Presbyterian Support Otago Incorporated

General Purpose Group Financial Report

For the year ended 30 June 2026

Presbyterian Support Otago Incorporated

General Purpose Group Financial Report

Contents

Page	
1	General Information
2 - 4	Consolidated Statement of Service Performance
5	Consolidated Statement of Comprehensive Revenue and Expense
6	Consolidated Statement of Changes in Net Assets / Equity
7	Consolidated Statement of Financial Position
8	Consolidated Statement of Cash Flows
9 - 30	Notes to the Consolidated Financial Statements
31 - 33	Independent Auditor's Report

Presbyterian Support Otago Incorporated

General Information

Board of Trustees
Stephanie Pettigrew, Chairperson
Rebecca Dudley, Deputy Chairperson
Kerry Enright (Ceased Oct 2025)
Vicki Botting (Appointed Aug 2025)
Stephen Christensen
Daniel Hailes
Kurt Thomas
Julie Loan (Appointed Aug 2025)
Fiona McClenaghan
Mani Molloy-Sharplin (Ceased Apr 2026)
Mark Shirley

Chief Executive
Robbie Moginie

Principal Place of Business/Registered Office
407 Moray Place
Dunedin 9016
New Zealand
Phone: 03 477 7115

Solicitors
Anderson Lloyd
Private Bag 1959
Dunedin 9054
New Zealand

Bankers
ANZ Bank
The Octagon
Dunedin 9016
New Zealand

Westpac Bank
George Street
Dunedin 9016
New Zealand

Auditors
BDO Christchurch Audit Limited

Consolidated Statement of Service Reporting

for the Year ended 30 June 2026

The Group service performance information includes the activities of Presbyterian Support Otago Incorporated and its wholly owned subsidiary PSO Retirement Villages Limited.

The reporting of service performance information aims to provide information about the Group to help readers to understand,

(a) why the Group exists and what it intends to achieve in broad terms over the medium to long term, and how it goes about this, and
(b) what the Group has done for the year ended 30 June 2026, in working towards its broader aims and objectives

The service performance information has been prepared in accordance with the Standard issued by the External Reporting Board (XRB), PBE FRS 48 Service Performance Reporting.

Selection of service performance information
The service performance report does not include everything the Group has done over the past year, instead the Group has selected information to report on based on:

(a) providing enough information to provide readers with an overall picture of the Group's service performance for the year, and
(b) focusing on the most meaningful and relevant service performance information

The reported service performance information has been selected by management of the Group, based on considering the key activities of the Group. The selection of service performance information by management requires the application of significant professional judgement.

The Group provides services to the community, working under contract with various Government departments, we are required by these funders to collect data relevant to the provision of services under these contracts and report to them. The Group utilises various systems and databases to collect this data and has dedicated teams to analyse, interrogate and report on this data. From that data produced, management has selected the metrics to report in the Statement of Service Performance that best reflects the achievements of our services against organisation objectives. Metrics were selected based on reliability, consistency and meaningfulness of the metric to give the Statement of Service Performance a full overview of the Groups activities.

Why the Group exists

Our Vision
Every person is valued and grows in a safe strong community

Our Mission
We walk with people across the generations to create together places to live, learn and thrive. We call out injustice and advocate for positive social change.

Presbyterian Support Otago Incorporated

Consolidated Statement of Service Reporting

for the Year ended 30 June 2026

Enliven Services
Creating places to Live, Learn and Thrive

Some things make for healthier, happier living, no matter what your age. A sense of community; friends, family, whanau; giving and receiving; making decisions for yourself; and, most of all, practical support when you need it. At Enliven we work alongside our clients, residents and whānau to achieve these things.

Presbyterian Support Otago (PSO) owns and operates seven aged care facilities across Otago, these service the following of our communities, Dunedin (Ross Home and St Andrews), Mosgiel (Taieri Court), Oamaru (Iona), Balclutha (Holmdene), Alexandra (Ranui and Castlewood).

These facilities all operate under the' Age Related Residential Care' contracts with Te Whatu Ora, Southern. Revenue received is as per the pricing set in these contracts as prescribed by the Ministry of Health. These contracts set daily maximum prices. The income is then received from Te Whatu Ora, Work and Income NZ, private paying residents or a combination of all.

Enliven Residential Facilities	2026	2025
Total days of care provided	149,263	170,892
Total people served	792	827

Occupancy	2026 Target	2026 Achieved	2025 Target	2025 Achieved
Total	94.6%	95.3%	92.7%	94.1%

Retirement Villages

PSO, via its subsidiary PSO Retirement Villages Limited owns and operates Retirement Villages. Ranui Court in Alexandra and Columba Court in Oamaru. Combined, these villages offer 19 villas and cottages for our residents. Our villages are small in comparison to the wider sector large operators and all surpluses are used to support the wider social services provision and the PSO mission. These are significant investments in our community.

Retirement Villages	2026	2025
Total residents in year	54	57

Consolidated Statement of Service Reporting

for the Year ended 30 June 2026

Family Works

Safe, strong, connected whanau and communities where every person is suppported to live, learn and thrive

Hutia te rito o te harakeke, kei whea te kōmako e kō?
If you pluck out the centre shoot of the flax bush, where will the bellbird rest?

Our logo depicts harakeke, a Māori symbol of whānau, growth, protection, connection and collective wellbeing. It places tamariki and whānau at the centre of wellbeing, aligning with PSO's vision of safe, strong communities.
We provide a range of programmes and supports for individuals, youth and whānau. Our services include social work support, foodbank, financial inclusion and capability services, parent education programmes, youth and adult mental health support, a mentoring programme, advocacy, whānau support, and child and youth development programmes.

Across these services, Family Works strengthens wellbeing, builds resilience, promotes connection and responds to changing community and whānau and individual needs. Our wrap around approach recognises whakapapa, identity, spirituality, culture, strengths and aspirations, supporting people to set goals, access the right services and achieve sustained wellbeing.
In doing so we:

- Build on the strengths, mana and aspirations of every person and whānau
- Provide accessible, inclusive and mana-enhancing services
- Deliver ethical, evidence-informed and outcomes-focused practice
- Work relationally and respectfully with tamariki, rangatahi, adults, families and whānau
- Honour Te Tiriti o Waitangi and strengthen bicultural, culturally responsive practice.

Family Works

Children's Groups & Youth Development

		2026	2025
What we do:			
Buddy Programme	Number of matched young buddies	136	136
Youth Development	Number of active students	22	23

Financial Inclusion services

		2026	2025
What we do:			
Financial Mentoring	Number of clients accessing our service	1306	1413
	Number of sessions	2019	2445

Social Work

		2026	2025
What we do:			
Foodbank	Number of food parcels provided	4990	4974
	Number of clients/whanau supported	2498	2422
Social Work	People supported	624	738

Adult Mental Health

		2026	2025
What we do:			
Stepping Stones	Numbers accessing services	74	65

Family Works
Ethnicity of our clients

		2026	2025
Who do we support			
Ethnicity of clients accessing our services	Māori	21.5%	19.5%
	Pacifica	4.4%	4.8%
	NZ European	58.9%	56.4%
	Other cultures	9.3%	8.0%
	Not stated	5.9%	11.3%

