP)

Details of the loan are as follows:

	2025	2024
	\$	\$
Amount receivable at reporting date	30,118,410	29,468,691
Maximum Loan facility	32,000,000	30,000,000
Interest rate earned	12%	8%
Interest Rate from 1 April 2025	8%	-
Loan expiry date	22/12/2026	22/12/2026

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 in Ascension Villages Limited Partnership (ALVP).

The loan securities are as follows:

- a) All obligations second ranking general security agreement granted by the Borrower over all present and after acquired property of the Borrower.
- b) The major asset of Ascension 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 above for details of the valuation of Palm Grove Partnership).

The loan to Ascension Villages Limited Partnership ranks second in priority for repayment by Palm Grove Partnership to the loan from Dadrew Family Trust effective November 2024.

General Impairment

AVLP will not be able to repay this loan on expiry and it will need to be renewed. The loan to AVLP has been used to provide equity to the Palm Grove. The recovery of this loan is dependent upon the Palm Grove meeting its targeted cash flow forecasts over the next 10 years including the sale of all remaining ORA's for units on hand and the future re-sale of ORA's over the next 8-9-year cycles. In addition, the directors of the company expect Palm Grove to refinance in March 2029 which will enable Palm Grove to repay equity and in turn repay AVLP which will allow AVLP to repay the company (i.e. STC).

One of the Directors of the Company (John Jackson) is a settlor and beneficiary of the Dadrew Family Trust. Andrew Franicevic is a co -director of the independent corporate trustee of Dadrew Family Trust (DFT).

To support the group's cashflow, STML has agreed that it will assign its existing \$2.13m loan that it is owed by the group to the DFT. DFT will then release the group from its debt obligations, in exchange for the DFT taking an assignment of \$2.13m from the existing loan that Ascension presently owes the group. This has happened on 1st of July 2025.

DFT has agreed to continue its support of STC cashflow by further part purchases of STC's existing loan to Ascension, subject to compliance with the loan terms between Ascension and DFT. The contracted commitment will support the Ascension loan to STC. There will be no interest charged on any support provided by DFT.

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, and considering the support to be provided by DFT no impairment loss has been recognised in the current year.

SENIOR TRUST CAPITAL LIMITED

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

NOTE 11: FINANCE RECEIVABLES (CONTINUED)

Forest Glen Limited Partnership (FGLP)

The loan to Forest Glen Limited Partnership of which the Group is a 73.8% (2024: 73.8%) joint venture partner as outlined in Note 12.

Details of the loan are as follows:

	2025 \$	2024 \$
Amount receivable at reporting date	26,453,457	16,614,127
Other loans included for Loan to value ratio (LVR) purposes:		
Cressida Capital Limited	-	6,525,444
Basecorp Finance Limited	-	1,071,842
Senior Trust Retirement Village Income Generator Limited	56,978,018	59,000,000
Pearl Fisher	9,096,810	7,109,938
Total loan for LVR purposes	<u>92,528,285</u>	<u>90,321,351</u>
Collateral Security Valuation		
25 Annalise Place, Orewa – Land	12,675,000	20,200,000
25 Annalise Place, Orewa – Building work in progress	58,825,000	61,280,000
31 Forest Glen, Orewa	-	1,739,130
13 Forest Glen, Orewa	-	1,850,000
Other Property Securities – Matakana	20,250,000	17,200,000
Collateral Security Valuation	<u>91,750,000</u>	<u>102,269,130</u>
Loan to Value Ratio	101%	88 %
Maximum Loan facility	32,000,000	24,000,000
Interest rate earned	16%	16%
Loan expiry date	31/12/2026	31/05/2025
Operator's Interest Discount rate	14%	15%

The loan securities are as follows:

- a) Third ranking all obligations mortgage over the village property 488 & 496c Hibiscus Coast Highway (after Senior Trust Retirement Village Income Generator Limited);
- b) Second ranking general security agreement from Forest Glen Limited Partnership and Coastal Properties Orewa Forest Glen Limited;
- c) All obligations guarantee and indemnity granted by Coastal Properties Orewa Forest Glen Limited.
- d) An all obligations unlimited Deed of Guarantee from Brendan Coghlan

FGLP is an aged covenanted apartment community under development in Orewa. The FGLP loan has been extended to 31 December 2026.

