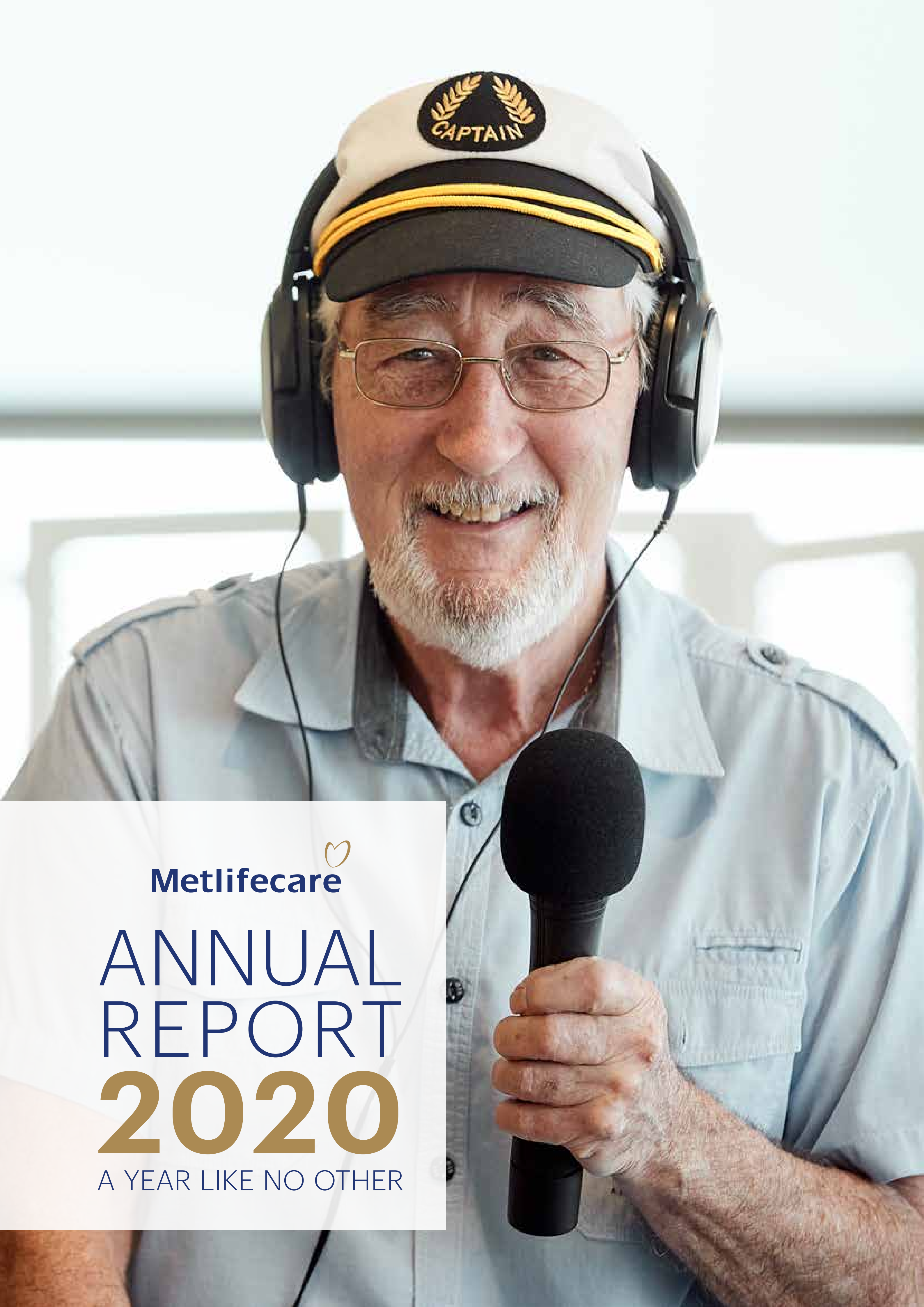


Metlifecare

ANNUAL REPORT 2020

A YEAR LIKE NO OTHER

A Year Like No Other

"From the outset, we put the safety and wellbeing of residents and staff at the centre of all decision-making. Our shared philosophy was simple - protecting our team of 7,000."

CEO **GLEN SOWRY** ON METLIFECARE'S COVID-19 RESPONSE

Front Cover: Resident village DJ Eddy Cross, Forest Lake Gardens

Metlifecare

Pinesong resident Heather (right) has a laugh with a friend on Grandparents Day

Contents

This Annual Report is signed for and on behalf of the Board of the Company by:

K.R. Ellis
CHAIR
9 September 2020

A.B. Ryan
DIRECTOR
9 September 2020

Metlifecare

Antoinette Rodahl and family in fits of laughter, The Poynton

Creating extraordinary living experiences

At a glance

At Metlifecare, we're in the business of providing retirement communities in which people are empowered to be the very best version of themselves. Since 1984 we have been a leader in New Zealand in the development and management of vibrant social communities for older people. The care, comfort, happiness and wellbeing of people is at the heart of what we do and why we do it.