Consolidated Statement of Comprehensive Revenue and Expense

for the Year ended 30 June 2026

	Notes	Group 2026 $000's	Group 2025 $000's
Revenue			
Continuing Operations			
Income from services		44,031	47,383
Sale of Goods		1,123	1,193
Donations/Grants/Bequests		1,715	1,446
Total Revenue		46,869	50,022
Other Income			
Interest Income		204	47
Investment and Other Income		414	575
Movement in fair value of Investment Properties	4	(423)	841
Total Other Income		195	1,463
Total Income	2	47,064	51,485
Expenses			
Employment related		34,603	37,114
Employer Kiwisaver contributions		793	777
General Operating		1,200	2,448
Advertising & Marketing		61	60
Office & Administration		978	994
Servicing Resources		2,428	2,725
Occupancy Costs		3,936	4,022
Health, Medical & Safety		1,161	1,200
Depreciation/amortisation		937	1,078
Finance Costs		102	299
Lease Costs		365	378
Total Operating Expenditure	3	46,564	51,095
Operating Surplus before increase in ORA Expense and Impairment losses		500	390
Increase in ORA Expense	17	20	335
Impairment losses	9,11,12		1,012
Net Operating Surplus / (Deficit) for the Year - from Continuing Operations		480	(957)
Gain on sale of Assets Held for sale	9	1,003	-
Net Surplus / (Deficit) for the Year - from Continuing Operations		1,483	(957)
Net Operating Surplus / (Deficit) for the Year - from Discontinuing operations	26	113	341
Other Comprehensive Revenue & Expense			
Operating Property Revaluation	12	3,237	-
Total Comprehensive Revenue and Expense		4,833	(616)

The above statement should be read in conjunction with the accompanying notes

Consolidated Statement of Changes in Net Assets / Equity

for the Year ended 30 June 2026

Group	Accumulated Revenue & Expenses	Operating Property Revaluation Reserve	Investment Property Revaluation Reserve	Restricted Reserves Special Reserves	Restricted Reserves Endowment Reserves	Total Equity
Balance 1 July 2024	8,296	29,025	13,188	357	7,605	58,471
Net Surplus/(Deficit) for the Year	(616)	-	-	-	-	(616)
Total Comprehensive Income	(616)	-	-	-	-	(616)
Transfers						
Investment Property Revaluation	(841)	-	841	-	-	-
Transfers - Expenditure	(227)	-	-	10	217	-
Balance 30 June 2025	6,612	29,025	14,029	367	7,822	57,855
Movements for the year to June 2026						
Net Surplus/(Deficit) for the Year	4,833	-	-	-	-	4,833
Other Comprehensive Income	(3,237)	3,237	-	-	-	-
Total Comprehensive Income	1,596	3,237	-	-	-	4,833
Transfers						
Investment Property Revaluation	423	-	(423)	-	-	-
Transfers - Interest/Bequests	(390)	-	-	12	378	-
Transfers - Expenditure	152	-	-		(152)	-
Balance 30 June 2026	8,393	32,262	13,606	379	8,048	62,688

BDO CHRISTCHURCH IBDO AUDIT LIMITED

Consolidated Statement of Financial Position

As at 30 June 2026

	Notes	Group 2026 $000's	Group 2025 $000's
Equity			
Accumulated Revenue & Expenses	28	8,393	6,612
Operating Property Revaluation Reserve	28	32,262	29,025
Investment Property Revaluation Reserve	28	13,606	14,029
Restricted Reserves	28	8,427	8,189
Total Equity		62,688	57,855
Represented by :			
Current Assets			
Cash and cash equivalents	6	4,639	4,406
Short Term Deposits	6	9,900	-
Inventories	7	47	84
Receivables from exchange transactions	8	2,416	4,045
Held for Sale	9	-	24,079
		17,002	32,614
Non Current Assets			
Investment Properties	10	13,581	14,004
Intangible Assets	11	21	20
Property, Plant and Equipment	12	47,071	43,752
		60,673	57,776
Total Assets		77,675	90,390
Current Liabilities			
Accounts Payable and Accruals from exchange transactions	13	4,161	3,244
Retirement Village Deferred Income	15	175	718
Borrowings	16	-	4,011
Refundable portion - Occupation Right Agreements	17	5,366	5,360
Held for Sale	9	-	13,790
Employee Entitlements	14	4,811	5,412
		14,513	32,535
Non Current Liabilities			
Borrowings	16	474	-
Total Liabilities		14,987	32,535
Total Net Assets		62,688	57,855

Signed on behalf of the Board as at 30th September 2026

Mrs Stephanie Pettigrew
Chairperson

Rebecca Dudley
Deputy Chairperson

The above statement should be read in conjunction with the accompanying notes

Consolidated Statement of Cash Flows

for the Year ended 30 June 2026

	Notes	Group 2026 $000's	Group 2025 $000's
CASH FLOW FROM OPERATING ACTIVITIES			
Cash was Provided from :			
Goods & Services provided		47,353	51,518
Proceeds from Occupation Right Agreements	17	3,752	6,295
Bequests received		841	299
Grants and Donations received		874	1,147
Investment & Other Income		393	347
Gain - Assets Held for Sale		1,003	-
		54,216	59,606
Cash was applied to :			
Employees and Suppliers		(45,822)	(52,951)
Refunds of Occupation Right Agreements	17	(2,718)	(4,085)
Interest Paid		(102)	(299)
		(48,642)	(57,335)
Net Cash flows from/(to) Operating Activities	5	5,574	2,271
CASH FLOW FROM INVESTING ACTIVITIES			
Cash was Provided from :			
Proceeds from Sale of Property Plant & Equipment		1	20
Proceeds from sale of Assets Held for Sale		9,123	-
		9,124	20
Cash was applied to :			
Purchase of Property, Plant and Equipment		(1,029)	(737)
Investment - Short Term Deposits		(9,900)	-
		(10,929)	(737)
Net Cash flows from/(to) Investing Activities		(1,805)	(717)
CASH FLOW FROM FINANCING ACTIVITIES			
Cash was Provided from :			
Proceeds from Borrowings	16	218	310
		218	310
Cash was applied to :			
Settlement of Borrowings	16	(3,754)	(11)
Net Cash flows from/(to) Financing Activities		(3,536)	299
Net Increase/(Decrease) in cash held		233	1,853
Opening Balance of cash and cash equivalents		4,406	2,553
Closing Balance of cash and cash equivalents		4,639	4,406
Represented by :			
Cash and Cash Equivalents		4,639	4,406
	6	4,639	4,406

The above statement should be read in conjunction with the accompanying notes

Notes to the Consolidated Financial Statements

for the Year ended 30 June 2026

1 Statement of Accounting Policies

The Reporting Entity

Presbyterian Support Otago Incorporated (the "Parent") was registered on 12 October 1907 under the provisions of "The Religious, Charitable and Educational Trust Board Incorporated Act 1884" (now the "Charitable Trusts Act 1957"). The Group comprising of the Parent and PSO Retirement Villages Limited is a reporting entity for the purposes of the Financial Reporting Act 2013 and its financial statements comply with that Act.

The Group's principal activities are carried out under three core operational areas;

Enliven

Services for older people include activities of Residential aged care, Community based services and Retirement living options. Presbyterian Support Otago currently operates seven residential aged care facilities across Otago.

There are two retirement villages that are operated by PSO Retirement Villages Limited.

Community based services to assist older people living in their own home, services include Club Enliven, Individualised Funding, Visiting Volunteers and Home Share.

Family Works

Family Works services include social work, food bank, emergency response, budgeting advice, parenting support and youth development programmes.

Presbyterian Support Otago

The Group is a Public Benefit Entity for the purposes of complying with Generally Accepted Accounting Practice in New Zealand ('NZ GAAP').

Basis of Preparation

The consolidated financial statements of the Group have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ('NZ GAAP') and they comply with the Public Benefit Entity (PBE) Accounting Standards applicable to not for profit public benefit entities. Pursuant to the Accounting Standards Framework mandated by the External Reporting Board (XRB), the Group reports in accordance with Tier 1 PBE Accounting Standards.

