

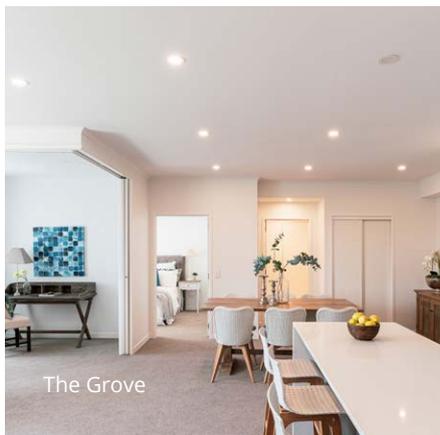
2021 Annual Report  
Senior Trust Retirement Village Listed Fund



Quail Ridge



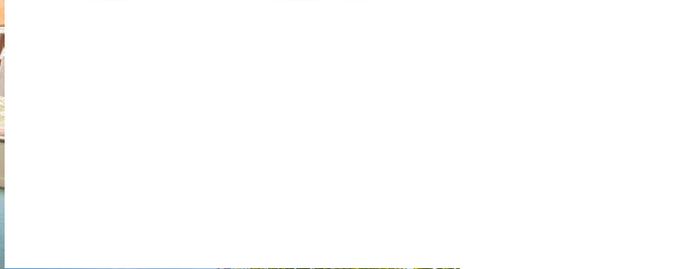
Quail Ridge



The Grove



Whitby Lakes



The Grove



Quail Ridge

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This 2021 Annual Report is a concise summary of our activities and financial position. All figures are expressed in New Zealand currency unless otherwise stated. Revenues and expenses are recognised exclusive of Goods and Services Tax.



Whitby Lakes



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Quail Ridge

# Letter From The Board

Dear Unitholder,

Welcome to the Senior Trust Retirement Village Listed Fund (“the Fund”) 2021 Annual Report. This is the final report for the Fund as it terminated as planned on the Maturity Date, being 11 March 2021.

We are pleased to report that during the year the Fund continued its track record of exceeding the long term targeted distribution rate of 6% pre-tax per annum. During the life of the Fund, we consistently met or exceeded all our targets and returned all funds to Unitholders by the Maturity Date.

Senior Trust Management Limited (“the Manager”) achieved these results by actively identifying loans which adhered to our long established investment principles. Lending to well located, soundly run, premium retirement village developments. We engaged with retirement village’s throughout New Zealand to deliver on our objective of providing a consistent, attractive return whilst effectively managing risk.

The COVID environment has highlighted the value of the Manager positioning itself as a specialist lender to the retirement village and aged care sector. Given the impact of the pandemic on the New Zealand economy, we consider that the retirement village sector demonstrated resilience during this challenging time.

The aging population is underpinning a growth in the retirement village sector which is also fuelled by the attractiveness of retirement village living for many senior New Zealander’s. Covid accentuated the benefits of added security and opportunities for socialisation.

The benefit of focusing exclusively in this sector has enabled the Manager to develop a depth of expertise and specialist industry knowledge. The manager has also developed a network of industry experts which provides us the opportunity to tap into significant knowledge creating additional opportunities for ongoing growth.

The Manager was an early applicant in regards to acquiring a Managed Investment Scheme licence and throughout the life of the Fund was focused on ensuring adherence to both our compliance and

regulatory obligations. We consider that the Manager demonstrated it’s commitment to a programme of continued development of our operating systems in order to provide our investors with not only a superior return but also a superior service.

We hope that our Unitholders had a good investor experience and we would like to thank you for your investment support.

The Board



A handwritten signature in black ink, appearing to read 'S. Lester'.

Scott Lester, Director



A handwritten signature in black ink, appearing to read 'J van Wijk'.

Joseph van Wijk, Independent Director



A handwritten signature in black ink, appearing to read 'N Brummer'.

Neville Brummer, Independent Director



Quail Ridge

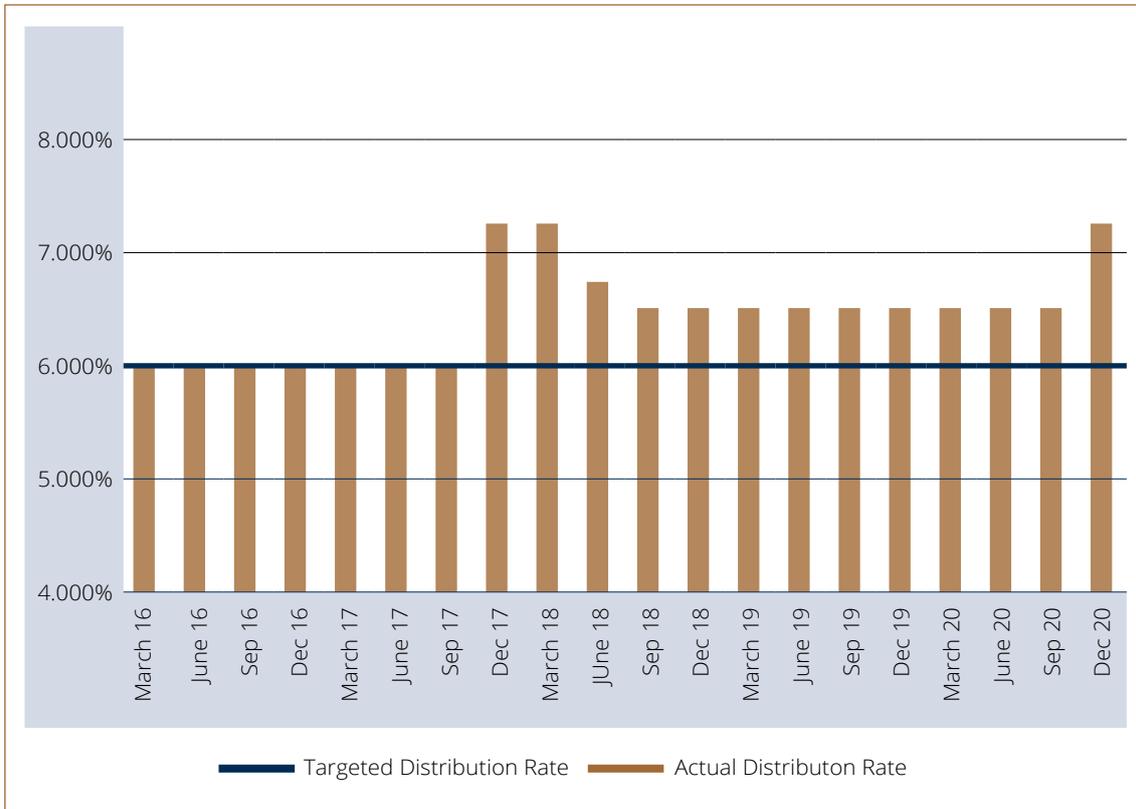


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## A History Of Attractive Returns Through The Life Of The Fund



All loans repaid in full  
by expiry date

Investor capital returned  
prior to wind-up  
of the Fund

Achieved and  
exceeded targeted  
distribution rate  
during the life of the Fund