The fair value of the collateral securities at Orewa was based on a valuation performed by a registered valuer Eyles McGough dated 31 March 2025 (2024: Eyles McGough, 31 March 2024).

Valuation of this residential subdivision is based on a "market value" which is defined as the estimated amount for which an asset should exchange on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

SENIOR TRUST CAPITAL LIMITED

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

NOTE 11: FINANCE RECEIVABLES (CONTINUED)

Forest Glen Limited Partnership (Continued)

Valuation of this commercial property is based on a “market value” which is defined as the estimated amount for which an asset is should exchange on the date of the valuation between a willing buyer and a willing seller in an arm’s length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

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 (2024: Nil).

Senior Trust Capital Orewa Limited

The loan of \$400,000 (2024: \$400,000) to Senior Trust Capital Orewa Limited was reviewed and entered into on 20 December 2023 with an expiry date of 31 May 2026 (2024: 20 December 2023). This is supported by a deed of acknowledgement of debt dated 20 December 2023 signed by respective parties. The loan is interest free. This is a related party transaction (refer Note 18).

A second loan of \$108,600 (2024: Nil) to Senior Trust Capital Orewa Limited was reviewed and entered into on 01 September 2024 with an expiry date of 31 August 2028. This is supported by a deed of acknowledgement of debt dated 01 September 2024 signed by respective parties. The loan is interest free and month repayments are being made. This is a related party transaction (refer Note 18).

Stoney Creek GCO Limited

Details of the loan are as follows:

	2025	2024
Interest and Fees Receivable	-	97,666
Included in Trade & Other Receivables	-	97,666
Loans Receivable	5,469,907	5,469,907
Impairment Provision	(5,469,907)	(5,469,907)
Net Receivable	-	97,666

The loan to Stoney Creek GCO Limited, entered into on 4 August 2022 and varied on 5 May 2023, allowing for a maximum combined facility of \$23m between Senior Trust Retirement Village Income Generator (STRVIG) and Senior Trust Capital (STC). The loan expired 29 February 2024.

The loan securities are as follows:

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

SENIOR TRUST CAPITAL LIMITED
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

NOTE 11: FINANCE RECEIVABLES (CONTINUED)

Stoney Creek GCO Limited (Continued)

The collateral value of the security over the loans was estimated at \$22.3m (excluding GST) at 31 March 2024. The fair value of the collateral was based on a valuation performed by a registered valuer Eyles McGough dated 31 March 2024.

As noted above the loan to Stoney Creek GCO Limited was due for repayment on 29 February 2024 (expiry date).

The loan was fully provided for (i.e. Impaired) at 31 March 2024. The following events have occurred since that time

1. The property held as security for the loan is being realized under mortgagee sale process by STRVIG
2. At 31 March 2025 property had not yet been sold, but the sale process is continuing with a number of parties expressing interest
3. STRVIG have advised expected sale proceeds will be sufficient to repay their loan. There will be insufficient sale proceeds to cover any of the company's loan
4. Therefore, full provision for the loan is required at 31 March 2025

After undertaking the procedures outlined including reviewing credit risk characteristics relating to arrears and loan to value ratios, the Directors of Senior Trust Capital provided fully (i.e. Impaired) at 31 March 2024. The loan remains uncollectable at reporting date. Therefore no further provision in the current year is required (2024: \$5,469,907).