25
Villages

10
Development locations

5,600
Residents

1,200
Staff

VILLAGES

4,066
Independent living homes

492
Assisted living apartments

440
Care beds and suites

UNDER DEVELOPMENT/ LAND BANK

1,374
Independent living homes and assisted living apartments

311
Care beds and suites

CEO Glen Sowry and Chair Kim Ellis

Chair & CEO report

We are pleased to present Metlifecare's annual report for the 2020 financial year – one of the most unusual and challenging years in our 36-year existence.

IT WAS TRULY A YEAR OF TWO HALVES. After two years of subdued market conditions we saw new momentum enter housing markets at the end of 2019. The second half was looking very positive with our development programme well on track and a record number of sales contracts written in February 2020.

Then came Covid-19. As the pandemic began to spread overseas, our focus shifted from monitoring to full risk mitigation. Thanks to our outstanding clinical team, our pandemic plan had been reviewed and tailored for Covid-19 and was activated well ahead of Ministry of Health guidelines.

Covid-19 tested the strength and resilience of our business and, due to our strong operating model and committed, capable people, we have come through safely. We do, of course, remain vigilant.

The feedback we received from residents and their families has been overwhelmingly positive, a testament to our people-centred approach and the skill and dedication of our staff who came to work every day to keep our residents safe, supported and happy.

Financially, the disruptions caused by the lockdown curtailed what was promising to be a record year. We experienced a temporary, but significant, sales decline between March and May 2020 due to the Covid-19 restrictions as well as incurring significant additional costs to successfully keep our residents and employees well and supported through the lockdown.

With momentum resuming for both sales and development activity in late May 2020, we finished the financial year at pace, and in a strong position to respond to this year's opportunities and challenges. It has been an excellent performance in a year like no other, and one the Board and Executive team are proud of.

Financial overview

Despite the challenges of the past year, Metlifecare delivered a solid operating performance, achieving an underlying profit before tax of $93.8 million, slightly below last year's record.

The result was driven by an uplift in operating revenue, which increased by 8% to $134 million, due to continued care growth (including the opening of two new care homes) and higher deferred management fees.

Sales pricing remained firm overall, with resales prices slightly higher than last year and strong growth in development sales prices. However, these gains were offset by reduced sales volumes due to Covid-19 disruptions, resulting in lower development margins and resales gains.

Sales recovered in late May 2020 and have continued into the new financial year. Costs and margins were well managed despite the investment required to respond to the challenges of Covid-19, including additional staff, training, security and protective equipment.

Strong net operating cash flows were used to invest in property improvements and development projects throughout the year. Reported net operating cash flows were 3% higher than last year at $123.1 million and underlying operating cash flows were up 1% at $56.2 million.

Changes in valuation assumptions due to Covid-19 resulted in a $74.8 million reduction in the fair value of investment property for the year, compared to last year's gain of $53.9 million. The impact of this movement was partly offset by a reversal in the deferred tax liability of $26.9 million. The company posted a reported net loss for the year of $33.7 million.

Financial position

Metlifecare's balance sheet remains one of the strongest in the sector. Over the 12-month period we invested $122.3 million in land purchases, village development and reinvestment projects, and care facilities from borrowings and operating cash.

Total assets increased slightly from $3.5 billion in FY19 to $3.6 billion in FY20.

As part of Metlifecare's capital management plan to support the next phase of accelerated growth, we raised $100 million in an oversubscribed retail bond issue in September 2019. This has provided greater diversity of funding sources and tenor.

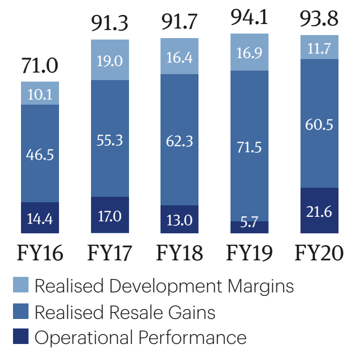
Gearing (net debt to valuation ratio) was 17% at balance date, providing ample capacity to fund future growth as well as retaining a solid buffer in the event of an economic downturn.

Extraordinary living experiences

Metlifecare's ambition is to create extraordinary living experiences for our residents, empowering them to live their best lives. As shown in our Value Creation Model on page 17, we focus on clear customer-related outcomes to help us achieve this – quality living environments, exceptional communities, and class-leading customer care.

Extraordinary is definitely a word that could describe, not only the events of the past six months, but also the continuing response of our staff and residents to

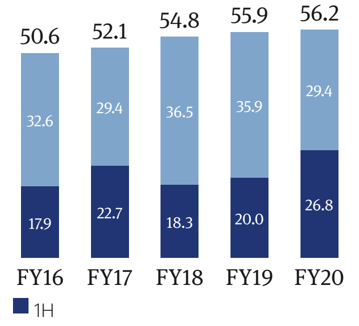
Underlying Profit#* ($m)



#Non-GAAP measure. For further information on non-GAAP measures see note 1, p16.

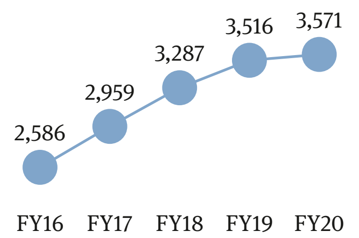
* Underlying profit calculation has been changed to exclude the provision for resident share of capital gains as it relates to future periods and includes a wage subsidy of $6.8m in FY20.