All other targets either  
achieved or exceeded  
during the life of the Fund



Whitby Lakes



The Grove



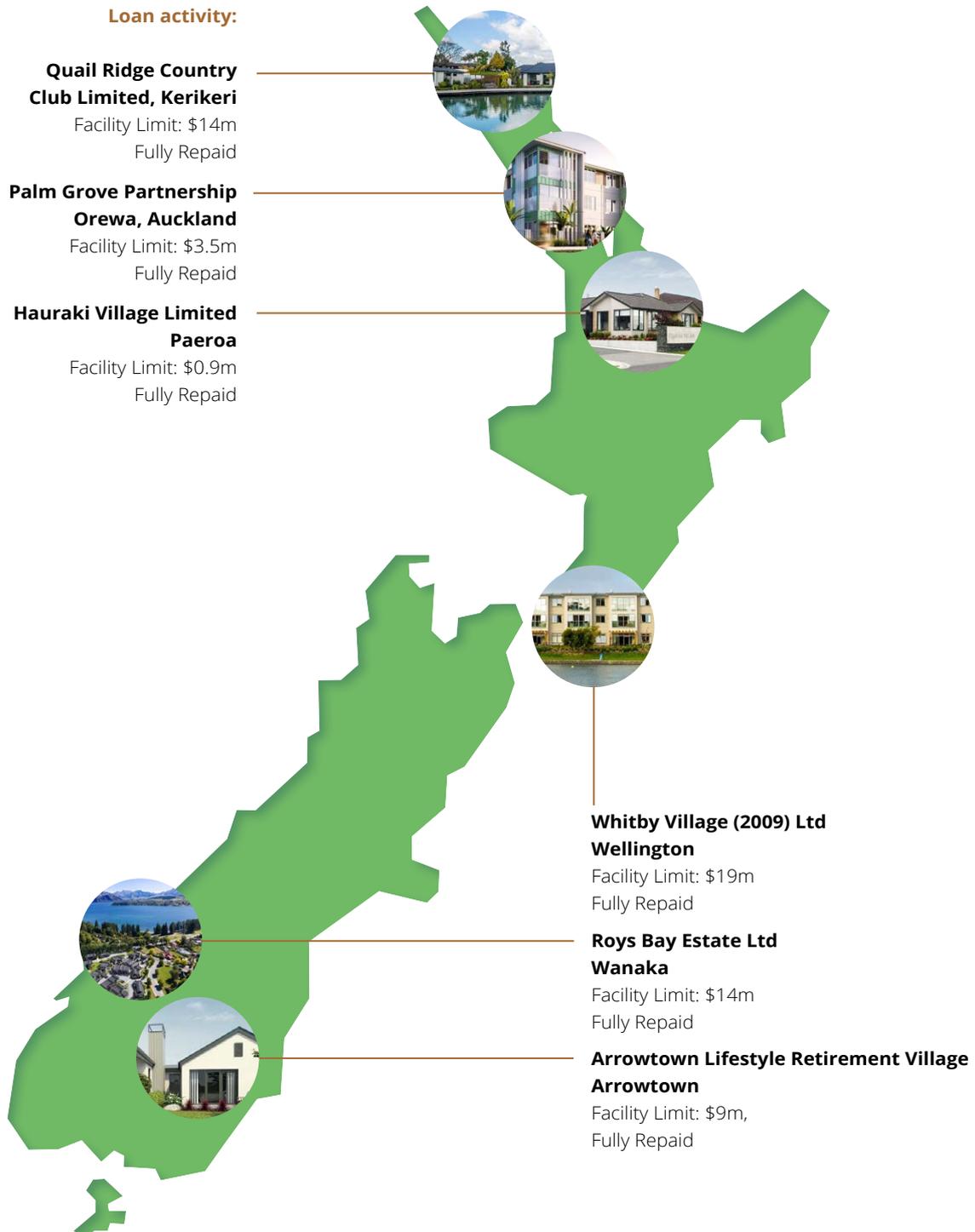
Whitby Lakes

# Specialist Lender To The Retirement Village Industry

The Fund operated exclusively within the retirement village and aged care sector, in order to capitalise on the continued expanding demand for quality senior housing in New Zealand.

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

## Loan activity:



**Quail Ridge Country Club Limited, Kerikeri**

Facility Limit: \$14m  
Fully Repaid

**Palm Grove Partnership Orewa, Auckland**

Facility Limit: \$3.5m  
Fully Repaid

**Hauraki Village Limited Paeroa**

Facility Limit: \$0.9m  
Fully Repaid

**Whitby Village (2009) Ltd Wellington**

Facility Limit: \$19m  
Fully Repaid

**Roys Bay Estate Ltd Wanaka**

Facility Limit: \$14m  
Fully Repaid

**Arrowsdown Lifestyle Retirement Village Arrowsdown**

Facility Limit: \$9m,  
Fully Repaid

# Our Board and Management Team



# Corporate Governance

We recognise that our commercial success and our ability to deliver on our strategic goals requires strong governance.

Corporate governance is the system by which entities are directed and controlled. It influences how an organisation's sets it's values, achieves objectives, assesses and monitors risk and strengthens performances.

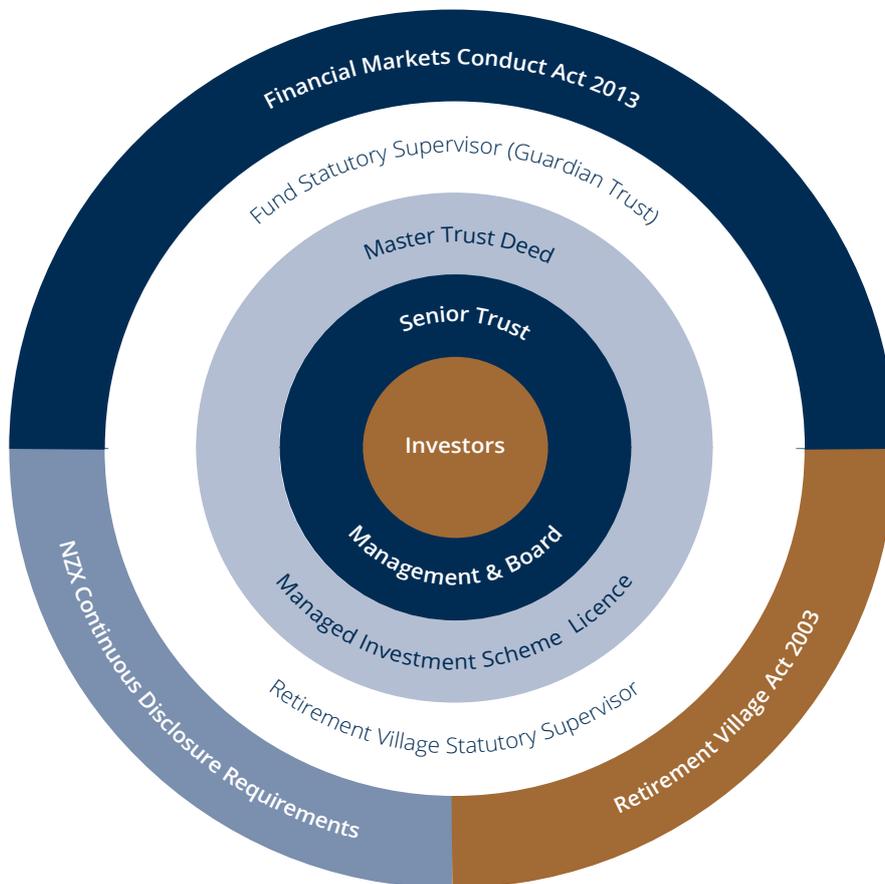
The Board's corporate governance framework is designed to adhere to best practice and ensures that our activity is undertaken on a commercial basis. The governance framework was structured to take into account both the Financial Markets Conduct Act 2013 and the NZX Corporate Governance Code. During the life of the Fund, the Board regularly reviewed

the governance structure to ensure that it remained relevant and would deliver the outcomes expected.

We are pleased to report that the experienced Senior Trust team, established investment principles and governance framework enabled us to deliver on and exceed the objectives of the Fund.

The Fund also engaged a supervisor The New Zealand Guardian Trust Company Limited ("Guardian Trust"). Guardian Trust's role included overseeing the management and administration of the Fund to ensure compliance with the governing documents.

In respect to the wider regulatory environment, where our borrowers are a registered retirement village they are required to adhere to the Retirement Village Acts 2003





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Senior Trust Retirement Village Listed Fund (In Wind Up)

# Financial Statements

For the period ended 11 March 2021



Quail Ridge

SENIOR TRUST RETIREMENT VILLAGE LISTED FUND (IN WIND-UP)  
FINANCIAL STATEMENTS FOR THE PERIOD ENDED 11 MARCH 2021 (IN WIND-UP)

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SENIOR TRUST RETIREMENT VILLAGE LISTED FUND (IN WIND-UP)  
FINANCIAL STATEMENTS FOR THE PERIOD ENDED 11 MARCH 2021 (IN WIND-UP)

BUSINESS DIRECTORY

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IRD number	117-982-076
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Nature of business	Investment
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Registered office	Foley Hughes Level 1, 20 Beaumont Street Freemans Bay Auckland, 1110
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Directors (Manager)	Joseph van Wijk Scott Daniel Lester Neville Brummer
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Supervisor	The New Zealand Guardian Trust Company Limited
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Manager	Senior Trust Management Limited
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Bankers	Bank of New Zealand
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Auditors	William Buck Audit (NZ) Limited
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Accountants	Baker Tilly Staples Rodway Auckland Limited
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SENIOR TRUST RETIREMENT VILLAGE LISTED FUND (IN WIND-UP)  
INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS  
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (IN WIND-UP)



### Opinion

We have audited the financial statements of Senior Trust Retirement Village Listed Fund (the Fund), which comprise the statement of financial position as at 11 March 2021, and the statement of comprehensive income, statement of changes in net assets attributable to unitholders and statement of cash flows for the eleven-month period then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 11 March 2021, and of its financial performance and its cash flows for the eleven-month period then ended in accordance with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with Professional and Ethical Standard 1 (Revised) Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Realization Basis and not a Going Concern section, we have determined the matter described below to be the key audit matter to be communicated in our report.