The consolidated financial statements have been prepared on a historical cost basis, except for land and buildings, investment properties which have been measured at fair value. The accrual basis for accounting has been used unless otherwise stated and the financial statements have been prepared on a going concern basis.

The presentation currency used is New Zealand Dollars and all figures have been rounded to whole thousands ($000's) (K=000).

The consolidated financial statements have been approved for issue by the Board on 30 September 2026.

The accounting policies set out below have been applied in preparing the consolidated financial statements for the year ended 30 June 2026 and the comparative information presented for the year ended 30 June 2025.

Specific Accounting Policies

(a) ***Principles of Consolidation***

The Group consolidated financial statements consolidate the financial statements of the Parent (Presbyterian Support Otago Incorporated) and its subsidiary PSO Retirement Villages Limited, over which the Parent has the power to govern the financial and operating policies so as to obtain benefits from its activities.
The subsidiary, PSO Retirement Villages Limited, has a 30 June balance date and consistent accounting policies are applied.
Subsidiaries which form part of the Group are consolidated from the date on which control is transferred. They are de-consolidated from the date that control ceases.

(i) Business Combinations
The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any assets or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at fair value at acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value to at the non-controlling interests proportionate share of the recognised amounts of acquirees identifiable net assets.
Acquisition costs are expensed as incurred.
Any excess of the consideration transferred over fair value of the identifiable net assets is recorded as goodwill. If the total of consideration transferred is less than fair value of the net assets acquired in the case of a bargain purchase, the difference is recognised directly in surplus or deficit.

All transactions and balances between Group entities are eliminated on consolidation.

(b) ***Revenue***

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.
The following specific recognition criteria must also be met before revenue is recognised:

Revenue from exchange transactions
(i) Services rendered
Revenue for this category is recognised in the accounting period in which the services are rendered.
(ii) Sale of goods
Revenue is recognised when the risks and rewards of ownership have passed to the buyer and the costs incurred or to be incurred in respect of the transaction can be reliably measured. Risks and rewards of ownership are considered passed to the buyer at the time of delivery or pick up of the goods to or by the customer.
(iii) Interest income
Interest income is recognised on an accrual basis as and when the right to receive interest is established.
(iv)Rental income
Rental income from investment properties is accounted for on a straight line basis over the term of the lease.
(v) Retirement Village Income
Retirement village services fees are recognised on an accrual basis.
The village contribution accrues during the occupation of the resident and is offset against the obligation to residents and settled on termination of the occupation licence. The village contribution legally accrues over a four year period to a maximum of 25% for Wanaka Retirement Village and Ranui Court or for Columba Court at either 15% or 25% depending on the age of the agreement. The village contribution is accrued to the Consolidated Statement of Comprehensive Revenue and Expense on a straight line basis over the estimated average period of occupancy with a range between 4.2 and 7 years. The village contribution difference between legal entitlement and the average period of occupancy is treated as deferred revenue in the Consolidated Statement of Financial Position.

BDO CHRISTCHURCH IBDO AUDIT LIMITED

Revenue from non-exchange transactions
Non-exchange transactions are those where the Group receives an inflow of resources (i.e. cash and other tangible or intangible items) but provides no (or nominal) direct consideration in return.
With the exception of services-in-kind, inflows of resources from non-exchange transactions are only recognised as assets where both:
- It is probable that the associated future economic benefit of service potential will flow to the Group, and
- Fair value is reliably measurable.

Inflows of resources from non-exchange transactions that are recognised as assets are recognised as non-exchange revenue, to the extent that a liability is not recognised in respect to the same inflow.
Liabilities are recognised in relation to inflows of resources from non-exchange transactions when there is a resulting present obligation as a result of the non-exchange transactions, where:
- It is probable that an outflow of resources embodying future economic benefit or service potential will be required to settle the obligation, and
- The amount of the obligation can be reliably estimated.

The following specific recognition criteria in relation to the Group's non-exchange transaction revenue streams must also be met before revenue is recognised.

Fundraising
The Group's fundraising activities involve the following, quarterly campaigns and mail outs where an "ask" for donations is included, general donations received on an ad-hoc basis, planned events that are held where donations are requested, public talks and presentations where donations are requested, website and social media options for donations. Gifts of goods that are then sold through the Groups three charity shops are also a significant source of fundraising revenue.

(i) Donations and bequests
Donations and bequests are recognised in the accounting period they are received.
(ii) Grants
Grants are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance when received and recognised as revenue when the conditions of the grant are satisfied.
(iii) Donated goods
Gifts of goods in kind sold through the Group's charity shops are recognised as revenue at the time of sale.

(c) ***Goods and Services Tax (GST)***
The consolidated financial statements are prepared on a GST exclusive basis, with the exception of receivables, accounts payable and the activities of PSO Retirement Villages Limited which are exempt from GST and therefore are stated inclusive of GST.

(d) ***Inventories***
Inventories are valued at the lower of cost or net realisable value after making appropriate provision for damaged or obsolete nursery stock.

(e) ***Investment Properties***
Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at balance date. Gains or losses arising from changes in the fair value of investment properties are recognised in the Consolidated Statement of Comprehensive Revenue and Expense in the year in which they arise.
The remaining revaluation increment is credited to the Refundable Portion - Occupation Right Agreements to reflect the market value for each license. Any revaluation decrease is recognised in the Consolidated Statement of Comprehensive Revenue and Expense.

Investment properties are derecognised either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal.
Any gains or losses on the retirement or disposal of an investment property are recognised in the Consolidated Statement of Comprehensive Revenue and Expense in the year of retirement or disposal.
No depreciation is provided for in respect of Investment Properties because the annual valuation takes into account the state of each property at balance date.

BDO CHRISTCHURCH IBDO AUDIT LIMITED

(f) ***Leases***

(i) Group as lessee

Operating lease payments where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items are included as an expense in the Consolidated Statement of Comprehensive Revenue and Expense in equal instalments over the lease term. The Group is not party to any finance leases.

(ii) Group as lessor

Assets leased to third parties under operating leases include property, plant and equipment in the balance sheet. They are depreciated over their expected useful lives on a basis consistent with similar owned property, plant and equipment. Rental income (net of any incentives given to the lessee) is recognised on a straight-line basis over the lease term.

(g) ***Provisions and Employee Leave Entitlements***

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance date.

Employee leave benefits

(i) Wages, salaries, annual leave and sick leave

Liabilities for wages and salaries, annual leave expected to be settled within twelve months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

(ii) Long service leave

The liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wages and salary levels, experience of employee departures and periods of service. Expected future payments are discounted at the reporting date to match, as closely as possible, the estimated future cash outflows.

Provision is made in respect of the Group's liability for annual leave, long service leave plus salaries and wages accrued to 30 June each year.

(h) ***Taxation***

Presbyterian Support Otago Incorporated and PSO Retirement Villages Limited are charitable organisations and are exempt from income tax and FBT.

(i) ***Property, Plant and Equipment and Depreciation***

Operating Property

Property held on account is held for the purpose of meeting service delivery objectives.

Land and buildings are measured at fair value, based on periodic but at least triennial valuations by qualified external independent valuers using a discounted cash flow model, less accumulated depreciation on buildings and any impairment losses recognised after the date of the revaluation.

Plant and equipment is stated at historical cost less depreciation and any accumulated impairment losses.

Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Consolidated Statement of Comprehensive Revenue and Expense during the financial period in which they are incurred.

When an item of Property, Plant and Equipment is disposed of, the difference between net disposal proceeds and the carrying amount is recognised as a gain or loss in the Consolidated Statement of Comprehensive Revenue and Expense.

Property, Plant and Equipment held with the intention of resale is recorded separately in the Consolidated Statement of Financial Position at the lower of cost and net realisable value.