Underlying Cashflow# excluding Buyback Costs ($m)

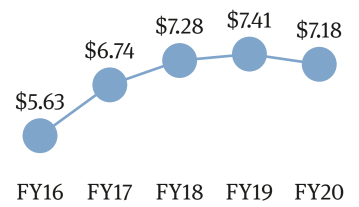


#Non-GAAP measure

Total Assets ($m)



Net Tangible Assets per Share*



* Net Tangible Assets per Share has been restated to reflect prior period adjustments to the Deferred Tax Liability calculation.

these events. We are extremely proud of Metlifecare's performance through these incredibly challenging times and have shared some of our experiences and learnings further in this report, including a first-hand account by Glen on page 14.

Our care business has continued to grow rapidly, with new or enhanced care services launched across four villages during the year. We celebrated the opening of two new care homes at The Avenues in Tauranga and at Papamoa Beach Village. Palmerston North Village increased its care offering with 12 new care apartments converted from serviced apartments, and New Lynn's Crestwood Village received a four-year Ministry of Health certification for hospital-level care.

Our new care homes have proved extremely popular, with The Avenues already 100% full and Papamoa Beach at 97% of capacity (at August 2020). Occupancy at our established care homes averaged 95% for the year and premium care revenues grew by a further 48%. This success reflects the strength of our resident-directed model of care, our high Ministry of Health certifications, and the endorsement of our residents and their families.

The new Toi Toi Dementia community at Papamoa Beach Village is a welcome addition to our Bay of Plenty care offering, providing greater personalisation and socialisation for residents and reassurance for families.

Milestones were celebrated during the year with the completion of Papamoa Beach Village and the welcoming of the first residents to our award-winning, design-led Gulf Rise village at Red Beach. The appeal of Gulf Rise is evident, with most villas now sold and apartment sales progressing steadily. Residents enjoyed the community event marking the pavilion opening, with entertainment provided by the Auckland Philharmonia Orchestra's Toppee Flat string quartet.

Despite being unable to sell homes to future residents in much of the last quarter, we settled 323 resales occupation right agreements in our villages over the year. Prices remained steady in fluctuating market conditions, and the average village occupancy remained high at 96%.

We have been pleased to experience strong interest in our villages throughout, with future residents recognising the quality of our brand and the benefits of being well cared-for and supported in challenging times.

Building for the future

We have a clear and differentiated development strategy, focused on unique, amenity-driven locations that enable us to create exceptional living environments within local communities. We have development projects currently underway at six villages, including four new sites around Auckland.

Early in the financial year, facing continued construction cost escalation, we undertook a programme review, from which new initiatives were introduced to drive construction cost improvements and improve supplier partnerships. These initiatives had been underway for several months until construction activity was halted by alert level 4 in March 2020.

Construction quickly resumed after level 3 was lifted in late May, and we have since been encouraged to see a recent easing of construction cost pressures driven by market uncertainties. Our development programme is in good shape and all sites have returned to full momentum.

For Metlifecare, the review was timely. It has confirmed the robustness of our construction and procurement models and will enable us to continue delivering high-quality villages at sustainable development margins. This has positioned us well for the economic and market uncertainties being faced by New Zealand.

In recent months we have further strengthened our in-house capability to ensure the profitable development and delivery of multiple large-scale projects. Key appointments have included our new General Manager Development Matt Wickham and Development Sales Manager David Martin, both of whom bring a track record of innovation and best practice IP to Metlifecare.

Interest in our new villages continues to build, with particularly strong enquiry for Pohutukawa Landing (Beachlands), Gulf Rise (Red Beach), and Fairway Gardens (Botany).

People

It is hard to find words to properly acknowledge and thank Metlifecare's entire team of employees and contractors for their efforts over the past year, particularly the way they bring to life our values of respect, passion, teamwork and integrity.

Examples are provided throughout this report of how our people rallied together, regardless of where they work in the company. Many, many people undertook jobs well outside their job description as part of the greater effort to ensure that resident wellbeing was paramount throughout the lockdown.

This performance exemplifies why we invest in attracting and retaining good people. As shown on page 35, staff retention is strong, and participation in ongoing training and development continues. We also continue to invest in the health, safety and wellbeing of our people – staff, contractors and residents alike.

Our senior leadership team was refreshed during the year, bringing new energy and skills to the group. In addition to General Manager Development Matt Wickham, our General Counsel & Company Secretary Andrew Peskett took up a new role as General Manager Corporate Services and Head of Digital Hannah Walton became General Manager Business Transformation.

Board

We thank our directors for their contribution and commitment in an extremely demanding year. In addition to normal matters of governance, the Board and its subcommittees have worked tirelessly through a number of complex and challenging projects, including a retail bond issue, the proposed Scheme Implementation Agreement, Covid-19 and various litigation matters. We have appreciated the robustness of debate and diversity of experience, skills and perspectives our directors have brought to the table, and are sincerely grateful for their efforts.