**CHARTERED ACCOUNTANTS  
& ADVISORS**

Level 4, 21 Queen Street  
Auckland 1010, New Zealand  
PO Box 106 090  
Auckland 1143, New Zealand  
Telephone: +64 9 366 5000  
[williambuck.co.nz](http://williambuck.co.nz)

William Buck Audit (NZ) Limited



SENIOR TRUST RETIREMENT VILLAGE LISTED FUND (IN WIND-UP)  
 INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS  
 REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS CONTINUED (IN WIND-UP)



REALISATION BASIS	
Area of focus Refer also to Notes 1, 9 and 11	How our audit addressed it
<p>The Fund terminated on 11 March 2021 and as such the financial statements were prepared on a realisation basis.</p> <p>All loans receivable were repaid before termination date.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> <li>— Review of the accounting policies</li> <li>— Review of all loan repayments</li> </ul> <p>We assessed the adequacy of the Fund's disclosures in respect of the termination.</p>
REPAYMENT TO INVESTORS	
Area of focus Refer also to Notes 1 and 11	How our audit addressed it
<p>The Fund terminated on 11 March 2021, all units were redeemed prior to termination.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> <li>— Review all distributions calculation and payments</li> <li>— Review documentation and calculation of all redemptions</li> </ul> <p>We ensured appropriate documentation was in place and payments made to unit holders has been completed on an appropriate equitable basis</p>

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

The Manager is responsible for the other information in the Annual Report. The other information comprises the information included in the annual report on pages 5 to 12 and pages 43 to 47 but does not include the financial statements and our auditor's report thereon.

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

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

SENIOR TRUST RETIREMENT VILLAGE LISTED FUND (IN WIND-UP)  
INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS  
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS CONTINUED (IN WIND-UP)



**Managers' Responsibilities**

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

In preparing the financial statements, the Manager is responsible on behalf of the Fund for assessing the Fund'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 Manager either intends to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

A further description of our responsibilities for the audit of these financial statements is located at the External Reporting Board (XRB) website at:

<https://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-2/>

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

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

**Restriction on Distribution and Use**

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

A handwritten signature in blue ink that reads "William Buck".

**William Buck Audit (NZ) Limited**

Auckland

21 April 2021

SENIOR TRUST RETIREMENT VILLAGE LISTED FUND (IN WIND-UP)  
STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 11 MARCH 2021

	Note	11 months 2021 \$	12 months 2020 \$
<b>Revenue and other income</b>			
Interest income	4	3,126,929	4,693,394
<b>Less: expenses</b>			
Administration and compliance expense	5	(1,204,993)	(1,644,748)
<b>Profit before income tax expense</b>		<b>1,921,936</b>	<b>3,048,646</b>
Income tax expense	6	(547,340)	(853,621)
<b>Net profit</b>		<b>1,374,596</b>	<b>2,195,025</b>
<b>Other comprehensive income for the period</b>		-	-
<b>Total comprehensive income</b>		<b>1,374,596</b>	<b>2,195,025</b>
<b>Earnings per unit</b>			
Unaudited basic earnings per unit after tax (cents)	12	4.5	5.1
Unaudited diluted earnings per unit after tax (cents)	12	4.5	5.1

The accompanying notes form part of these financial statements.

SENIOR TRUST RETIREMENT VILLAGE LISTED FUND (IN WIND-UP)  
STATEMENT OF FINANCIAL POSITION AS AT 11 MARCH 2021

	Note	11 March 2021 \$	31 March 2020 \$
<b>Current assets</b>			
Cash and cash equivalents	7	24,675	5,446,876
Receivables	8	-	381,210
Finance receivables	9	-	38,323,032
Prepayments		-	7,957
Deferred tax assets	6	-	9,262
<b>Total current assets</b>		<b>24,675</b>	<b>44,168,337</b>
<b>Total assets</b>		<b>24,675</b>	<b>44,168,337</b>
<b>Current liabilities</b>			
Payables	10	24,675	914,789
Current tax liabilities		-	279,917
<b>Total current liabilities</b>		<b>24,675</b>	<b>1,194,706</b>
<b>Total liabilities</b>		<b>24,675</b>	<b>1,194,706</b>
<b>Net assets attributable to Unitholders</b>		<b>-</b>	<b>42,973,631</b>
Units	11	-	42,472,878
Retained earnings		-	500,753
<b>Net assets attributable to Unitholders</b>		<b>-</b>	<b>42,973,631</b>

Signed in accordance with a resolution of the Manager.



Scott Lester, Director



Neville Brummer, Independent Director

21 April 2021

The accompanying notes form part of these financial statements.

SENIOR TRUST RETIREMENT VILLAGE LISTED FUND (IN WIND-UP)  
 STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS  
 FOR THE PERIOD ENDED 11 MARCH 2021

	Units \$	Retained earnings \$	Total equity \$
<b>Balance as at 1 April 2019</b>	42,843,442	298,995	43,142,437
Total comprehensive income for the period	-	2,195,025	2,195,025
<b>Transactions with Unitholders:</b>			
Redemption of investor units	(370,564)	-	(370,564)
Distribution to Unitholders	-	(1,993,267)	(1,993,267)
<b>Total transactions with Unitholders</b>	<u>(370,564)</u>	<u>(1,993,267)</u>	<u>(2,363,831)</u>
<b>Balance as at 31 March 2020</b>	<u>42,472,878</u>	<u>500,753</u>	<u>42,973,631</u>
<b>Balance as at 1 April 2020</b>	42,472,878	500,753	42,973,631
<b>Total comprehensive income for the year</b>	-	1,374,596	1,374,596
<b>Transactions with Unitholders:</b>			
Redemption of investor units	(42,472,878)	-	(42,472,878)
Distribution to Unitholders	-	(1,875,349)	(1,875,349)
<b>Total transactions with Unitholders</b>	<u>(42,472,878)</u>	<u>(1,875,349)</u>	<u>(44,348,227)</u>
<b>Balance as at 11 March 2021</b>	<u>-</u>	<u>-</u>	<u>-</u>

The accompanying notes form part of these financial statements.

SENIOR TRUST RETIREMENT VILLAGE LISTED FUND (IN WIND-UP)  
STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 11 MARCH 2021

	Note	11 March 2021 \$	31 March 2020 \$
<b>Cash flow from operating activities</b>			
Interest received from borrowers		3,508,139	4,713,489
Payments to suppliers		(1,590,261)	(1,638,545)
Income tax paid		(817,995)	(836,128)
<b>Net cash provided by operating activities</b>	14(a)	<b><u>1,099,883</u></b>	<b><u>2,238,816</u></b>
<b>Cash flow from investing activities</b>			
Proceeds from retirement villages		38,184,105	585,542
Proceeds from Manager		138,927	138,927
<b>Net cash used in investing activities</b>		<b><u>38,323,032</u></b>	<b><u>724,469</u></b>
<b>Cash flow from financing activities</b>			
Proceeds from units allotted		-	50,000
Units withdrawn by unitholders		(42,472,878)	(370,564)
Unitholder distributions paid		(2,372,238)	(1,992,455)
<b>Net cash used in financing activities</b>		<b><u>(44,845,116)</u></b>	<b><u>(2,313,019)</u></b>
<b>Reconciliation of cash and cash equivalents</b>			
Cash at beginning of the financial year		5,446,876	4,796,610
Net increase / (decrease) in cash held		(5,422,201)	650,266
<b>Cash and cash equivalents at end of financial year</b>	7	<b><u>24,675</u></b>	<b><u>5,446,876</u></b>

The accompanying notes form part of these financial statements.