Types of assets that make up operating property include, Rest Homes, Office Buildings, Plant and Equipment, Furniture and Fittings, Motor Vehicles and Computer Equipment.

BDO CHRISTCHURCH IBDO AUDIT LIMITED

Depreciation
Depreciation of property, plant and equipment, other than freehold land, art works and Capital Work in Progress, is calculated so as to allocate the cost or value of the assets less their residual values over their estimated useful lives. There is no depreciation calculated on freehold land, art works and Capital Work in Progress.

The useful lives used in the preparation of these statements are as follows :

Buildings	28 - 50 years SL
Furniture & fittings	10 years DV
Plant & equipment	10 - 25 years SL
Boilers	10 years DV
Motor vehicles	5 years SL
Computer equipment	4 years SL
Electronic business machines	6 years SL

Land and Building Revaluations
Any revaluation increment relating to the Group's interest in property is credited to the Operating Property Revaluation Reserve included in the equity section of the Consolidated Statement of Financial Position, except to the extent that it reverses a revaluation decrease of the same asset class previously recognised in the Consolidated Statement of Comprehensive Revenue and Expense, in which case the increase is recognised as revenue in the Consolidated Statement of Comprehensive Revenue and Expense.
Any revaluation decrease is recognised in the Consolidated Statement of Comprehensive Revenue and Expense, except that it offsets a previous revaluation increase of the same asset class, in which case the decrease is debited directly to the Operating Property Revaluation Reserve to the extent of the credit balance existing in the reserve for that assets class.

(j) ***Intangible Assets***
Intangible assets acquired are initially measured at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.
Intangible assets with finite lives are amortised over the useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The costs associated with maintaining computer software is recognised as an expense in the Consolidated Statement of Comprehensive Revenue and Expense when incurred.

The useful lives used in the preparation of these statements are as follows :

Computer Software	4 years SL

(k) ***Impairment of non-financial assets***
The carrying amount of the Group's non-financial assets, investment properties and inventories are reviewed at each reporting date to determine whether there is an indication of impairment. If such indication exists, then the asset's recoverable amount is estimated.
The recoverable amount of an asset or cash-generating unit (CGU) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows (for cash-generating assets) of future remaining service potential (for non-cash-generating assets) are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

Cash-generating assets and non-cash generating assets are distinguished as follows:

Cash-generating assets, CGU
These are assets are held with the primary objective of generating a commercial return and a CGU is the smallest identifiable group of assets held with the primary objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or group of assets. The most significant CGUs for the Group have been identified as individual aged care facilities and retirement villages.

Non-cash-generating assets
These are assets other than cash-generating assets. For the purposes of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

BDO CHRISTCHURCH IBDO AUDIT LIMITED

(l) ***Restricted Reserves***

While all movements in these reserves are recorded in the Consolidated Statement of Comprehensive Revenue and Expense, funds are bequeathed or designated for a specific purpose and are not available for general use. Transfers from these reserves are made only for the purposes specified.

(m) ***Financial Instruments***

The Group is party to financial instruments as part of its normal operations. These financial instruments include bank accounts, short term deposits, debtors, creditors and loans. All financial instruments are recognised in the Statement of Financial Position and all revenues and expenses in relation to the financial instruments are recognised in the Consolidated Statement of Comprehensive Revenue and Expense.

Financial Assets

Trade and Other Receivables

Accounts receivable are recognised initially at fair value with subsequent provision, if required, for doubtful debts.

Cash and Cash Equivalents

Cash and cash equivalents in the Consolidated Statement of Financial Position comprise cash at bank and on hand and short term deposits with an original maturity of three months or less, which are subject to insignificant risk to changes in value.

Accounts Payable and Accruals

Trade payables represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid on the 20th of the month following invoice.

Interest-bearing Loans and Borrowings

All loans and borrowings are initially recognised at fair value of the consideration received. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost 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 balance date.

Borrowing costs

Borrowing costs generally are recognised as an expense when incurred, however when the borrowing costs relate to the acquisition, construction or production of a qualifying asset then they are included in the cost of that asset. A qualifying asset is one that takes a substantial period of time to get ready for its intended use. The capitalisation of borrowing costs will cease when the asset is available for its intended use.

Refundable Portion - Occupation Right Agreements

Occupation Right Agreements (ORA) confer to residents the right of occupancy of the retirement village unit for life, or until the agreement is terminated by either party as prescribed. This right is the refundable deposit on the license issued and represents a percentage of the market value paid for each license. The percentage refundable varies between 95% and 75% as per the terms prescribed in the ORA.

Amounts payable under ORA's are non interest bearing and recorded as a current liability in the Consolidated Statement of Financial Position net of village contributions receivable.

(n) ***Significant Accounting Judgements, Estimates and Assumptions***

In applying the Group's policies, management continually evaluates judgements, estimates and assumptions made based on experience and other factors, including expectations of future events that may have an impact on the Group. All judgements, estimates and assumptions made are believed to be reasonable based on the most current set of circumstances available to management. Actual results may differ from the judgements, estimates and assumptions made. Significant judgements, estimates and assumptions made by management in the preparation of these consolidated financial statements are outlined below:

(i) Significant Accounting Judgements

Impairment of Property, Plant and Equipment
The Group assesses impairment of all assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. These include the residential aged care sector performance and funding, economic and political environments.

(ii) Significant Accounting Estimates and Assumptions

Estimation of useful lives of assets
The estimation of the useful lives of assets has predominantly been based on historical experience. Adjustments to useful life are made when considered necessary.

Retirement Village expected tenure
As discussed in note 1 (b) (v), the calculation for recognition of Retirement Village Contribution in the Consolidated Statement of Comprehensive Revenue and Expense is based on an estimate of the expected period of tenure of residents. The expected period of tenure based on historical and industry experience is estimated to be between 6.6 and 7.5 years.

Revaluation of Property, Plant and Equipment
Land and buildings are revalued every three years. Valuations are carried out in compliance with the professional standards of the NZ Institute of Valuers by experienced independent valuers. Refer to note 12 for key assumptions made.
The fair value of property, plant and equipment is subjective and changes to the assumptions have a significant impact on profit and the fair value.

Revaluation of Investment Property
Investment property is revalued annually. Valuations are carried out in compliance with the professional standards of the NZ Institute of Valuers by experienced independent valuers.
The valuer has used assumptions relating to future cash flows arising from the properties and assumptions relating to future growth rates of retirement village occupation right agreement amounts, the average duration of residency of occupants and appropriate discount rates.
Refer to note 9 for key assumptions made and methodologies used.

(o) ***Statement of Cash Flows***

The Consolidated Statement of Cash Flows is prepared exclusive of Goods and Services Tax (GST), which is consistent with the method used in the Consolidated Statement of Comprehensive Revenue and Expense. Cash and cash equivalents comprise cash on hand and on demand deposits and other short term, highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value and includes all call borrowing such as bank overdrafts used by the Group as part of their day-to-day cash management.

'Operating activities' represents all transactions and other events that are not investing or financing activities, and includes receipts and repayments.
'Investing activities' are those activities relating to the acquisition and disposal of property, investment property, plant and equipment.
'Financial activities' are those activities relating to changes in the debt capital structure of the Group.