We also acknowledge the retirement of Dr Noeline Whitehead from the Board at year end. Noeline has served as a director since June 2013, bringing extensive residential aged care sector knowledge and experience to the Board. She was instrumental in establishing the Board's Care Committee and helped lead our transition to the homestead and resident-directed care models. Her contribution to Metlifecare's increased care offering and improved care performance has been immense. We wish Noeline all the very best for the future.

Scheme Implementation Agreement

On 29 December 2019, Metlifecare signed a Scheme Implementation Agreement with Asia Pacific Village Group Limited (APVG), owned by EQT Infrastructure IV fund, to acquire 100% of Metlifecare's shares for $7.00 per share. In April 2020, APVG issued a notice to terminate the scheme that was disputed by Metlifecare.

As announced on 10 July, Metlifecare then entered into a new Scheme Implementation Agreement with APVG to acquire 100% of Metlifecare's shares for $6.00 per share. Metlifecare and APVG also agreed to discontinue all litigation and settle all disputes related to the original scheme. The scheme is scheduled to be put to a shareholder vote at a special meeting at 12pm on 2 October 2020. Should shareholders vote to approve the scheme, it is currently scheduled to be implemented in late October 2020, provided all other conditions under the scheme are satisfied.

A scheme booklet has been sent to shareholders along with a copy of a new Independent Adviser's Report prepared by Calibre Partners (formerly KordaMentha).

Dividend

The Board has declared that no dividend will be paid for the period, in accordance with the terms of the new Scheme Implementation Agreement entered into by Metlifecare with APVG on 10 July 2020.

Looking ahead

While the impacts of the global pandemic continue to be significant, we have learned what is possible, and how quickly we can adapt and transform ourselves. We are determined to embed these learnings and a business-wide transformation programme has been initiated to deliver key projects to drive greater agility, efficiency, and digital enablement across the business. These projects are expected to result in a material lift in Metlifecare's performance.

While the economic outlook is somewhat uncertain, Metlifecare is well positioned financially and operationally to withstand future market volatility.

We have a proven product offering which generates high resales gains and cash flows. Our growth aspirations are supported by a strong balance sheet, and our development programme has been significantly strengthened to ensure we will consistently and profitably deliver the exceptional homes and villages our customers expect.

Shorter term, we are seeing strong demand as future residents recognise the value of being kept safe and well supported in a village community.

While the future ownership of Metlifecare has yet to be confirmed, our focus on creating extraordinary living experiences remains the company's North Star. There is tremendous potential to accelerate our exciting development programme and embrace innovation and technology to shape Metlifecare's future for the better.

Kim Ellis

Glen Sowry

"While the impacts of the global pandemic continue to be significant, we have learned what is possible, and how quickly we can adapt and transform ourselves."

CEO **GLEN SOWRY** AND CHAIR **KIM ELLIS**

Glen Sowry on the first lockdown

"As we watched the pandemic escalate overseas, it became evident that Covid-19 was not only taking a particular toll on the elderly and vulnerable, but also that people in care homes were at greatest risk."

"AS THE CEO OF OUR GROUP OF villages, I felt a huge responsibility, shared wholeheartedly by all of our village and support office staff, to do everything in my power to minimise risk and keep Covid-19 out of our villages. We consider keeping our residents and communities as safe as we can to be part of our social licence to operate.

Our team of 7,000

As the situation escalated in March, it became obvious that we needed to respond quickly and decisively. Our priorities were clear. First, we needed to keep our villages free of Covid-19 – or in the event of an outbreak, to quickly contain it, then eradicate it. Secondly, we needed to ensure that, despite being in isolation, all of our residents could remain in good health – physically, mentally and emotionally – and stay connected with the outside world.

From the outset, we put the safety and wellbeing of residents and staff at the centre of all decision-making.

I am exceptionally proud of the way our Metlifecare community – staff and residents – rose to the challenges of Covid-19. Within New Zealand's team of five million, we had our own Metlifecare team of 7,000 looking out for and after each other.

Keeping our community safe and well

We mobilised services and support at a scale and speed we couldn't have imagined in normal circumstances. We went digital – embracing remote working and empowering our residents to use technology for ordering groceries, trying new activities and to connect with their loved ones. The feedback we have received from residents and their families has been overwhelmingly positive.

I also believe that the retirement village sector's collegiality and willingness to share information and work together for common good was a key factor in keeping New Zealand's elderly population safe.