SENIOR TRUST CAPITAL LIMITED

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

NOTE 11: FINANCE RECEIVABLES (CONTINUED)

Senior Care Limited Partnership

Details of the loan are as follows:

	2025 \$	2024 \$
Amount receivable at reporting date	1,607,432	-
Impairment Provision	(607,432)	-
Loans included for Loan to value ratio (LVR) purposes		
Senior Trust Retirement Village Income Generator Limited	3,100,000	-
Total loans for LVR purposes	4,100,000	-
Collateral Security Valuation	4,108,696	-
Loan to Value Ratio	100%	
Maximum Loan facility	4,000,000	
Interest rate earned	16%	-
Loan expiry date	01/11/2029	-

The loan securities are as follows:

- a) Registered 2nd ranking mortgage over:
19 Annalise Place, Orewa, 13 Forest Glen Road, Orewa, 31 Forest Glen Road, Orewa
- b) Second Ranking General Security Agreement;
- c) All Obligations & Indemnity from Senior Care General Partner Limited;
- d) Deed of Priority & Subordination between Senior Care Limited Partnership, Senior Trust Retirement Village Income Generator Limited and Senior Trust Capital Limited.

The loan has been used to acquire three properties: 19 Annalise Place Orewa Auckland, 13 and 31 Forest Glen Orewa, Auckland, in preparation for the development of an assisted care living operation. These properties were all acquired from FGLP and are adjacent to the development at Forest Glen.

Senior Care is finalising a proposal for a respite / day care facility by refurbishing and modifying existing buildings on site. This will cater for local residents who can be referred to the facility. In addition, Retirement Village Residents, along with ACC Patients in the area also require similar services. An experienced manager (Live In) has been appointed to set up operational structures and systems. The target opening date is end of early first quarter 2026.

The Directors of the Group consider the quality of this loan to be satisfactory. After receipt of the independent valuers reports of loan securities the directors have provide for an impairment of \$607,432 to reflect the underlying security valuation.

SENIOR TRUST CAPITAL LIMITED

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

NOTE 12: EQUITY ACCOUNTED INVESTMENTS

(a) Joint Ventures

	Nature of relationship	Ownership interest		Measurement basis
		2025 %	2024 %	
Joint arrangement				
Forest Glen Limited Partnership	Partner	73.8	73.8	Equity accounted
Country of incorporation: New Zealand				
Principal place of business: Auckland				
Registration date: 29 November 2018				

SENIOR TRUST CAPITAL LIMITED

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

NOTE 12: INTERESTS IN JOINT ARRANGEMENTS (CONTINUED)

b) Summary financial information for joint ventures

Forest Glen Limited Partnership

Statement of Profit & Los for the Year Ended 31 March 2025

	2025	2024
	\$	\$
Sale of Apartments	14,866,087	-
Other Income	842,537	355,727
Fair value loss	(4,408,401)	-
Cost of sales	(20,464,139)	-
Finance costs	(5,176,184)	(3,050,445)
Other expenses	(1,212,266)	(760,222)
Taxation	(734,752)	-
Total comprehensive income	(16,287,118)	(3,454,940)
Group's share of total comprehensive income	(12,019,893)	(2,549,746)
Adjustment to groups share of losses as investment written off	8,541,814	-
	(3,478,079)	(2,549,746)
Group's % share of total comprehensive income	73.8%	73.8%

Statement of Financial Position as at 31 March 2025

	2025	2024
	\$	\$
Cash and cash equivalents	43,745	385,094
Receivables	1,624,446	1,705
Other Receivables	793,862	269,500
Property Plant & Equipment	80,000	-
Residential Subdivision	71,500,000	88,470,249
Total assets	74,042,053	89,126,548
GST (payable)/ receivable	(368,874)	575,695
Income tax payable	(734,752)	-
Other current liabilities	(1,077,134)	(1,542,927)
Borrowings	(83,200,508)	(83,211,413)
Total liabilities	85,381,268	84,178,645
Net assets/(liabilities)	(11,339,215)	4,947,903