Notes to the Consolidated Financial Statements - continued

for the Year ended 30 June 2026

	Group 2026 $000's	Group 2025 $000's
2. Revenue Received - Continuing Operations		
Enliven Services		
Residential - Rest Home	9,495	8,771
Residential - Hospital	22,614	24,589
Residential - Dementia	4,569	5,917
Residential - ACC	2,349	2,656
Residential - Premium Fees	1,035	1,435
Residential - Other Income	1,408	1,534
Enliven Community Programmes	490	494
	41,960	45,396
Family Works		
Social Work Support	1,395	1,255
Youth Development	531	626
Financial Inclusion services	675	612
Group Programmes	202	152
Adult Mental Health services	174	171
Other	4	1
	2,981	2,817
Other Activities	1,087	1,685
Legacies / Bequests	841	299
Total Revenue	46,869	50,197
Other Income		
Interest Income	204	47
Rental & Estate Income	186	262
Retirement Village Income	228	138
	618	447
Movement in fair value of Investment Properties	(423)	841
Total Other Income	195	1,288
Total Operating Income for year	**47,064**	**51,485**
Revenue from exchange transactions - Continuing Operations		
Income from services	44,031	47,383
Sale of Goods	1,123	1,193
Interest Income	204	47
Investment & Other Income	414	575
	45,772	49,198
Revenue from non-exchange transactions - Continuing Operations		
Donations received in cash	302	747
Grants	572	400
Bequests	841	299
	1,715	1,446
Total revenue from exchange and non-exchange transactions	47,487	50,644
Movement in fair value of Investment Properties	(423)	841
Total Operating Income for year - Continuing Operations	**47,064**	**51,485**

Notes to the Consolidated Financial Statements - continued

for the Year ended 30 June 2026

3. Expenditure - Continuing Operations

	Group 2026 $000's	Group 2025 $000's
Enliven Services		
Residential	40,644	44,533
Enliven Community Programmes	438	489
	41,082	45,022
Family Works		
Social Work Support	1,548	1,556
Youth Development	838	674
Financial Inclusion services	692	576
Group Programmes	237	298
Adult Mental Health services	181	184
Other	282	154
	3,778	3,442
Other Activities	1,704	2,631
Total Costs of Services - Continuing Operations	**46,564**	**51,095**

4. Fair value gains (losses) through the Consolidated Statement of Comprehensive Revenue and Expense

	Group 2026 $000's	Group 2025 $000's
Gain/(Loss) in the value of Investment Property	(423)	841
	(423)	841

The net loss of $423K in Investment Property reflects the movements resulting from 30 June 2026 valuations undertaken by registered valuers Colliers and CBRE of commercial and other investment properties (2025 $841K Gain).

5. Reconciliation of Surplus with Cash Flows from Operating Activity

	Group 2026 $000's	Group 2025 $000's
Surplus (Deficit) for Year	4,833	(616)
Add non-cash items:		
Depreciation/amortisation	937	1,152
Loss / (Gain) on Disposal of Assets	-	-
Retirement Village Income accrued	(413)	(1,041)
Fair value losses / (gains) on Investment Properties	423	(841)
Revaluation of Occupation Right Agreements	7	260
Impairment losses	-	1,012
Fair value losses / (gains) on Property, Plant & Equipment	(3,237)	-
Fair value (gains) / losses on JV Investments	-	-
	(2,283)	542
Changes in Working Capital		
Decrease / (Increase) in Receivables	1,622	665
Decrease / (Increase) in Inventory	42	(23)
Increase / (Decrease) in Accounts Payable & Accruals	927	(511)
Increase / (Decrease) in Employee Entitlements	(601)	4
Increase / (Decrease) in Occupation Right Agreements	-	-
	1,990	135
Movement in ORA provision classified as operating		
Proceeds from Occupation Right Agreements	3,490	6,295
Refunds of Occupation Right Agreements	(2,456)	(4,085)
	1,034	2,210
Net Cash Flow from Operating Activities	5,574	2,271

BDO CHRISTCHURCH IBDO AUDIT LIMITED

Notes to the Consolidated Financial Statements - continued

for the Year ended 30 June 2026

6. Current Assets - Cash and Cash Equivalents & Short term deposits

	Group 2026 $000's	Group 2025 $000's
Cash at bank and in hand	4,370	4,231
Cash held on behalf of clients	269	175
	4,639	4,406
Short Term Deposits	9,900	0

Cash at bank, except current accounts, earn interest at floating rates based on daily bank deposit rates. The carrying amounts of cash and cash equivalents represent fair value.
Short-term deposits are made for varying periods of three and six months, depending on the immediate cash requirements of Presbyterian Support Otago Incorporated.

7. Current Assets - Inventories

	Group 2026 $000's	Group 2025 $000's
Merchandise and work in progress	47	84

8. Current Assets - Receivables

	Group 2026 $000's	Group 2025 $000's
Trade Receivables	2,058	4,045
Other Receivables	358	-
	2,416	4,045

Trade receivables are non-interest bearing and are generally on 14-30 day terms. No allowance for impairment loss has been made as it is believed all receivables are collectable. Other receivables relate to largely to prepayments of future insurance expenses.

Details regarding the credit risk of current receivables are disclosed in Note 18.

9. Held for sale

	Group 2026 $000's	Group 2025 $000's
Assets		
Land	-	1,510
Buildings	-	189
Furniture & Fittings	-	320
Plant & Equipment	-	92
Motor Vehicles	-	5
Investment Property	-	1,611
Retirement Village assets	-	20,352
	-	24,079
Liabilities		
Refundable portion - Occupation Right Agreements	-	13,515
Costs to sell	-	275
	-	13,790
Held for sale	-	10,289

The Group classifies assets held for sale if their carrying amounts will be recovered through a sale transaction rather than through continuing use. Assets held for sale are measured at the lower of their carrying amount or fair value less costs to sell. The criteria for held for sale classification is met only when the sale is highly probable and the asset is available for immediate sale in its present condition.
Land and Buildings previously classified as Property, Plant and Equipment and Retirement Village assets previously held as Investment Properties have been reclassified as being held for sale.
These assets represent Elmslie House rest home and Wanaka Retirement Village in Wanaka.

BDO CHRISTCHURCH IBDO AUDIT LIMITED

Notes to the Consolidated Financial Statements - continued

for the Year ended 30 June 2026

10. Non-Current Assets - Investment Properties

	Group 2026 $000's	Group 2025 $000's
Opening Balance 1 July	14,004	15,014
Additions	-	-
Transfer from Property, Plant and Equipment		
Disposals/Write downs		
Transfer to Assets held for sale	-	(1,850)
Net gain / (loss) from fair value adjustments	(423)	840
Closing balance as at 30 June	13,581	14,004

Investment properties are carried at fair value, $13,581K (2025 $14,004K) and therefore not depreciated, which has been determined based on valuations performed by a qualified independent external valuers CBRE as at 30 June 2026. Revaluations take place annually.

The following valuation methodology and assumptions were adopted and are consistent with prior years.

The fair value represents the amount at which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction at the date of valuation.
In determining fair value th * Market Approach (Comparison to other property sales)
years, * Income Approach (Capitalisation of income)

At June 2026, the Group has no unprovided contractual obligations to purchase, construct or develop the investment properties and no unprovided contractual obligations for future repairs, maintenance or enhancements. (2025 Nil)

The following amounts have been recognised in the Consolidated Statement	Group 2026 $000's	Group 2025 $000's
Rental Income from Investment Properties	188	235
Direct operating expenses arising from investment properties that generate rental income	97	80

11. Non-Current Assets - Intangible Assets

Computer Software	Group 2026 $000's	Group 2025 $000's
Gross carrying amount		
Opening Balance	1,065	1,065
Additions	23	-
Closing Balance	1,088	1,065
Accumulated amortisation and impairment		
Opening Balance	(1,045)	(963)
Current year amortisation	(22)	(82)
Closing Balance	(1,067)	(1,045)
Carrying amount	21	20