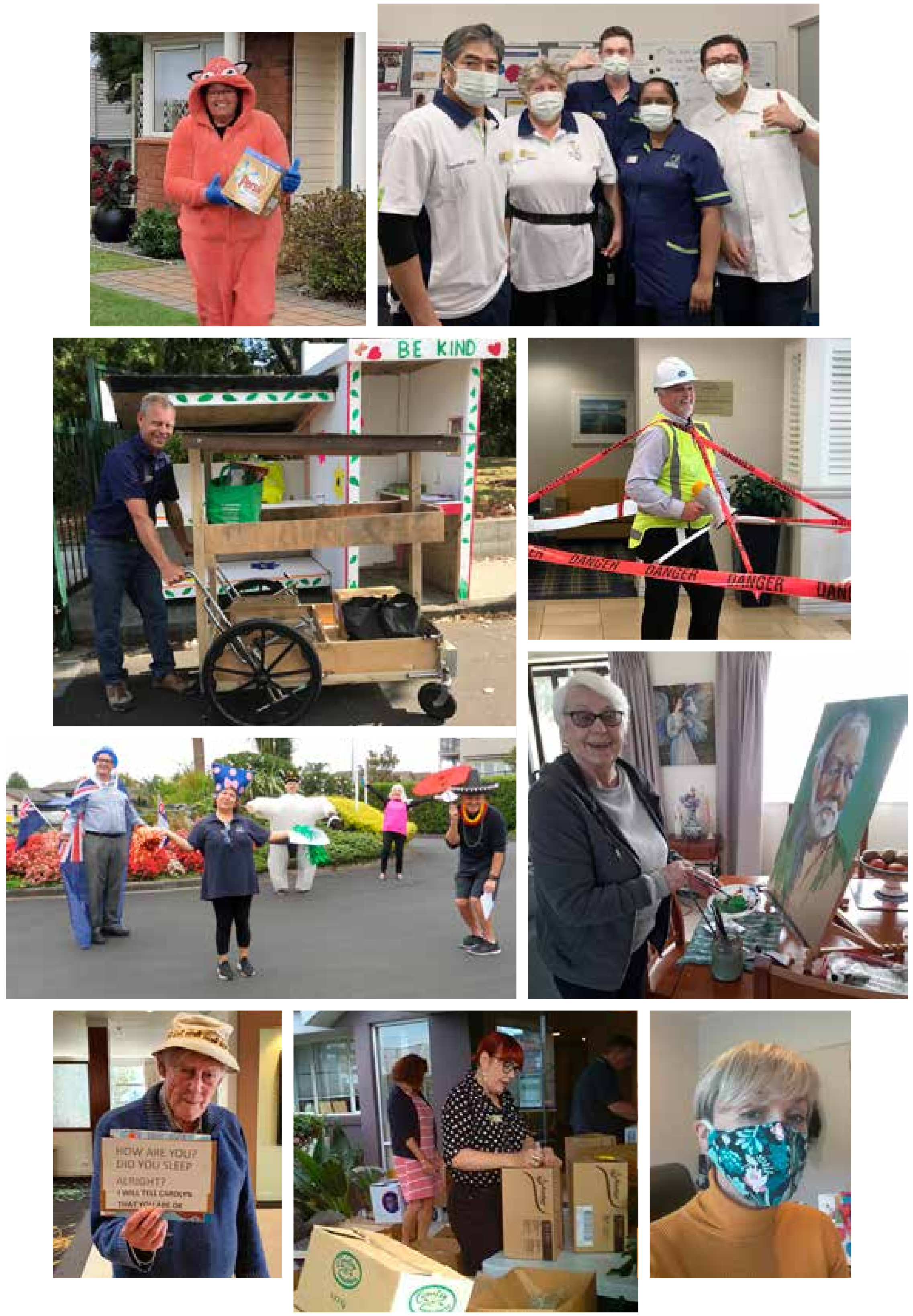
It's important to remember that we haven't escaped Covid-19 unscathed.

Two Metlifecare residents contracted Covid-19 while overseas; one of whom tragically passed away in Wellington Hospital. Our thoughts and wishes remain with their family. There were no transmissions in the village, and for this, I acknowledge Coastal Villas' exemplary handling of the situation, supported by the rigorous processes and procedures instigated at the outset under the guidance of our Clinical Director Tanya Bish. We remain vigilant.

Learning from Covid-19

While the impacts of the pandemic have been significant for Metlifecare, we have also learned about what's possible, and how quickly we can transform ourselves. We are determined to make the most of our learnings and have already put a transformation programme in place to build on the momentum achieved. We will not let this crisis go to waste."

Metlifecare villages during lockdown 2020



Images clockwise from top left: Kapiti Village's costumed domestic aid Trish; care staff at Coastal Villas; The Poynton's 'social distance warden' Regan; resident lockdown artist Adrienne (Edgewater); Crestwood village manager Helena; Bayswater staff sort groceries; Greenwich Gardens' Brian checks in on fellow residents; Dannemora Gardens' big village sing; Fred from Crestwood delivers groceries.

Performance overview

FINANCIAL

$93.8m
Underlying Profit Before Tax [1]

$33.7m
Net Loss after Tax

$56.2m
Underlying Operating Cash Flow[1]

$122.3m
Investment in village development (new and existing)