SENIOR TRUST RETIREMENT VILLAGE LISTED FUND (IN WIND-UP)  
NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 11 MARCH 2021

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements are for Senior Trust Retirement Village Listed Fund (In Wind-Up) (the 'Fund').

In accordance with the Master Trust Deed, within 10 working days after the Date of Termination was determined, a copy of the resolution to wind up the Fund was lodged with the Financial Markets Authority. The date of termination of the fund was resolved as 11 March 2021, accordingly these financial statement are for an 11 month period.

The Fund is a unit trust established by deed dated 11 September 2015 between Corporate Trust Limited (Trustee) and Senior Trust Management Limited (Manager). On 23 November 2015, Corporate Trust Limited retired as Trustee and The New Zealand Guardian Trust Company Limited was appointed as the new Trustee.

The Fund is a for-profit entity for the purpose of complying with New Zealand Generally Accepted Accounting Practice.

The Fund's principal business activity is to make loans secured over mortgages of retirement villages and aged care facilities and to invest in any debt security issued by a New Zealand registered bank or any other rated institution that has a credit rating of at least BBB from Standard & Poor's (or an equivalent rating from another internationally recognised rating agency).

The Fund is listed on the New Zealand Stock Exchange (NZX) and was a FMC reporting entity for the purpose of the Financial Markets Conduct Act 2013. The fund was delisted on 12 February 2021.

The units in the Fund were issued in reliance on the exclusion for offers of the financial product of the same class as quoted financial products in Clause 19 of Schedule 1 of the Act. As a result of relying on that exclusion, the Manager was not required to issue a Product Disclosure Statement for the offer of Units in the Fund.

The financial statements were authorised for issue by the Manager of the Fund on 21 April 2021.

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

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(a) Basis of preparation of the financial statements**

*Statement of compliance*

The financial statements of the Fund 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 financial statements have been prepared in accordance with the requirements of Part 7 of the Financial Markets Conduct Act 2013.

*Measurement base - realisation basis and not a going concern*

The maturity date of the fund is 11 March 2021 and the fund terminated on 11 March 2021. As this Fund is no longer considered a going concern, its financial statements are prepared on a realisation basis. The units were fully redeemed based on the net assets of the Fund. Units were issued at \$1 per unit. The units at redemption were \$1.

**(b) Functional and presentation currency**

The financial statements are presented in New Zealand dollars which is the Fund's functional and presentation currency.

**(c) Goods and services tax (GST)**

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

**(d) Income tax**

Current income tax expense or revenue is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities.

Deferred tax assets and liabilities are recognised for temporary differences at the applicable tax rates when the assets are expected to be recovered or liabilities are settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(e) Revenue and other income**

*Interest income*

Refer note 1(f).

*Registry income*

Registry income relates to fees payable by a unitholder when they subscribe for units in the Fund. There are no goods or services to be provided to the unitholder. Revenue is recognised when the units are allotted to the unitholder.

*Other income*

Other income is recognised as it is earned.

**(f) Financial instruments**

*Classification*

The Fund classifies its financial instruments as amortised cost.

*Financial assets*

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Financial assets consist of trade and other receivables, finance receivables and cash and cash equivalents.

*Measurement*

At initial recognition, the Fund measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

Cash and cash equivalents - Cash and cash equivalents include cash on hand and at banks.

Finance receivables - Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a finance receivable that is subsequently measured at amortised cost is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

*Interest income*

Interest income is recognised in the profit or loss 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.

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(f) Financial instruments (Continued)**

*Impairment*

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

*Impairment (Continued)*

The Fund assesses on a forward looking basis the expected credit losses associated with its finance receivables carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 3(a) details how the Fund 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 other receivables, the Fund applies the simplified approach permitted by NZ IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. To measure the expected credit losses, other receivables have been grouped based on shared credit risk characteristics and the days past due.

*Financial liabilities*

Financial liabilities include trade payables and other creditors.

Financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Financial liabilities are classified as current liabilities unless the Funds has an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

**(g) Units**

Units are classified as equity. Incremental costs, net of tax, directly attributable to the issue of new units are deducted from the proceeds of the issue and are shown in net assets attributable to Unitholders.

Distributions on units are recognised in equity in the period which they are approved by the Manager.

**(h) Segment reporting**

The fund operates in one segment as an investment fund portfolio in New Zealand.

SENIOR TRUST RETIREMENT VILLAGE LISTED FUND (IN WIND-UP)  
 NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 11 MARCH 2021

**NOTE 2: SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS**

The preparation of financial statements requires the use of management judgements, estimates and assumptions that affect reported amounts and the application of policies. In particular, significant management judgements and estimates have been exercised when reporting on the credit risks and quality of loans and the Fund's forecast liquidity. The estimates and associated assumptions are based on the historical experiences of the Manager and various other factors that are believed to be reasonable including forecasts of future conditions. However, as with most account balances, their value is subject to variation with market fluctuations.

Significant estimates relate to impairment of loans. Loans were fully repaid prior to maturity of the Fund and as a result no loans are recorded on the Statement of Financial Position at reporting date. Impairment of loans was estimated as nil in the prior year.

**NOTE 3: FINANCIAL RISK MANAGEMENT**

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

- (a) Credit risk
- (b) Liquidity risk
- (c) Interest rate risk

The fund was terminated on 11 March 2021 and financial assets and liabilities were settled prior to termination other than the bank balance left to pay the remaining accruals. Accordingly the Fund is not exposed to any significant financial risks.

Prior to termination the primary responsibility for identification and control of financial risks previously rests with the Directors of the Manager. The Directors of the Manager review and agree policies for managing each of the risks identified above.

The Manager previously used different methods to measure and manage different types of risks to which it is exposed. Ageing analyses and monitoring of specific credit allowances were undertaken to manage credit risk. Liquidity risk was monitored through the development of future rolling cash flow forecasts.

The Fund holds the following financial instruments:

	<b>11 March 2021</b>	<b>31 March 2020</b>
	<b>\$</b>	<b>\$</b>
<b>Financial assets – amortised cost</b>		
Cash and cash equivalents	24,675	5,446,876
Receivables	-	381,210
Finance receivables	-	38,323,032
	<u>24,675</u>	<u>44,151,118</u>
<b>Financial liabilities – amortised cost</b>		
Payables	<u>24,675</u>	<u>914,789</u>
	<u>24,675</u>	<u>914,789</u>

**NOTE 3: FINANCIAL RISK MANAGEMENT (CONTINUED)**

**(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 subjected the Fund to credit risk consisted primarily of cash, finance receivables and other receivables.

The Manager performed credit evaluations on all borrowers requiring advances. The Manager required collateral or other security to support loans and advances, as set out in the Fund's Information Memorandum and Statement of Investment Policy and Objectives. The Directors of the Manager reviewed all loans and any overdue loans are assessed on a regular basis.

The Manager reviewed each loan against its internal risk matrix.

The categories that were assessed included liquidity, any management issues and security.

In particular, the Manager took the following steps to manage this risk:

- Focused on lending to operators with a track record of proven performance and who had a material stake in the entity.
- Undertook extensive due diligence including assessment of credit risk and the nature of any prior ranking securities.
- Restricted the term of loans to the Maturity Date of the Fund where practicable, and ensured any loans complied with the Fund's lending criteria.
- Closely monitored the performance of the entity and loan repayments.
- Refinanced the term of the loan, or enforced the loan, if necessary. Refinancing a loan carried its own risks in that the possibility of future default increased. In addition, if a retirement or aged care operator required refinancing in order to repay the loan and was unsuccessful in securing refinancing, this may have impacted the ability to meet the targeted distribution rate or pay the principal back when due.
- Reviewed valuation reports
- Reviewed current economic conditions
- Ensuring 60% LVR restriction.
- As required by the Trust Deed, all cash and cash equivalents were held with a New Zealand registered bank. Loans were fully repaid prior to maturity of the Fund.