Notes to the Consolidated Financial Statements - continued

for the Year ended 30 June 2026

12. Non-Current Assets - Property, Plant and Equipment

Group 2026	Land $000's	Buildings $000's	Furniture & Fittings $000's	Plant & Equipment $000's	Other $000's	Work in Progress $000's	Total $000's
Gross carrying amount							
Balance 1 July 2025	10,883	31,076	4,359	6,977	1,786	290	55,371
Additions			168	203	74	679	1,124
							-
Revaluation movements	832	782					1,614
Disposals				(66)	(77)		(143)
Transfer to Assets held for sale							-
Transfers						(130)	(130)
Balance 30 June 2026	11,715	31,858	4,527	7,114	1,783	839	57,836
Accumulated depreciation and impairment							
Balance 1 July 2025	-	(1,090)	(3,344)	(5,588)	(1,597)	-	(11,619)
Current year depreciation		(544)	(110)	(204)	(58)	-	(916)
Depreciation written back on disposal		5		64	77	-	146
Revaluation movement		1,624				-	1,624
Balance 30 June 2026	-	(5)	(3,454)	(5,728)	(1,578)	-	(10,765)
Carrying amount 30 June 2026	11,715	31,853	1,073	1,386	205	839	47,071

Group 2025	Land $000's	Buildings $000's	Furniture & Fittings $000's	Plant & Equipment $000's	Other $000's	Work in Progress $000's	Total $000's
Gross carrying amount							
Balance 1 July 2024	10,883	31,076	5,013	7,237	1,904	406	56,519
Additions	-	-	136	234	33	310	713
Revaluation movements	-	-	-	-	-	-	-
Disposals	-	-	-	(70)	(35)	-	(105)
Transfer to Assets held for sale	-	-	(790)	(424)	(116)	(426)	(1,756)
Transfers	-	-	-	-	-	-	-
Balance 30 June 2025	10,883	31,076	4,359	6,977	1,786	290	55,371
Accumulated depreciation and impairment							
Balance 1 July 2024	-	(542)	(3,549)	(5,725)	(1,590)	-	(11,406)
Current year depreciation	-	(548)	(152)	(228)	(134)	-	(1,062)
Depreciation written back on disposal	-	-	-	65	20	-	85
Revaluation adjustment	-	-	357	300	107	-	764
Balance 30 June 2025	-	(1,090)	(3,344)	(5,588)	(1,597)	-	(11,619)
Carrying amount 30 June 2025	10,883	29,986	1,015	1,389	189	290	43,752

The latest valuation of Residential Facilities, including Land and Buildings was the valuation by qualified, independent, external valuers CBRE as at 30 June 2026. CBRE are appropriately qualified and experienced in valuing rest home properties in New Zealand. The movement in value of these assets has been put through the Operating Property Revaluaton Reserve.

The fair values were based on a discounted cash flow model applied to the expected future cash flows generated by the properties. The valuation calculates the expected cash flows for a 50 year period, based on occupancy turnover of 6 years which is extrapolated at a nominal growth rate of between 3.25% and 3.5% and discounted to present value at a discount rate of 14.5% to 16.0%.

It is the Board's opinion that Fair Value is the most appropriate basis to value Presbyterian Support Otago's residential businesses of which Land, Buildings and Plant are major components. The fair value represents the amount at which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction at the date of valuation.

Any current year acquisitions are included at cost.

Assets pledged as security
Freehold land and buildings, held within Property, Plant and Equipment and Investment Property with a carrying amount of $420K (2025 $63,903K) were pledged to secure borrowings of the Group (see note 16). The Group is not permitted to pledge these assets as security for other borrowings.

BDO CHRISTCHURCH IBDO AUDIT LIMITED

Notes to the Consolidated Financial Statements - continued

for the Year ended 30 June 2026

13. Current Liabilities - Accounts Payable and Accruals

	Group 2026 $000's	Group 2025 $000's
Trade Creditors	1,733	1,169
Accruals	1,880	1,173
Amounts owing to clients	354	542
GST Payable	194	360
	4,161	3,244

Trade creditors are non-interest bearing and are normally settled on the 20th of month following invoice.
Amounts owing to clients represents balances of funds that are being managed on behalf of third parties. These funds are offset by cash balances held within Cash and Cash Equivalents.

14. Current Liabilities - Employee Entitlements

	Group 2026 $000's	Group 2025 $000's
Annual leave	2,664	3,167
Alternative leave	428	597
Wages and salaries	1,586	1,501
Long Service Leave	133	147
	4,811	5,412

Movements in Provisions

	Annual Leave	Time in Lieu Leave	Wages & Salaries	Long Service Leave	Total
Carrying amount as at 1 July 2025	3,167	597	1,501	147	5,412
Net movement for period	-503	-169	85	-14	-601
Carrying amount as at 30 June 2026	2,664	428	1,586	133	4,811

Nature of Provisions

Annual Leave

This provision represents the present value of annual leave accrued by employees at 30 June. The value is calculated based on either number of hours or days accrued multiplied by the respective employees pay rate as of the reporting date. The value of leave when taken can vary depending on the actual pay rate of the employee at the time of taking any accrued leave.

Alternative leave

This provision represents the present value of time earnt as an alternative day for, in general, working Public Holidays. The value is calculated in the same manner as Annual Leave. The value of leave when taken can vary depending on the actual mpay rate of the employee at the time of taking and accrued Aleternative Leave.

Wages and Salaries

This provision represents an estimate of wages and salaries outstanding as at the reporting date. It is calculated based on the closest actual pay period to the year end adjusted for number of days remaining.

Long Service Leave

This provision represents management's estimate of liability for long service leave yet to vest to employees. This liability is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at balance date. In determining the present value of the liability, attrition rates and pay increases through promotions and inflation have been taken into account.

BDO CHRISTCHURCH IBDO AUDIT LIMITED

15. Current Liabilities - Retirement Village Deferred Income

	Group 2026 $000's	Group 2025 $000's
Deferred Income - Wanaka Retirement Village	-	564
Deferred Income - Ranui Court	150	146
Deferred Income - Columba Court	25	8
	175	718

Retirement village deferred income reflects the policy that income is recognised on a straight line basis over the estimated average period of occupancy which ranges between 5 and 7 years. The village contribution legally accrues over four years. Deferred income is therefore the balance of contractual income that has not been recognised in the Consolidated Statement of Comprehensive Revenue and Expense.

16. Borrowings

	Group 2026 $000's	Group 2025 $000's
Current		
Secured bank loan	-	4,011
Non-Current		
Secured bank loan	474	-
	474	4,011

Reconciliation of Liabilities arising from Financing Activities

Carrying amount as at 1 July	4,011	3,712
Proceeds from borrowings - cash	217	310
Settlements of loans - cash	3,754	11
Carrying amount as at 30 June	474	4,011

Terms and conditions
Presbyterian Support Otago Incorporated had a financing arrangement with Westpac NZ Limited, the purpose of this facility was to provide funding for the redevelopment of Iona Kirkness hospital unit and the purchase of investment property and Castlewood Rest home. There is also a financing arrangement with ANZ Bank New Zealand Limited, the purpose of this facility is to fund the replacement of the bolier at Iona Hospital, Oamaru. During the financial year the entirety of the Westpac borrowings were repaid untilising funds from the sale of Wanaka Retirement Village and Elmslie House rest home. These assets were listed as Held for Sale.

The Westpac facility was secured against all present and acquired property of the Group and was comprised as follows;

Term Loans repaid
1. Outstanding balance at 30 June 2025 $172k
2. Outstanding balance at 30 June 2025 $2,059k
3. Outstanding balance at 30 June 2025 $1,481k

Overdraft Facility - $150K limit, floating interest rate tied to the Westpac NZ special lending rate
As at 30 June 2026 this facility has a drawn down balance of nil (2025 $70k).