$3.6bn
Total Assets

17%
Gearing

$7.18
Net Tangible Assets per Share

OPERATIONAL

96%
Village occupancy

95%
Care Home occupancy

81
New homes delivered

420
Occupation right agreements settled

33%
Resales margin

16%
Development margin

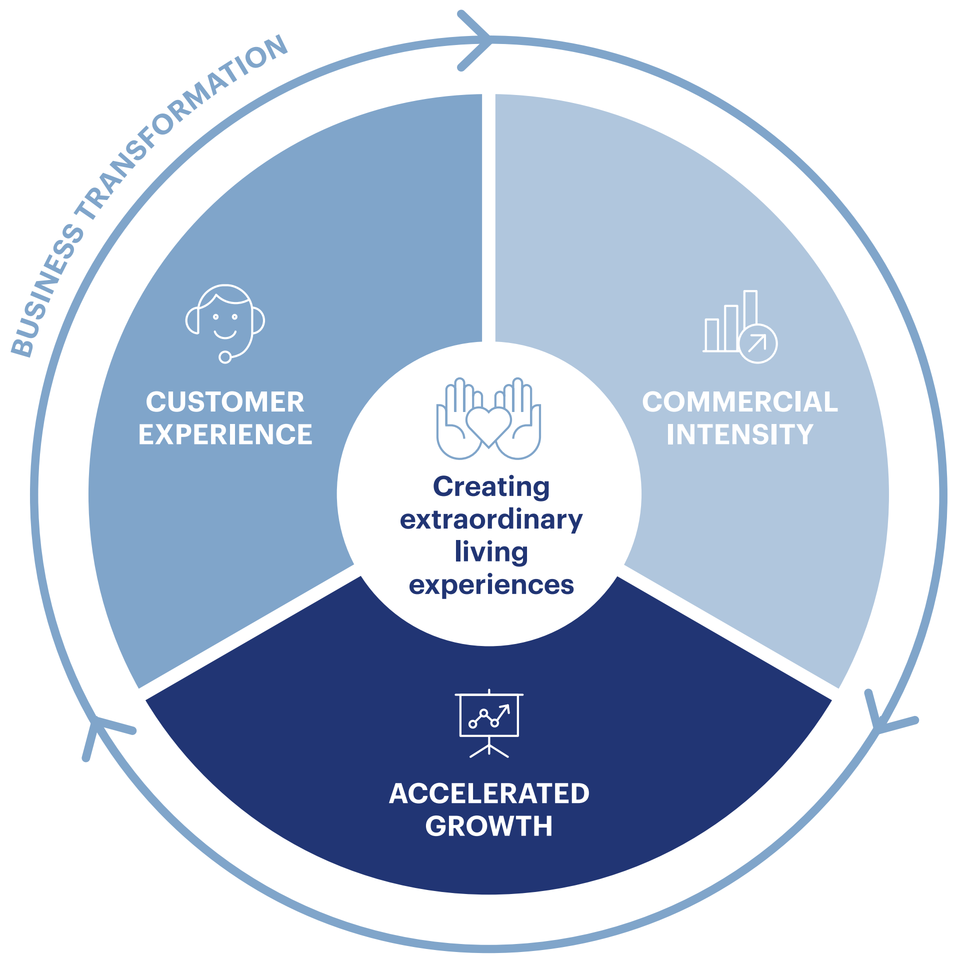
48%
Care premium revenue increase

[1] These measures are non-GAAP measures. The definition of these and other non-GAAP financial measures in this report can be found in the FY20 results presentation. A copy of the FY20 results presentation can be found on Metlifecare's website: www.metlifecare.co.nz/investor-centre/investor-presentations.

How we create value

SOURCES OF VALUE

- Our villages
- Our people
- Our expertise
- Our relationships
- Our environment
- Our financial strength



OUTCOMES

- Quality living environments
- Customer experience
- Exceptional communities
- Partner relationships
- People power
- Financial sustainability

Thriving through disruption

As the Government's Covid-19 prevention measures came into force in New Zealand, we remained confident that our strong, customer-focused operating model and committed staff would enable us to support our residents' safety and welfare.

Residents Don Brooke and Peter Pritchard build boats in the Greenwich Gardens workshop


Clinical Director Tanya Bish

We were prepared

Clinical Director Tanya Bish has looked after older people for more than 30 years. Tanya talks about how good preparation ensured our most vulnerable residents remained safe from Covid-19.

Staying ahead of the curve

"We believe our early action, alongside that of other retirement village operators, has played a large part in ensuring the safety and wellbeing of New Zealand's older citizens.

Even before Covid-19 reached New Zealand, it was evident that if it became established in a close-knit environment such as a village or care home, the outcomes could be tragic. Risk management became our priority, and from the early days of the pandemic overseas, our clinical team closely monitored the situation, keeping abreast of emerging literature and taking independent advice about Covid-19's unique characteristics.

We were proactive. Our standard pandemic plan, setting out our policies, protocols and interventions to prevent and contain the spread of infectious diseases in our villages, was reviewed and tailored specifically for Covid-19. This was activated at the outset of the pandemic and was adjusted as new information became available. The plan is continually under review.

We were well ahead of Ministry of Health guidelines in stepping up our measures. In early March we began limiting and monitoring visitors within our villages and care homes. Precautionary self-isolation was required for residents and staff who showed any signs of illness. Visitor declarations were mandatory and gate security was put in place early. We also enlisted additional support from our casual staff pool, and refresher training ensured all staff were appropriately equipped to deal with infection control.

By the time the level 4 lockdown was announced on 23 March 2020, we were already in action. Our staff came into their own - their hygiene discipline, their dedication to our residents and also the way they came to work, day after day, throughout lockdown, no matter what was going on at home, was amazing. I am in awe of them."