*Maximum Exposure to Credit Risk*

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

**NOTE 3: FINANCIAL RISK MANAGEMENT (CONTINUED)**

**(a) Credit risk (Continued)**

*Maximum Exposure to Credit Risk (Continued)*

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

Loans were fully repaid prior to maturity of the Fund and as a result no loans were recorded on the statement of financial position at reporting date. Impairment of loans was estimated as nil in the prior year.

*Credit Quality per Class of Financial Assets*

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

Cash and cash equivalents are designated as high grade and all other financial assets were designated as standard grade.

*Collateral and Other Credit Enhancements*

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

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

All loans, with the exception of the loan to Whitby Village (2009) Limited and Palm Grove Partnership, were secured by first mortgage advances over retirement villages subject to a first ranking encumbrance registered in favour of the statutory supervisor.

Whitby Village (2009) Limited and Palm Grove Partnership were secured by second mortgage advances over the retirement village, and were subject to a first ranking encumbrance registered in favour of the statutory supervisor.

SENIOR TRUST RETIREMENT VILLAGE LISTED FUND (IN WIND-UP)  
 NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 11 MARCH 2021

**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 fund had concentration risk as its assets were concentrated in a small number of loans, in a specific sector of the retirement village and aged care industry.

The Manager managed, limited and controlled concentrations of credit risk, in particular, to individual retirement village and geographic location by monitoring on an ongoing basis and conducted annual or more frequent reviews, when considered necessary. However the Directors do not allocate asset investment to specific geographic areas but focused on the demographic demand within the catchment area for each retirement village.

Nil (2020: 99.6%) of the Fund's loans are to the retirement village industry and nil (2020: 0.4%) are to the Fund's Manager as the loans had been repaid prior to termination of the Fund.

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

	<b>11 March</b>	<b>31 March</b>
	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Auckland	-	3,592,646
Rest of North Island	-	25,732,975
South Island	-	8,997,411
	<u>-</u>	<u>38,232,032</u>

**(b) Liquidity risk**

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

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

Net assets attributable to Unitholders were repaid prior to the fund maturing on 11 March 2021.

SENIOR TRUST RETIREMENT VILLAGE LISTED FUND (IN WIND-UP)  
 NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 11 MARCH 2021

**NOTE 3: FINANCIAL RISK MANAGEMENT (CONTINUED)**

**(b) Liquidity risk (Continued)**

**Maturity analysis**

The tables below present contractual undiscounted cash flows payable to the Fund for financial instruments and unrecognised loan commitments based on contractual maturity (which is the same as expected maturity).

	<b>On demand</b>	<b>0 -12 months</b>	<b>1-2 years</b>	<b>Total contractual cash flows</b>	<b>Carrying amount</b>
<b>11 March 2021</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Cash and cash equivalents	24,675	-	-	24,675	24,675
Payables	(24,675)	-	-	(24,675)	(24,675)
<b>Net maturities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>31 March 2020</b>					
Cash and cash equivalents	5,446,876	-	-	5,446,876	5,446,876
Receivables	381,210	-	-	381,210	381,210
Finance receivables	-	42,323,433	-	42,323,433	38,323,032
Payables	(914,789)	-	-	(914,789)	(914,789)
<b>Net maturities</b>	<b><u>4,913,297</u></b>	<b><u>42,323,433</u></b>	<b><u>-</u></b>	<b><u>47,236,7308</u></b>	<b><u>43,236,329</u></b>

**(c) Interest rate risk**

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

The only financial instruments that exposed the Fund to interest rate risk was cash and cash equivalents. Any change in the bank interest rate would appear to be minimal in the current market and had no marked effect on profit or equity.

Interest rates on finance receivables were fixed rates so were not subject to rate change.

SENIOR TRUST RETIREMENT VILLAGE LISTED FUND (IN WIND-UP)  
 NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 11 MARCH 2021

**NOTE 3: FINANCIAL RISK MANAGEMENT (CONTINUED)**

**(c) Interest rate risk (Continued)**

The Fund'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, was as follows:

**11 March 2021**

<b>Financial instruments</b>	<b>Interest bearing \$</b>	<b>Non-interest bearing \$</b>	<b>Total carrying amount \$</b>	<b>Weighted average interest rate</b>
<i>Financial assets</i>				
Cash and cash equivalents	24,675	-	24,675	0.1 %
<i>Financial liabilities</i>				
Payables	-	24,675	24,675	NA

**31 March 2020**

<i>Financial assets</i>				
Cash and cash equivalents	5,446,876	-	5,446,876	0.1 %
Receivables	-	381,210	381,210	NA
Finance receivables	38,323,032	-	38,323,032	11.8 %
	<u>43,769,908</u>	<u>381,210</u>	<u>44,151,118</u>	
<i>Financial liabilities</i>				
Payables	-	914,789	914,789	NA

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

**(d) Fair values compared with carrying amounts**

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

**(e) Priority of creditors' claims in the event of the Fund liquidating or ceasing to trade**

The fund terminated on 11 March 2021. In the prior year the Fund did not grant any person any security interest in any of its property so there was no priority of creditors' claims in the event of the Fund liquidating or ceasing to trade. All creditors ranked equally.

SENIOR TRUST RETIREMENT VILLAGE LISTED FUND (IN WIND-UP)  
 NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 11 MARCH 2021

	<b>11 March 2021 \$</b>	<b>31 March 2020 \$</b>
<b>NOTE 4: REVENUE AND OTHER INCOME</b>		
<i>Revenue from financial instruments</i>		
<i>Interest income</i>		
Whitby Village (2009) Limited	797,037	1,642,091
Palm Grove Partnership	339,150	510,819
Quail Ridge Country Club Limited	1,110,384	1,378,220
Roys Bay Estate Limited	874,061	1,112,520
Senior Trust Management Limited	4,385	15,552
Bank	1,912	34,192
	<u>3,126,929</u>	<u>4,693,394</u>

The fund operated in one geographical area - New Zealand.

**NOTE 5: OPERATING PROFIT**

Profit before income tax has been determined after:

*Administration and compliance expense*

- Administration expenses	33,801	43,170
- Compliance expenses	191,243	97,009
- Management fees (refer note 13)	947,845	1,470,299
- Trustee fees	32,104	34,270
	<u>1,204,993</u>	<u>1,644,748</u>

Remuneration of auditors for:

*William Buck Audit (NZ) Limited*

Audit and assurance services

- Audit of the financial statements	12,000	23,000
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*Trustee's Fees*

The Trustee's remuneration for carrying out the Trustee's functions in relation to the Fund was an annual fee agreed from time to time between the Manager and the Trustee. Until agreed otherwise, the Trustee's fee was \$26,354 (2020: \$28,750) per annum. The Trustee's fee accrued from day to day and was payable by the Trustee out of the assets of the Fund quarterly within 14 days of each Distribution Date. In addition, the Trustee was entitled to charge special fees for services of an unusual or onerous nature outside the Trustee's regular services. There was no limit to the amount of special fees that may be charged. The Trustee's annual fee could not be increased unless agreed with the Manager and provided the Trustee gave 3 months' notice of the increase to all Unitholders. There was no maximum amount for the Trustee's fee.

An additional fee of \$5,750 (2020: \$5,520) was charged by the trustee during the period in relation to the termination of the Fund (2020: review of a specific transaction).

SENIOR TRUST RETIREMENT VILLAGE LISTED FUND (IN WIND-UP)  
 NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 11 MARCH 2021

	<b>11 March 2021 \$</b>	<b>31 March 2020 \$</b>
<b>NOTE 6: INCOME TAX</b>		
<b>(a) Components of tax expense</b>		
Current tax	538,142	854,619
Deferred tax	9,262	(998)
Under/(over) provision in prior years	(64)	-
	<u>547,340</u>	<u>853,621</u>
<b>(b) Prima facie tax payable</b>		
The prima facie tax payable on profit before income tax is reconciled to the income tax expense as follows:		
Prima facie income tax payable on profit before income tax at 28.0% (2020: 28.0%)		
	538,142	853,621
Under provision for income tax in prior year	(64)	-
Temporary differences	9,262	-
	<u>9,198</u>	<u>-</u>
Income tax expense attributable to profit	<u>547,340</u>	<u>853,621</u>
<b>(c) Deferred tax</b>		
Deferred tax relates to the following:		
<i>Deferred tax assets</i>		
The balance comprises:		
Accruals	-	9,262
Net deferred tax assets	<u>-</u>	<u>9,262</u>
<b>(d) Imputation credit account</b>		
Balance at beginning of the period	84,668	84,668
Movement	(24,227)	60,755
Imputation credits lost on wind up	(60,441)	-
Balance at end of the period	<u>-</u>	<u>145,423</u>

SENIOR TRUST RETIREMENT VILLAGE LISTED FUND (IN WIND-UP)  
 NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 11 MARCH 2021

	<b>11 March 2021 \$</b>	<b>31 March 2020 \$</b>
<b>NOTE 7: CASH AND CASH EQUIVALENTS</b>		
Funding account	24,675	5,373,168
Current Account	-	73,708
	<u>24,675</u>	<u>5,446,876</u>

Cash and cash equivalents are short term funds held with New Zealand registered banks. The funding bank account is held by the Supervisor, The New Zealand Guardian Trust, on behalf of the Fund. The funding account bears interest at 0.1% (2020: 0.1%) per annum. The current account was non interest bearing.