The ANZ facility is secured against property held at 50a Hazel Ave, Dunedin and is comprised as follows,

Term Loan — The loan has a term of 60 months from 1 April 2025 and has a current interest rate of 3.5%. The total outstanding balance at balance date is $299K (2025 $299k).

Notes to the Consolidated Financial Statements - continued

for the Year ended 30 June 2026

17. Current refundable portion - Occupation Right Agreements

	Group 2026 $000's	Group 2025 $000's
Refundable amounts held - per contract	5,366	5,360
Movements in Provisions		
Carrying amount as at 1 July	5,360	4,880
New refundable amounts received - cash	3,752	6,295
Refundable amounts paid out - cash	(2,718)	(4,085)
Change in termination amount due - non cash	(1,028)	(690)
Amounts held for sale - non cash		(1,040)
Carrying amount as at 30 June	5,366	5,360

The Group operates two Retirement Villages, namely Ranui Court and Columba Court, under Occupation Right Agreements (ORA).
The refundable portion of an ORA relates to the amount owing to the resident if the agreement was terminated and this liability is partially extinguished as the termination payment owing to the Group increases.
The liability relating to the holders of ORA's is non-interest bearing. This liability is disclosed as all being due within one year whereas there will be a component that will be due after a longer period. Due to the level of estimate involved in determining a different maturity profile the total refundable is therefore treated as all due within one year.
As a result of the revaluation of Retirement Villages assets the net liability owing to residents on termination of their Occupation Right Agreements also needs recalculating. The net uplift in value of the Retirement Villages assets as of 30 June 2026 has meant that the Group's refundable portion to residents has increased as of balance date by $20K (2025 $335).
This increase in liability is reflected in the Consolidated Statement of Comprehensive Revenue and Expense as a separate expense for clarity.

BDO CHRISTCHURCH IBDO AUDIT LIMITED

18. Financial Instruments

The following table summaries the fair value of financial assets and financial liabilities

	Group 2026 $000's	Group 2025 $000's
Financial Assets		
Financial assets at amortised cost		
Cash and cash equivalents	4,370	4,231
Short Term Deposits	9,900	
Receivables	2,685	4,220
Total financial assets at amortised cost	16,955	8,451
Represented by:		
Total current	16,955	8,451
Total non-current	-	-
Total financial assets	16,955	8,451
Financial Liabilities		
Financial Liabilities at amortised cost		
Payables and accruals	3,967	2,884
Borrowings	-	4,011
	3,967	6,895
Financial Liabilities at fair value		
Refundable portion - ORA's	5,366	18,875
Total financial liabilities at fair value	5,366	18,875
Represented by:		
Total current	9,333	25,770
Total non-current	-	-
Total financial liabilities	9,333	25,770

Market Risk
Market Risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Group has exposure to market risk regarding its borrowings that are at floating interest rates. Borrowings issued at floating rates expose the Group to market fluctuations in the prevailing interest rates.

Credit Risk
Credit Risk is the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge an obligation. The Group is mainly exposed to credit risk from its financial assets and the maximum exposure to credit risk at balance date is represented by the total amount of financial assets in the Statement of Financial Position.

The Groups' maximum exposure to credit risk for the components of the Statement of Financial Position as at 30 June 2026 is the carrying amount of $16.9 million (2025 $8.4 million)

	Group 2026 $000's	Group 2025 $000's
Cash and cash equivalents	4,370	4,231
Short Term Deposits	9,900	-
Receivables	2,685	4,220
	16,955	8,451

Cash and cash equivalents and Short Term Deposists are all held with New Zealand banks.
Impairment on cash and cash equivalents and Short Term Deposits has been measured on a 12 month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents and Short Term Deposits have low credit risk based on the external credit ratings of the counterparties.
Receivables include large balances owed by the Health New Zealand, Te Whatu Ora, there are no other major concentrations of credit risk with respect to receivables due to the large customer base. The Group has a credit policy and exposure to credit risk is monitored on an ongoing basis. There are no collateral securities to support financial instruments credit risk.

	Group 2026 $000's	Group 2025 $000's
Not past due	1,843	3,708
Past due 1 - 30 days	122	241
Past due 31 - 60 days	63	35
Past due 61 days +	30	61
	2,058	4,045

Liquidity Risk
The Group has a responsibility to manage liquidity risk. This is achieved through an appropriate liquidity risk framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group also has access to a overdraft facility of $150k to provide additional liquidity if and when required.
The Group's exposure to liquidity risk based on undiscounted contractual cash flows is as follows:

2026

	Carrying Amount	Total	< 1 year
Cash and cash equivalents	4,639	4,639	4,639
Short Term Deposits	9,900	9,900	9,900
Trade and other receivables	2,416	2,416	2,416
Inventories	47	47	47
Assets held for sale	-	-	-
Trade and other liabilities	(4,161)	(4,161)	(4,161)
Borrowings	(474)	(474)	(474)
Liabilities held for sale	-	-	-
Employee entitlements	(4,811)	(4,811)	(4,811)
	7,556	7,556	7,556

2025

	Carrying Amount	Total	< 1 year
Cash and cash equivalents	4,406	4,406	4,406
Trade and other receivables	4,045	4,045	4,045
Inventories	84	84	84
Assets held for sale	24,079	24,079	24,079
Trade and other liabilities	(3,244)	(3,244)	(3,244)
Borrowings	(4,011)	(4,011)	(4,011)
Liabilities held for sale	(13,790)	(13,790)	(13,790)
Employee entitlements	(5,412)	(5,412)	(5,412)
	6,157	6,157	6,157

Capital Risk Management
Presbyterian Support Otago Incorporated's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to continue its mission and vision. In order to maintain or adjust the capital structure, the Group carries minimum levels of debt and may realise surplus assets to fund essential developments.
The capital of the Group is split into General and Restricted reserves. General Reserves are derived from net operating surpluses and are available for the general use of the Group. Restricted Reserves are derived from bequests and gifts have a defined purpose or use. The Revaluation Reserve is derived from the revaluation of property.

19. Related Party Disclosure

Ultimate parent and subsidiary

Presbyterian Support Otago Incorporated is the ultimate parent of the Group which is the 100% shareholder of the only subsidiary PSO Retirement Villages Limited. As at balance date there is an advance between the parent and subsidiary with a balance of $1,690K (2025 $16,102K). There is no security held by PSO Retirement Villages Limited for this amount due from the parent entity. This advance is repayable within 367 days upon receipt of notice from PSO Retirement Villages Limited.

The following transactions were carried out with related parties:

	Group 2026 $000's	Number of individuals	Group 2025 $000's	Number of individuals
(a) Key Management Personnel compensation.				
Short-term employee benefits	1,213	7	1123	9
Members of governing body	-	9	-	11
(b) Purchase and Sales of Services.				
(i) Purchase of services from Marks & Worth Lawyers - an entity connected with a Trustee	14		18	
(c) Year-end balances arising from the purchase of services.				
Payables to Related Parties	-		-	

Notes to the Consolidated Financial Statements - continued
for the Year ended 30 June 2026

20. Auditor Remuneration

The following remuneration was incurred with the Group's auditors

	Group 2026 $000's	Group 2025 $000's
Audit Services	70	70
Other Services - Trustee reporting	-	-
Other Services - Compliance advice	-	-
	70	70

The nature of the other services relates to Trustee reporting to the Statutory Supervisor of the retirement villages and for compliance advice.

21. Operating Lease Commitments - Group as Lessee

	Group 2026 $000's	Group 2025 $000's
Non cancellable operating lease rental commitments are payable as follows:		
Not later than one year	437	445
Later than one year but not later than five years	518	677
Later than five years	-	-
	955	1,122

The Group leases various offices, retail outlets and warehouse under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights. These are currently monthly leases.