A coordinated response

"It's important to acknowledge the aged-care sector's united response to Covid-19. Two key industry groups – the Retirement Village Association's Chief Executive Forum and the Aged Care Association's Nursing Leadership Group – were instrumental in sharing best practice, knowledge and experience to keep our residents safe. I think the work of these groups reflects the unique characteristics of New Zealand's retirement village model, and we are proud of how our collective efforts have protected our residents.

The work done by the Nursing Leadership Group – which I am part of - will have long-term benefits for aged care. We have given the sector a much louder voice in Ministry of Health and DHB decision making. Some of the tools and protocols we developed have been adopted nationally by hospitals, improving screening and reducing the risk of transmission between the community and hospitals. We still meet regularly to consider current information and changes that may be required to the national and industry Covid-19 response."

METLIFECARE: LOCKDOWN ONE - IN NUMBERS

>60,000
home meals delivered to independent living residents

>96,000
care home meals prepared and delivered

>5,000
third-party grocery deliveries

100
staff redeployed/recruited to support villages and residents

1,500
hours spent making wellbeing calls to residents

10,000
Virtual Village user sessions within one month of launching

34
email communications to residents and families over 12 weeks

Team of 7,000 unites

General Manager Operations Richard Callander and his team are responsible for all aspects of village operations and delivering quality living experiences to Metlifecare's residents. Richard talks about how the villages rallied to support their 'team of 7,000' during the lockdown.

Mobilising fast

"Being isolated and apart from loved ones was incredibly stressful for our residents and their families. We wanted to minimise everyone's concern by ensuring residents felt cared for, supported and busy.

'No resident left behind' soon became our mantra.

Keeping Covid-19 out of our communities meant supporting more than 5,000 independent living residents to live their daily lives in isolation, as well as caring for our more vulnerable residents. At short notice we geared up to provide essential services including the delivery of groceries, meals, medications and other everyday items to all of our residents.

We believe we were the first listed retirement village operator to mobilise large-scale grocery deliveries into villages, and in April and May our independent residents enjoyed more than 60,000 meals delivered to their homes, in addition to nearly 100,000 meals served to care home residents.

Our staff willingly moved to help where they were needed. Support office staff were redeployed into 65 village placements, assisting our residents and village staff far above and beyond their job descriptions. We screened and recruited 35 new volunteers, enhancing our talent pools and casual labour workforce.

Technology was a key enabler. While we were deemed an essential business, it was critical to reduce risk to staff and residents by minimising physical contact and putting stringent hygiene protocols in place. Digital communications and information sharing became the norm for everyone, supported by our IT team who worked tirelessly to ensure the company's IT infrastructure could support our increasing requirements."


General Manager Operations Richard Callander

Staying connected

"In addition to regular resident check-ins by village staff, we set up a call centre to make wellbeing phone calls to our independent living residents. This involved recruiting new staff from companies like Air New Zealand and Flight Centre as well as redeploying support office staff. Over the 1,500 hours we spent connecting with residents we gained a deeper insight into their needs – including their appetite for and willingness to use technology.

We made sure that residents had ways to stay connected with their families and friends, with many becoming regular users of Facetime, Zoom, Microsoft Teams and Facebook. Staff helped those less experienced to become proficient or, if they weren't online, we gave them access with Metlifecare-owned devices. For many, this opened up a whole new world.

We knew strong communication was critical, and we kept our residents and families updated like never before. Over the lockdown we averaged three email communications a week, as well as regular video updates from Glen, our CEO. Our email database doubled in size as people wanted to stay in touch, and open rates showed that these updates were being well received. We also had a designated 0800 number for residents and families and a personalised email enquiry service – all aimed at keeping residents and families informed and reassured.

The feedback we've had from our residents and families about our response has been wholeheartedly positive. We've deepened our relationship with them, and I believe that as a brand - and a family - we have emerged stronger from this experience. We are also well placed and prepared to meet future challenges."

VIRTUAL VILLAGE
An industry leader

With severe physical limitations to our residents' choice of daily activities, we got creative - and went digital. While many of our residents were active online, others were less so and it was a revelation for them to discover so much at their fingertips.

Metlifecare's 'Virtual Village' was industry leading. We launched an online hub which provided a well-balanced schedule of online daily activities covering the dimensions of wellbeing – physical, emotional, spiritual, intellectual, environmental and social. Residents could participate 'live' at the scheduled time, or 'on demand' at a time to suit.

Over lockdown, residents enjoyed over 10,000 Virtual Village sessions. They downloaded our recipes and joined in with art and craft tutorials, puzzles, armchair travel and exploration and livestreamed performances (including from our sponsorship partner, Auckland Philharmonia Orchestra). Age-appropriate exercise videos from our senior wellbeing partner AUT were well attended, and the most popular event was our daily virtual quiz.

We also created village Facebook pages which were a great way for our residents and families to stay in touch. Our village staff posted pictures of village activities, celebrations and special days like Easter and Anzac Day, and our Mother's Day video of personal messages for residents received more than 1,200 views.