**NOTE 8: RECEIVABLES**

CURRENT

Accrued interest	-	378,386
Other receivables		
Accrued interest - Senior Trust Management Limited	-	2,824
	<u>-</u>	<u>381,210</u>

**NOTE 9: FINANCE RECEIVABLES**

CURRENT

*Amounts receivables from:*

- Palm Grove Partnership	-	3,453,719
- Quail Ridge Country Club Limited	-	13,848,726
- Senior Trust Management Limited	-	138,927
- Whitby Village (2009) Limited	-	11,884,249
- Roys Bay Estate Limited	-	8,997,411
	<u>-</u>	<u>38,323,032</u>

***Realisation of finance receivables***

As outlined in note 1, these financial statements have been prepared on a realisation basis as the maturity date of the fund was 11 March 2021. All finance receivables were collected in full prior to this date. There was no impairment of loans recorded during the period (2020: nil).

***Quail Ridge Country Club Limited***

Quail Ridge Country Club Limited (Quail Ridge) had a loan facility totaling \$14,000,000. The loan had an expiry date of 28 February 2021 was repaid in full by the expiry date. The loan earned Interest at 11.25% per annum.

**NOTE 9: FINANCE RECEIVABLES (CONTINUED)**

***Quail Ridge Country Club Limited (Continued)***

The loan securities were as follows:

- by first ranking mortgage over the property situated at 6 Karaka Drive, Kerikeri subject to a first ranking encumbrance registered in favour of the statutory supervisor
- by first ranking mortgage over the property situated at 82 Rainbow Falls Road, Kerikeri
- general security agreement from Kerikeri Falls Investments Limited
- unlimited guarantee and indemnity from Donald James Cottle, Jill Noeline Cottle and Kerikeri Falls Investments Limited

***Senior Trust Management Limited***

The loan to Senior Trust Management Limited, the Fund Manager, expired on 14 January 2021 and was repaid on 14 January 2021. The loan earned interest at a rate of 8% per annum.

The loan was secured by Senior Trust Management Limited assigning to Senior Trust Retirement Village Listed Fund by way of security all of its right, title and interest to all amounts payable to Senior Trust Management Limited as management fees pursuant to the Master Trust Deed or the Establishment Deed.

***Whitby Village (2009) Limited***

The loan to Whitby (2009) Limited (Whitby) was amended in November 2018 to increase the maximum amount available for drawdown from \$15,000,000 to \$19,000,000. The loan expired on 28 February 2021 and was repaid in full by the expiry date. The loan earned interest at 11.0% per annum.

The Fund had a second ranking mortgage behind a bank, which was also subject to a first ranking encumbrance registered in favour of the statutory supervisor.

The BNZ Bank had the following security:

- Registered all obligations first mortgage over the village property subject to a first ranking encumbrance registered in favour of the statutory supervisor
- Guarantee for the amount of \$6,100,000 plus interest and costs from Whitby Lakes (2014) Limited
- Guarantee for the amount of \$6,100,000 plus interest and costs from Twenty Twenty Property Partners Limited
- Security Sharing and Priority Deed

***Roys Bay Estate Limited***

A loan agreement with Roys Bay Estate Limited (Roys Bay) commenced 3 December 2018. The maximum drawdown was \$14,000,000. The loan expired on 28 February 2021 and was repaid in full on the expiry date. The loan earned interest at a rate of 12.5% per annum.

The loan was repaid in full by the expiry date of 28 February 2021.

The loan securities were as follows:

- by first ranking mortgage over the property subject to a first ranking encumbrance registered in favour of the statutory supervisor
- general security agreement from Roys Bay Estate Limited
- unlimited guarantee and indemnity from Anthony Charles Russell Hannon and Christopher Alan Holmes

SENIOR TRUST RETIREMENT VILLAGE LISTED FUND (IN WIND-UP)  
NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 11 MARCH 2021

**NOTE 9: FINANCE RECEIVABLES (CONTINUED)**

***Palm Grove Partnership***

The loan to Palm Grove Partnership was considered a related party transaction. STC Orewa Limited is a partner in the Palm Grove Partnership and is a wholly owned subsidiary of Senior Trust Capital Limited. Senior Trust Capital Limited is associated to Senior Trust Retirement Village Listed Fund as Senior Trust Capital Limited has common shareholders with its Manager, Senior Trust Management Limited. The Manager's sole shareholders are John Jackson and Dadrew Trustees Limited, of which John Jackson, the Executive Director of Senior Trust Capital, is the sole shareholder.

These loans were Permitted Related Party Transactions under Section 174 of the Financial Market Conduct Act 2013 as the loans provided to Palm Grove Partnership were on arm's length terms. Palm Grove Partnership and Senior Trust Retirement Village Listed Fund are connected only by these loans and each party is acting in its own best interest.

The loan expired on 30 November 2020 and was repaid in full on the expiry date. The loan earned interest at a rate of 14.75% per annum.

The BNZ Bank had the following security:

- First ranking registered mortgage over the property granted by the Borrower in favour of the Senior Lender (ranking only behind a first ranking encumbrance registered in favour of the statutory supervisor.)
- General security agreement from Aegis Orewa Limited, STC Orewa Limited, Orewa Village Limited and Senior Trust Capital Limited
- Limited guarantee and indemnity from Aegis Orewa Limited
- Guarantee for the amount of \$3,620,000 plus interest and costs from Alexander Foster
- Guarantee for the amount of \$14,480,000 plus interest and costs from Senior Trust Capital Limited
- Unlimited intercompany guarantee from STC Orewa Limited and Orewa Village Limited
- Deed of assignment by way of security over construction contracts
- Security Sharing and Priority Deed
- Deed of subordination

Senior Trust Capital Limited had third mortgage security over the land on which the Palm Grove Retirement Village is situated in Orewa, which was subject to a first ranking encumbrance registered in favour of the statutory supervisor.

The loan securities were as follows:

- Second ranking mortgage over the property subject to a first ranking encumbrance registered in favour of the statutory supervisor
- General security agreement from Palm Grove Partnership, STC Orewa Limited and Orewa Village Limited
- Guarantee and indemnity from STC Orewa Limited and Orewa Village Limited
- limited guarantee and indemnity from AOL Holdings Limited
- Specific agreement over shares from AOL Holdings Limited

SENIOR TRUST RETIREMENT VILLAGE LISTED FUND (IN WIND-UP)  
 NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 11 MARCH 2021

	<b>11 March 2021 \$</b>	<b>31 March 2020 \$</b>
<b>NOTE 10: PAYABLES</b>		
CURRENT		
<i>Unsecured liabilities</i>		
Trade creditors	-	518
<i>Sundry creditors and accruals</i>		
Accrued distribution to investors	-	496,889
Accrued expenses	24,675	417,382
	<u>24,675</u>	<u>914,789</u>

**NOTE 11: TRUST FUNDS**

Issued and paid-up units

Nil (2020: 42,836,350) Units	(a)	<u>-</u>	<u>42,472,878</u>
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Units were issued at the issue price. The issue price of a unit was the net asset value per unit as at the relevant valuation date on which the units were issued. All units had a common maturity date of 11 March 2021. On maturity, the Fund was wound up and net assets were distributed to Unitholders. At maturity date the net asset value per unit was \$1.01.