22. Capital Expenditure Commitments

The Group has a contract to replace the hot water and heating boiler system at Ross Home in Dunedin, contract value $650k (2025 - Nil)

23. Contingent Liabilities and Assets

As at balance date there are no known contingent liabilities or assets.
The Group had as at June 2025 a number of active employement related legal matters in progress. At the time of signing of those financial statements the outcome was unknown, these have now been resolved.

24. Government Grants

	Group 2026 $000's	Group 2025 $000's
Government Grants recognised in the Consolidated Statement of Comprehensive Revneue and Expense	132	63

There are no unfulfilled conditions relating to the government grants recognised in these consolidated financial statements.

25. Grants Acknowledgment

	Group 2026 $000's	Group 2025 $000's
Department of Internal Affairs - Lottery Community	110	30
Dunedin City Council - Rates Relief Grant	22	33
Otago Community Trust - Social Services Grant	94	80
Central Lakes Trust	165	135

Presbyterian Support Otago gratefully acknowledges the above organisations for grant contributions.

BDO CHRISTCHURCH IBDO AUDIT LIMITED

26. Discontinued Operations

Operating results from Discontinued Operations	Group 2026 $000's	Group 2025 $000's
Revenue	766	3044
Expenditure	(653)	(2,629)
Depreciation	-	(74)
	113	341
The Statement of Cash Flows includes the following amounts from discontinued operations		
Operating Cash Flows	812	1,512
Investing Cash Flows	-	(104)
Net Cash inflow/(outflow)	812	1408

The Wanaka Retirement Village and Elmslie House operations are considered to represent discontinued operations in accordance with PBE IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations. The operations have been sold during the financial year.

27. Events occurring after Balance Date

At the August 2026 Board meeting it was resolved to place the land at 50A Hazel Ave and the three residential properites in Queensbury and Chester streets, North East Valley, Dunedin on the market for sale. The combined value of these assets is $1,675k.

In the prior year ended 30 June 2025.
Sale of held-for-sale assets

At balance date, negotiations were significantly advanced regarding the sale of the Wanaka Retirement Village and Elmslie House Rest Home. On 11 July 2025, a conditional sale and purchase agreement was executed. This agreement became unconditional on 5 September 2025, with settlement expected to occur within the next month. The carrying values of the associated assets have been adjusted to reflect their fair value less costs of disposal, in accordance with the terms of the sale and purchase agreement (refer to Note 9).

Bank Debt facility

As at balance date, the Group's term debt facility with Westpac NZ Limited, with a balance of $3.712 million, was due to mature on 30 September 2025. The proceeds from the sale of the Wanaka Retirement Village and Elmslie House Rest Home are intended to be applied towards repayment of this debt and to strengthen the Group's cash reserves. Subsequent to balance date, the debt facility was successfully renegotiated for a further 12-month term to allow sufficient time for settlement of the asset sale.

Exit of Management Contract

The Group had a Management Deed in place with Aspiring Care Limited Partnership in relation to the operation of Aspiring Care, a Wanaka dementia care and hospital facility. Aspiring Care Limited Partnership gave notice to Presbyterian Support Otago that it was ending this contract as at 31 July 2025. Subsequent to balance date a settlement was reached between to the two parties to compensation Presbyterian Support Otago for its loss of future earnings and historical reimbursement claims under the Management Deed.

28. Reserves

Accumulated Revenue & Expenses

This reserve represents the accumulation of the Group's net accumulated earnings over time. It is adjusted for transfers required to the other reserve categories.

Operating Property Revaluation Reserve

The Operating Property Revaluation Reserve is the accumulation of changes in the valuation of Operating Property. Operating Property is revalued on a three year cycle and was last revalued as of 30 June 2026.

Investment Property Revaluation Reserve

The Investment Property Revaluation Reserve is the accumulation of changes in the valuation of Investment Property. Investment Property is revalued annually. These annual changes in value are shown as transfers within the Consolidated Statement of Changes in Net Assets / Equity.

Restricted Reserves

Restricted Reserves are special purpose reserves for an identified purpose in the activities of the organisation. These reserves are broken down into Endowment and Special Reserves. Endowment Reserves relate to monies either bequested or gifted to the organisation that have a stated purpose. Expenditure against these activities is then allocated to the reserves until fully utilised. Special Reserves are funds that generally have been donated to a particular service or that have been fundraised for a particular facility. As with Endowment Reserves expenditure is then allocated against the reserves as it is incurred. The transfers within the Consolidated Statement of Changes in Net Assets / Equity reflect the annual income and expenditure of Restricted Reserves.

BDO CHRISTCHURCH IBDO AUDIT LIMITED

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDER OF PRESBYTERIAN SUPPORT OTAGO INCORPORATED

Opinion

We have audited the general purpose financial report of Presbyterian Support Otago Incorporated ("the Society") and its controlled entity (together, "the Group"), which comprises the consolidated financial statements on pages 5 to 28, and the consolidated statement of service performance on pages 2 to 4. The complete set of consolidated financial statements comprise the consolidated statement of financial position as at 30 June 2026, the consolidated statement of comprehensive revenue and expense, consolidated statement of changes in net assets/equity, consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion the accompanying general purpose financial report presents fairly, in all material respects:

- the consolidated financial position of the Group as at 30 June 2026, and its consolidated financial performance, and its consolidated cash flows for the year then ended; and
- the consolidated statement of service performance for the year ended 30 June 2026, in that the service performance information is appropriate and meaningful and prepared in accordance with the Group's measurement bases or evaluation methods.

in accordance with Public Benefit Entity Standards ("PBE Standards") issued by the New Zealand Accounting Standards Board.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and the audit of the consolidated statement of service performance in accordance with the ISAs (NZ) and New Zealand Auditing Standard 1 (NZ AS 1) (Revised) *The Audit of Service Performance Information (NZ)*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the General Purpose Financial Report 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 Society or its controlled entity.

Other Information

The Board are responsible for the other information. The other information obtained at the date of this auditor's report is information contained in the general purpose financial report, but does not include the consolidated statement of service performance and the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated statement of service performance and 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 statement of service performance and 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 statement of service performance and 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 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.

The Board's Responsibilities for the General Purpose Financial Report

The Board are responsible on behalf of the Group for:

(a) the preparation and fair presentation of the consolidated financial statements and consolidated statement of service performance in accordance with PBE Standards;

(b) the selection of elements/aspects of service performance, performance measures and/or descriptions and measurement bases or evaluation methods that present a statement of service performance that is appropriate and meaningful in accordance with PBE Standards;

(c) the preparation and fair presentation of the statement of service performance in accordance with the Group's measurement bases or evaluation methods, in accordance with PBE Standards;

(d) the overall presentation, structure and content of the statement of service performance in accordance with PBE Standards; and

(e) such internal control as the Board determine is necessary to enable the preparation of the consolidated financial statements and consolidated statement of service performance that are free from material misstatement, whether due to fraud or error.

In preparing the general purpose financial report the Board are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board 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 General Purpose Financial Report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole, and the consolidated statement of service performance 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) and NZ AS 1 (Revised) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate or collectively, they could reasonably be expected to influence the decisions of users taken on the basis of this general purpose financial report.

A further description of the auditor's responsibilities for the audit of the general purpose financial report is located at the XRB's website at:
https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-13-1/

This description forms part of our auditor's report.

Who we Report to

This report is made solely to the Group's members, as a body. Our audit work has been undertaken so that we might state 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 Society and the Society's members, as a body, for our audit work, for this report or for the opinions we have formed.

BDO Christchurch Audit Limited

BDO Christchurch Audit Limited
Christchurch
New Zealand
30 September 2026