Reconciliation to carrying amount of interest in joint venture:

Opening net assets	4,947,903	8,402,841
Add: Current year (loss) / profit	(16,287,118)	(3,454,938)
Closing net assets/(liabilities)	(11,339,215)	4,947,903
Group's % share of net assets	73.8%	73.8%

SENIOR TRUST CAPITAL LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

NOTE 12: INTERESTS IN JOINT ARRANGEMENTS (CONTINUED)

The Group's capital contribution to the Limited Partnership to date is \$6,489,757 (2024: \$6,489,757). The value of Forest Glen Limited Partnership is based on the Group's share (73.80%) of the Limited Partnership's net assets at reporting date.

Movements in Investment in Forest Glen by STC	2025	2024
Opening balance	3,478,079	4,201,421
Purchase of shares	-	2,000,000
Group share of profits/(losses) for the year	<u>(3,478,079)</u>	<u>(2,549,746)</u>
Group's share of net assets	-	3,651,675
Additional capital contributed by joint venture partner	<u>-</u>	<u>(173,596)</u>
Carrying amount of investment	<u>-</u>	<u>3,478,079</u>

The Limited Partnership has two limited partners – holding the following ownership proportions - Senior Trust Capital (STC) 73.8% and Coastal Retirement Limited (CRL) 26.2%.

While STC is entitled to a greater share of the returns from the joint venture i.e. 73.80% this must be distinguished from control. Neither limited partner has the power to direct the Limited Partnership's operating and financing activities as there is an 80% voting threshold in the Limited partnership agreement. Accordingly, the Directors have exercised their judgment and have concluded that STC does not have control over the Limited Partnership.

In addition, CRL had the option to reacquire these shares on 30 June, 2024. CRL did not exercised this option by the due date.

As such the Group's investment in the Limited Partnership has been accounted for using the equity method.

Forest Glen Limited Partnership has agreed a variation to its existing loan agreement with STRVIG (and other parties), for an injection of \$8 million of equity into the Forest Glen Limited Partnership from the Groups (minority) joint venture partner CRL. This is contracted to arrive no later than 24 November 2025 the \$8 million equity injection will be sourced from sale and or refinance of CRL's Matakana property which comprises the collateral security for Orewa Sands, reducing the value of the collateral security by an equivalent amount. This equity injection is required to be immediately applied towards debt reduction of STRVIG, the first ranking security holder (ahead of the group) in Orewa Sands.

SENIOR TRUST CAPITAL LIMITED

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

NOTE 12: INTERESTS IN JOINT ARRANGEMENTS (CONTINUED)

The underlying valuation of the property owned by the Partnership is recorded at fair value in its financial statements. As such the property is appraised annually by an independent external valuer. This valuation was carried out by Eyles McGough, independent registered valuers, on 31 March 2025, (2024: Eyles McGough Limited).

The Residential Subdivision consists of:	2025	2024
	\$	\$
25 Annalise Place, Orewa – Land	12,675,000	20,200,000
25 Annalise Place, Orewa – Building work in progress	21,525,000	61,280,000
Operators Interest	37,300,000	-
31 Forest Glen, Orewa	-	1,739,130
13 Forest Glen, Orewa	-	1,850,000
	<u>71,500,000</u>	<u>85,069,130</u>

The property is appraised annually by an independent external valuer. This valuation has been carried out by Eyles McGough, independent registered valuers, on 31 March 2025, (2024: Eyles McGough Limited).

SENIOR TRUST CAPITAL LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

NOTE 12: INTERESTS IN JOINT ARRANGEMENTS (CONTINUED)

25 Annalise Place, Orewa - The property has an area of 11,523 sqm and resource consent has been granted to develop a 120 (2024: 120) Residential Unit Retirement Village. The land was valued at \$17 million on acquisition.

31 Forest Glen Road, Orewa and 13 Forest Glen Road, Orewa have been sold in the 2025 financial year to Senior Care Ltd with finance provided by the group.