	<b>11 March 2021</b>		<b>31 March 2020</b>	
	<b>Number</b>	<b>\$</b>	<b>Number</b>	<b>\$</b>
<b>(a) Units</b>				
Opening balance	42,469,117	42,472,878	42,836,350	42,843,442
Units issued/(redeemed):				
	<u>(42,469,117)</u>	<u>(42,472,878)</u>	<u>(367,233)</u>	<u>(370,564)</u>
At reporting date	<u>-</u>	<u>-</u>	<u>42,469,117</u>	<u>42,472,878</u>

Subject to the retention of any moneys the supervisor considered necessary, the net proceeds of realisation was firstly applied by the supervisor in payment of all costs, charges, expenses and liabilities incurred and payable by the Fund. Secondly in payment to unitholders pro rata to the number of units held by them in the Fund

SENIOR TRUST RETIREMENT VILLAGE LISTED FUND (IN WIND-UP)  
 NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 11 MARCH 2021

**NOTE 11: TRUST FUNDS (CONTINUED)**

**Capital management**

When managing capital, management's objective was to ensure the Fund continued to maintain optimal returns to Unitholders and benefits for other stakeholders. This was achieved through the monitoring of historical and forecast performance and cashflows.

The Fund's policy was to target a 6% pre-tax distribution rate subject to maintaining the capital of the Fund. In order to maintain or adjust the capital structure the Fund may have adjusted the distribution rate. The Fund's strategy had remained unchanged from the previous year.

**NOTE 12: EARNINGS PER UNIT**

	<b>11 March 2021 cents</b>	<b>31 March 2020 cents</b>
<b>Cents per unit</b>		
Basic earnings per unit after tax	4.5	5.1
Diluted earning per unit after tax	4.5	5.1

The Fund's policy was a target distribution rate of 6% pre tax per annum subject to maintaining the capital of the Fund. Unitholders received cash distributions net of tax however distributions were fully imputed.

Basic earnings per unit is calculated as profit after tax divided by the weighted number of issued units for the period.

Diluted earnings per unit were calculated as profit after tax divided by the weighted number of units plus any deferred units which are expected to be issued after balance date.

If basic earnings per unit and diluted earnings per unit were calculated using profit before tax then the results would be 6.3 (2020: 7.2) cents and 6.3 (2020: 7.2) cents respectively.

	<b>2021 \$</b>	<b>2020 \$</b>
<b>Reconciliation of earnings used in calculating earnings per unit</b>		
Profit attributable to the unitholders of the Fund used in calculating earnings per unit	<u>1,374,596</u>	<u>2,195,025</u>
<b>Weighted average number of units used as the denominator</b>		
Weighted average number of units used as the denominator in calculating basic earnings per unit	<u>30,422,585</u>	<u>40,632,882</u>
Weighted average number of units and potential units used as the denominator in calculating diluted earnings per unit	<u>30,422,585</u>	<u>40,632,882</u>

SENIOR TRUST RETIREMENT VILLAGE LISTED FUND (IN WIND-UP)  
 NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 11 MARCH 2021

	<b>11 March 2021 \$</b>	<b>31 March 2020 \$</b>
<b>NOTE 13: RELATED PARTY TRANSACTIONS</b>		
<b>(a) Amounts due from/(to) Senior Trust Management Limited</b>		
Finance receivables	-	138,927
Interest receivable	-	2,824
Management fees accrued and payable	-	(366,296)

Senior Trust Management Limited is the Manager of the Fund. Management fees charged by Senior Trust Management Limited are calculated on a weekly basis at an amount equal to 3% plus GST per annum of the aggregate issue price of all units of issue.

<b>(b) Amounts due from/(to) Palm Grove Partnership</b>		
Finance receivables	-	3,453,719
Interest receivable	-	43,266

STC Orewa Limited is a partner in the Palm Grove Partnership and is a wholly owned subsidiary of Senior Trust Capital Limited. Senior Trust Capital Limited is associated to Senior Trust Retirement Village Listed Fund as Senior Trust Capital Limited has common shareholders with its Manager, Senior Trust Management Limited. The Manager's sole shareholders are John Jackson and Dadrew Trustees Limited, of which John Jackson, the Executive Director of Senior Trust Capital, is the sole shareholder.

<b>(c) Transactions with Senior Trust Management Limited</b>		
Interest received	4,385	15,552
Management fees paid	947,845	1,470,299

<b>(d) Transactions with Palm Grove Partnership</b>		
Interest received	339,150	510,819

**(e) Transactions with key management personnel**

Key management personnel are the directors of the Manager. There were no transactions with key management personnel during the period other than the redemption of units held. Key management personnel held nil (2020: 11,300) units in the Fund.

The Fund has no employees.

SENIOR TRUST RETIREMENT VILLAGE LISTED FUND (IN WIND-UP)  
 NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 11 MARCH 2021

	<b>11 March 2021 \$</b>	<b>31 March 2020 \$</b>
<b>NOTE 14: CASH FLOW INFORMATION</b>		
<b>(a) Reconciliation of cash flow from operations with profit after income tax</b>		
Profit from ordinary activities after income tax	1,374,596	2,195,025
<b>Changes in operating assets and liabilities</b>		
Decrease in receivables	381,210	20,095
(Increase) / decrease in other assets	7,957	(647)
Increase / (decrease) in payables	(393,225)	6,850
Increase / (decrease) in income tax payable	(279,917)	18,491
(Increase) / decrease in deferred tax asset	9,262	(998)
Cash flows from operating activities	<u>1,099,883</u>	<u>2,238,816</u>

**NOTE 15: CAPITAL AND LEASING COMMITMENTS**

There are no material capital commitments at the reporting date (2020: nil).

**NOTE 16: CONTINGENT LIABILITIES**

The Fund has no contingent liabilities at reporting date (2020: nil).

**NOTE 17: EVENTS SUBSEQUENT TO REPORTING DATE**

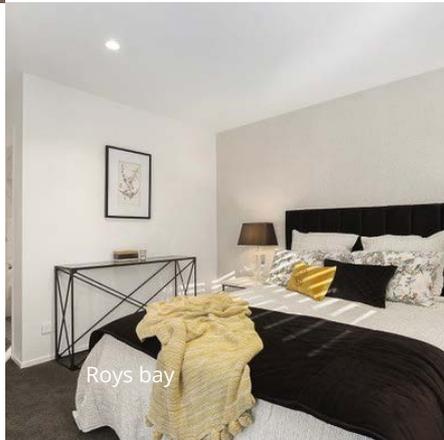
There has been no significant events subsequent to reporting date.



Quail Ridge



Palm Groove



Roys bay

# Senior Trust Retirement Village Listed Fund 2021 Annual Report

## Details of the Scheme

The Scheme is the Senior Trust Retirement Village Listed Fund ("Fund") which is a managed investment scheme. The Manager of the Scheme is Senior Trust Management Limited. The supervisor of the Scheme is The New Zealand Guardian Trust Company Limited.

The offer of Units in the Scheme were made under the exclusion for offers of financial products of the same class as quoted financial products in clause 19 of Schedule 1 of the FMCA. This means that there is no product disclosure statement for the Scheme. However, the Manager has issued an Information Memorandum which contains important information about the investment. The most recent Information Memorandum (29 March 2019) can be located on the Disclose register at [www.companies.govt.nz/disclose](http://www.companies.govt.nz/disclose), scheme number SCH10491.

The Scheme's latest financial statements and the auditor's report were lodged with the Registrar.

## Description of the Scheme

The Fund makes loans to retirement and aged care operators. The loans made are used to establish new (or develop existing) retirement villages and aged care facilities. The loans made are secured by mortgages over the retirement villages' and aged care facilities' land and/or buildings. The Scheme was established under a master trust deed dated 19 October 2010 and an establishment deed dated 11 September 2015 (Deeds), with the provisions amended to meet the requirements of the Financial market Conducts Act 2013 on the 10 March 2016. The Fund was listed on the NZX Main Board on 3 December 2015.

The Fund closed on the 22 March 2019 as the maximum number of Units have been issued.