Borrowings

Senior Trust Capital Limited has a facility balance to the Limited Partnership of \$26.5 million (2024: \$16.6 million). The maximum facility of the loan is \$32.0m and it expires no later than 31 December 2025. The loan earns interest at a rate of 16% per annum (2024: 16%), refer Note 11.

Senior Trust Retirement Village Income Generator Limited has loaned the Limited Partnership \$56.9 million (2024: \$59 million). The loan earns interest at 11% (2024: 11%).

Cressida Capital had loaned the Limited Partnership \$6.5 million secured by a second mortgage. The facility is interest only and interest was charged at 12.95% which has been fully paid off in 2025.

Commitments and contingent liabilities

Forest Glen Limited Partnership does not have any commitments or contingent liabilities at 31 March 2025 (2024: Nil).

	Note	2025 \$	2024 \$
NOTE 13: PAYABLES			
CURRENT			
Trade creditors		39,889	65,036
<i>Sundry creditors and accruals</i>			
Distribution payable		1,180,024	1,024,320
Accrued expenses		126,851	51,023
PIE tax payable	6	-	56,991
		<u>1,346,764</u>	<u>1,197,370</u>

Trade creditors

Included in trade creditors are related party balances of \$23,243 (2024: \$44,085). Refer Note 17 and 18

SENIOR TRUST CAPITAL LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

NOTE 14: BORROWINGS

	Note	2025 \$	2024 \$
CURRENT			
Amounts payable to:			
Loan from Senior Trust Management Limited		2,130,000	-
Loan from Dadrew Trust		-	5,710,980
Loan from Trinity GP		9,500	-
<i>Secured liabilities</i>			
Bank overdraft		56,035	-
		<u>2,195,535</u>	<u>5,710,980</u>

Overdraft

The Group has an overdraft facility of \$1,000,000 (2024: \$1,000,000) with the Bank of New Zealand. This facility is secured by a first ranking general security agreement in favor of the Bank of New Zealand. Interest is charged at an average rate of 6.55% (2024: 10.95 %).

Loan from Senior Trust Management Limited

The Group has a facility loan of \$4,500,000 with Senior Trust Management Limited due 31 March 2026.

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

Loan from Dadrew Trust

The Group had a loan of \$5,710,980 with Dadrew Trust in 2024. The loan facility of \$6,000,000 had an interest rate of 8% pa and expired 20 September 2024. This loan was transferred to Ascension Villages Limited Partnership by way of deed of assignment of debt dated 1 November 2024.

NOTE 15: SHARE CAPITAL

Issued and paid-up capital

65,775,763 (2024: 55,603,515) Ordinary shares	65,386,647	55,224,598
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	2025		2024	
	Number	\$	Number	\$
(a) Ordinary shares				
Opening balance	55,603,515	55,224,598	45,896,503	45,507,037
Issue of shares	10,172,248	10,162,049	9,707,012	9,717,561
At reporting date	<u>65,775,763</u>	<u>65,386,647</u>	<u>55,603,515</u>	<u>55,224,598</u>

SENIOR TRUST CAPITAL LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

NOTE 15: SHARE CAPITAL CONTINUED)

(a) Ordinary shares (Continued)

Share transactions via the group's wholly owned subsidiary STEP Villages Limited Partnership

Ordinary shares	2025		2024	
	Number	\$	Number	\$
Acquisition of shares	520,800	531,000	210,526	200,000
Sale of Shares	-	-	-	-

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.

SENIOR TRUST CAPITAL LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

NOTE 16: EARNINGS PER SHARE

	Note	2025 \$	2024 \$
\$ per share			
Basic earnings per share		0.02	0.09
Diluted earnings per share		0.02	0.09

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 reporting date.

Reconciliation of earnings used in calculating earnings per share

Profit/(loss) attributable to the shareholders of the Group used in calculating earnings per share	<u>1,344,515</u>	<u>4,785,416</u>
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Weighted average number of shares used as the denominator

	Number of shares	Number of shares
Weighted average number of shares used as the denominator in calculating basic earnings per share	60,493,669	51,019,260
Weighted un-allotted shares issued after reporting date	<u>1,913</u>	<u>246</u>
Weighted average number of shares and potential shares used as the denominator in calculating diluted earnings per share	<u>60,495,582</u>	<u>51,019,506</u>

NOTE 17: KEY MANAGEMENT PERSONNEL COMPENSATION

Compensation received by key management personnel of the Group		
Salaries and bonuses	223,044	221,666
Director fees	<u>108,000</u>	<u>90,000</u>
	<u>331,044</u>	<u>311,666</u>

The key management personnel of the Group are the Directors:

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

Executive Director remuneration of \$223,044 (2024: \$Nil) was paid to Clive Jimmieson during the year.

The Group had an employment contract with John Jackson. Executive Director remuneration of \$Nil (2024: \$170,139) was paid to John Jackson during the year.

SENIOR TRUST CAPITAL LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

NOTE 17: KEY MANAGEMENT PERSONNEL COMPENSATION (CONTINUED)

The Group has a directorship contract with Andrew Franicevic. Remuneration of \$36,000 (2024: \$36,000) was paid during the year. The amount includes \$3,000 (2024: \$3,000) recorded in trade creditors (refer Note 13)

John Jackson received a quarterly shareholder distribution, on the same basis as to all other shareholders amounting to \$33,683 (2024: \$30,000).

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.

There was a management services agreement between the Group and Senior Trust Management Limited which was entered into on 7 March 2016.

This agreement between the company and STML has been mutually terminated with effect from 1 April 2025.

Forest Glen Limited Partnership

Forest Glen Limited Partnership is related as the Group is a 73.8% (2024: 73.8%) joint venture partner in the Forest Glen Limited Partnership.

Ascension Retirement Villages Limited Partnership

Ascension Villages LP is the owner of all issued shares in STC Orewa Limited which is one of the two partners of the general partnership Palm Grove Partnership holding a partnership interest equating to 80%. The company acquired a single partnership interest (1/1001) in Ascension Villages LP meaning that the two existing limited partners of Ascension Villages LP, Joseph Van Wijk and Neville Brummer each hold 500 shares and the company 1 partnership interest. The company has no representation within the general partner of Ascension Villages LP and no day to day or material decision making rights.

The benefit of any Net Income Loss received by Ascension Villages LP will be passed on proportionately through to the 3 limited partners, not in a 500/500/1 ratio, but instead in those specific circumstances. The company would benefit by adding the face value of its loan that has made available to Ascension Villages LP to its \$1 partnership interest, and so for practical purposes receiving almost the full benefit of the net income loss arising from the new arrangement. In essence then there will be no accumulated tax losses in Ascension Villages LP as Net Income Losses are allocated to the Limited partners annually as they accrue in the manner set out immediately preceding.

Dadrew Family Trust

One of the Directors of the Company (John Jackson) is a settlor and beneficiary of the Dadrew Family Trust. Andrew Franicevic is a co -director of the independent corporate trustee of Dadrew Family Trust.

To support the group's cashflow, STML has agreed that it will assign its existing \$2.13m loan that it is owed by the group to the Dadrew Trust. The Dadrew Trust will then release the group from its debt obligations, in exchange for the Dadrew Trust taking an assignment of \$2.13m from the existing loan that Ascension presently owes the group. The assignment was made 1st of July 2025.