## Information on Composition of the Scheme

- > This Annual Report covers the accounting period from 1 April 2020 to 11 March 2021
- > The number of managed investment products on issue at the start of the accounting period was 42,469,117
- > The number of managed investment products on issue at the end of the accounting period was 0

## Changes Relating to the Scheme

Material changes to the nature of the Scheme, the Scheme property, or the management of the Scheme over the accounting period are as follows:

- All loans were fully repaid prior to termination of the Fund.
- During the period, the Manager redeemed Units in the Fund on a pro-rata basis so that all Unitholders were treated equally. All units were fully redeemed based on the net assets of the Fund.
- The fund was delisted from the NZX Main Board on 12 February 2021.
- The date of termination of the fund was resolved as 11 March 2021, which is in accordance with the governing documents. Accordingly, the Fund is no longer considered a going concern.

### **Financial Condition and Performance of the Scheme**

As at 31 March 2021 the Scheme had current assets of \$24,675 and non-current assets of \$0 (total assets \$24,675 ) and total liabilities of \$24,675 (net assets \$0).

As at 31 March 2020 the Scheme had current assets of \$44,168,337 and non-current assets of \$0 (total assets \$44,168,337 ) and total liabilities of \$1,194,706 (net assets \$42,973,631).

During the accounting period, nil Units were issued and 42,469,117 Units were redeemed at the prevailing Net Asset Value per Unit. The redemptions decreased the scheme's assets. The net assets at the termination date of the Fund was nil.

As at 31 March 2021, total comprehensive income for the period was \$1,374,596. Unitholder distributions paid were \$2,372,238 over the period.

As at 31 March 2020, total comprehensive income for the period was \$2,195,025. Unitholder distributions paid were \$1,992,455 over the period.

The targeted return for the Scheme is 6% (pre-tax) per annum which was paid quarterly. The Fund paid distributions at a rate of 6.50% (pre-tax) per annum for the June 2020 and September 2020 quarter. The Fund paid distributions at a rate of 7.25% (pre-tax) per annum for the December 2020 quarter.

You can find a copy of the Scheme's financial statements, including information on distributions made by the Scheme, on the Disclose register at [www.companies.govt.nz/disclose](http://www.companies.govt.nz/disclose), scheme number SCH10491.

## Fees

For the year ending 31 March 2021, the following fees and expenses were charged in respect of the Scheme in dollars and as a percentage of Scheme assets for the period\*:

Fees and Expenses Description	(\$)	As a Percentage of Scheme Assets
Management Fees	947,845	2.15%
Compliance expenses	191,243	0.43%
Administration expenses	33,801	0.08%
Trustee Fees	32,104	0.07%
<b>Total</b>	<b>1,204,993</b>	<b>2.73%</b>

\*The scheme assets used for the calculation 'As a Percentage of Scheme Assets' are the assets of the Fund prior to the Manager undertaking a series of pro-rata redemption of units which eventuated in all assets of the Fund being returned to Unitholders. The assets for this calculation are therefore the assets of the Fund as at 30 June 2020 as opposed to the assets held on the date of termination.

For the year ending 31 March 2020, the following fees and expenses were charged in respect of the Scheme in dollars and as a percentage of Scheme assets for the period:

Fees and Expenses Description	(\$)	As a Percentage of Scheme Assets
Management fees	1,470,299	3.33%
Compliance	97,009	0.22%
Administration	43,170	0.10%
Trustee Fees	34,270	0.08%
<b>Total</b>	<b>1,644,748</b>	<b>3.72%</b>

The Management Fees could have been changed by Senior Trust Management Limited at any time on giving one month's notice to Unitholders.

The Supervisor's Fees could have been changed by agreement with the Manager on giving three months' notice to Unitholders. The Trustee's remuneration for carrying out the Trustee's functions in relation to the Fund is an annual fee agreed from time to time between the Manager and the Trustee. Until agreed otherwise, the Trustee's fee is \$26,354 (2020: \$28,750) per annum. The Trustee charged a further fee of \$5,750 (2020: \$5,520) during the year relating to the termination of the Fund.

For more information in respect to the Fees, please refer to the Scheme's financial statements, on the Disclose register at [www.companies.govt.nz/disclose](http://www.companies.govt.nz/disclose), scheme number SCH10491.

### Scheme Property

The following table contains a description of the assets of the Scheme as at 31 March 2021 and 31 March 2020 and their values.

	<b>11 March 2021</b>	<b>31 March 2020</b>
	<b>\$</b>	<b>\$</b>
<b>Current assets</b>		
Cash and cash equivalents	24,675	5,446,876
Receivables	-	381,210
Finance receivables	-	38,323,032
Other assets	-	7,957
Deferred tax assets	-	9,262
<b>Total current assets</b>	<b>24,675</b>	<b>44,168,337</b>
<b>Total assets</b>	<b>24,675</b>	<b>44,168,337</b>

There has been changes to the scheme property over the accounting period. The maturity date of the fund was 11 March 2021 and the fund terminated on 11 March 2021. As this Fund is no longer considered a going concern, its financial statements are prepared on a realisation basis.

The net assets of the scheme as at 31 March 2021 equal \$0

The net assets of the scheme as at 31 March 2020 equal \$42,973,061

### Changes to Persons Involved in the Scheme

There were no changes to the Manager, Directors of the Manager or key personnel.

Bryan David Connor was appointed as a Director of the Supervisor (The New Zealand Guardian Trust Company Limited) on 31 August 2020.

It is noted that an associated entity of the Manager, Senior Trust Capital Limited, provides certain services to the Manager under the terms of a Management Services Agreement (MSA).

You can find a copy of the MSA on the Disclose register at [www.companies.govt.nz/disclose](http://www.companies.govt.nz/disclose), scheme number SCH10491.

### **How To Find Further Information**

Copies of documents relating to the Scheme, such as the Scheme's Deeds, statement of investment policy and objectives and the annual financial statements are available on the Disclose register at [www.companies.govt.nz/disclose](http://www.companies.govt.nz/disclose), scheme number SCH10491.

You have the right, free of charge during normal office hours, to inspect that part of the Unit register that relates to your Units on giving 5 working days' notice to the Manager.

You also have the right, free of charge, on giving 5 working days' notice and during normal office hours, to inspect a copy of the scheme's deeds, statement of investment policy and objectives and annual financial statements at our registered office, which is located at;

Foley Hughes  
Level 1, 20 Beaumont Street  
Freemans Bay  
Auckland, 1110

You can also obtain a copy free of charge by writing to us at PO Box 113120, Newmarket, Auckland.

### **Contact details and complaints**

#### **Manager:**

Senior Trust Management Limited  
Level 1, 20 Beaumont Street  
Freemans Bay  
Auckland, 1110  
Attention: John Jackson  
Telephone 0800 609 600

#### **Supervisor:**

The New Zealand Guardian Trust Company Limited  
Level 6, 191 Queen Street  
PO Box 106-448  
Auckland 1010  
Telephone 09 909 5100

#### **Unit registrar**

Link Market Services  
Level 11, Deloitte Centre  
80 Queen Street  
Auckland 1010  
Telephone 09 375 5998

### **Complaints can be made to:**

Senior Trust Management Limited  
Level 1, 20 Beaumont Street  
Freemans Bay  
Auckland, 1110  
Attention: Directors  
Telephone 0800 609 600

or to:

The New Zealand Guardian Trust Company Limited  
Level 15, 191 Queen Street  
PO Box 106-448  
Auckland 1010  
Telephone 09 909 5100

As a financial service provider registered under the Financial Service Providers (Registration and Dispute Resolution) Act 2008, we are a member of an approved dispute resolution scheme (registration number FSP146805). The scheme is operated by Financial Services Complaints Limited (FSCL). There is no charge to you for using FSCL's services.

### **FSCL's contact details are:**

Financial Services Complaints Limited  
PO Box 5967  
Lambton Quay Wellington 6145  
Telephone: 0800 347257 or (04) 472FSCL (472 3725)  
Fax: (04) 472 3727  
Website: [www.fscl.org.nz](http://www.fscl.org.nz)  
Email: [info@fscl.org.nz](mailto:info@fscl.org.nz)

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



Roys Bay



The Grove



Whitby Lakes



Senior Trust Retirement Village Listed Fund  
c/o: Foley Hughes Level 1, 20 Beaumont Street  
Freemans Bay, Auckland 1110  
Freephone: 0800 609 600  
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