SENIOR TRUST CAPITAL LIMITED

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

NOTE 18: RELATED PARTY TRANSACTIONS (CONTINUED)

	Note	2025 \$	2024 \$
(a) Transactions with Senior Trust Management Limited			
Consultancy and other fees		12,000	12,000
Management services expense		(200,038)	(395,744)
Interest expense	5	-	(345,609)
(b) Amounts due from/ (payable to) Senior Trust Management Limited			
Management services expense included in trade debtors	8	25,574	10,189
Overhead recharge expense included in trade creditors	13	(3,576)	(8,106)
Management services expense included in trade creditors	13	(16,667)	(32,979)
Loan line fee expense included in trade creditors	13	-	-
Interest payable included in trade creditors	13	-	-
Loan from Senior Trust Management Limited	14	(2,130,000)	-
(c) Amounts due from/ (payable to) Dadrew Trust			
Loan from Dadrew Trust	14	-	(5,710,980)
(d) Transactions with Dadrew Trust			
Interest expense	5	(267,868)	-
(e) Amounts due from/ (payable to) Trinity GP			
Loan from Trinity GP	14	(9,500)	-
(f) Transactions with Forest Glen Limited Partnership ('FGLP')			
Interest received	4	3,335,062	1,839,527
(g) Transactions with Forest Glen Limited Partnership			
Finance receivables	11	26,453,457	16,614,127
Interest receivable	8	344,741	325,704
(h) Transactions with Senior Trust Retirement Village Income Generator Limited			
Brokerage fees	4	230,492	86,626
(i) Amounts due from/ (payable to) Senior Trust Retirement Village Income Generator Limited			
Brokerage fees in trade debtors	8	80,308	32,575
(j) Transactions with Foley Hughes			
Andrew Franicevic is a principal at Foley Hughes			
Legal fees paid		(77,146)	(56,894)

SENIOR TRUST CAPITAL LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

NOTE 19: CAPITAL AND LEASING COMMITMENTS

There is no material capital or leasing commitments at reporting date (2024: Nil).

NOTE 20: CONTINGENT LIABILITIES

- a.) Senior Trust Capital Limited has provided a guarantee in favor of the Bank of New Zealand up to the value of \$34,480,000 (2024: \$34,480,000) for all amounts payable by Palm Grove Partnership to the Bank of New Zealand. The Group has no other contingent liabilities at year end (2024: Nil).
- b.) The Financial Markets Authority is currently undertaking an investigation into the company. An investor communication was sent to all investors date 27 June 2025. At this stage the outcome and any potential financial impact is uncertain. No provision has been recognized as at 31 March 2025. However, the matter represents a contingent liability due to the inherent uncertainty of the regulatory process.

NOTE 21: COMPARATIVE INFORMATION

The prior year comparatives include a reclassification between line items in the Statement of Cash Flows. Intention of the reclassification is to align the cash receipts from retirement villages between capitalised interest received in cash rather than repayment of principal previously included in net loans advance to retirement villages. The impact on the financial statements is as follows:

	As Previously Stated	Adjustment	Restated Figure
Interest received – customers	2,338,711	438,026	2,776,737
Net cash from operating activities	2,033,262	438,026	2,471,288
Net loans advanced to retirement villages (receivable)	(8,139,351)	(438,026)	(8,577,377)
Net cash from (used in) investing activities	(10,139,351)	(438,026)	(10,577,377)

NOTE 22: EVENTS SUBSEQUENT TO REPORTING DATE

The following transactions have occurred subsequent to reporting date:

1. The management services agreement between the company and STML mutually terminated with effect from 1 April 2025
2. The company has withdrawn its Product Disclosure Statement effective 14 May 2025 and therefore the company is no longer accepting investment applications
3. The loan to Forest Glen LP expired on 31 May 2025 and was renewed with an expiry 31 December 2026 and the loan limit was increased to \$32.0M

There has been other no matter or circumstance, which has arisen since 31 March 2025 that has significantly affected or may significantly affect:

- (a) the operations, in financial years subsequent to 31 March 2025, of the Group, or
- (b) the results of those operations, or
- (c) the state of affairs, in financial years subsequent to 31 March 2025, of the Group.