Becoming future fit

Our ambitious Business Transformation programme positions Metlifecare for success now and into the future. We are focused on two key pillars – organisation-wide digital enablement and creating industry-leading communities for the next generation of retirees.

Orion Point pavilion and boardwalk, artist impression

Shifting the digital dial

Hannah Walton joined Metlifecare in October 2019 as Head of Digital. Her experience and insight through Covid-19 saw Hannah promoted to a new role as General Manager Business Transformation. Hannah talks about leading Metlifecare's ambitious transformation to make every aspect of the business future fit.

Launching pad

"During Covid-19, we learned we could be more flexible and agile in the way we work and make good decisions fast. We want to keep working like this. At the same time, Covid-19 has lifted the lid on areas of inefficiency and duplication around the business that could be reduced through a targeted, organisation-wide journey of simplifying, automating and digitising.

While our operating model is sound, we also know it can be more effective and efficient. This includes shifting the dial on our ability to do things digitally - it requires a lot less time and effort for staff and residents than doing things manually. At the end of the day, if I never see another piece of paper again, I'd be very happy!"

Equal opportunity for all

"We have also seen first-hand how digital inclusion can make our residents' lives so much better. While the 'newer generation' of retirees are already digitally savvy, some of our older residents are less so. Having good access to friends, family, activities and entertainment via technology can significantly reduce the sense of isolation and loneliness that older people feel. This is a big opportunity for Metlifecare.

The intensity of our resident interactions over the lockdown gave us some great insights into how we can enrich the lives of residents going forward. We plan to use these learnings to make better, more customer-centric decisions.

Perhaps most importantly, we're investigating how we can supply technology and training to every resident to achieve better digital inclusion. It's about getting our foundations right, so everyone has an equal opportunity to connect. Our ambition is to leave nobody behind."

"We have seen first-hand how digital inclusion can make our residents' lives so much better"
HANNAH WALTON, GENERAL MANAGER BUSINESS TRANSFORMATION

CEO Glen Sowry (left), with General Manager Development Matt Wickham

Building for the future

General Manager Development Matt Wickham joined Metlifecare in February 2020, to lead the organisation's ambitious development programme. Matt talks about Metlifecare's vision to build villages for our next generation of retirees.

A different development philosophy

"We start with the customer of the future. We think carefully about where the next generation of retirees will want to live and what their expectations will be. We know our future residents are accustomed to quality architecture, they appreciate outstanding urban design befitting the local community and they want to be proud to show their children, grandchildren and friends where they live."

Design considerations

"A great site is non-negotiable. We look at outstanding acquisition opportunities, for example by the coast or a valuable community asset such as a golf course. Strong links to the local community are essential and so we look for good connectivity with desirable features like shared parks and boardwalks, as well as convenience to local amenities.

We then use top architects to come up with bespoke designs that reflect the land and community around which they're built. The village look and feel needs to complement the neighbourhood as it's often the reason why people move to the area in the first place.

We want to break the industry norm of large, overwhelming buildings onsite. Our medium density and spacious sites are a point of difference we're proud of."

Building well achieves good margins

"We have strong construction and supply chain partnerships and continue to work with these partners to drive better integration and reduce costs. For example, we have significantly improved the way we standardise design components in the past few months, which has simplified construction and lowered our supply costs without impacting design quality.

We consistently achieve prices above valuation because our residents are willing to pay for a quality home with great design. People are moving from well beyond the local area to live in our new villages, which tells us the product is right."

What does the future hold?

"It's an exciting time for our programme, with four quite different developments underway. Our new villages are more digitally enabled and with a smaller environmental footprint than ever before. These qualities are becoming increasingly important to our customers.

We have significantly strengthened our capability in areas such as design, procurement and project management to ensure we will consistently and profitably deliver the exceptional product our customers have come to expect. With construction cost pressures easing, strong supplier partnerships and improved design efficiencies, we are well positioned to do so."

“We want to break the industry norm of large, overwhelming buildings onsite. Our medium density and spacious sites are a point of difference we’re proud of.”

Metlifecare

Development pipeline

Development and planning at 10 sites.

	SIZE			DESIGN	CONSENTING	CONSTRUCTION
	Homes	Serviced Apartments	Care Rooms			
New Villages:						
Gulf Rise (second stage)*	168	13	43			
Fairway Gardens	236	12	40			
Pohutukawa Landing	180	5	36			
Orion Point	245	-	40			
Albany	In preliminary design					
Village Expansions:						
Edgewater Village	47	-	24			
Greenwich Gardens (final stage)	50	-	-			
Palmerston North	39	-	-			
Oakridge Villas	In preliminary design					
Somervale	In preliminary design					

* 55 Villas and apartments completed in FY20.

Orion Point, artist impression

A place to be you

What sets Metlifecare apart is our focus on empowering our residents to treat the village as 'their village'. Each village has a residents committee, through which they make decisions about their villages, as well as contributing to decisions across the group. This approach allows us to capture valuable input from our residents and maintain the unique character of each village.

Resident Marianne McRae has designed and created four communal village gardens at Pinesong in West Auckland

Resident Chairperson Conference 2019

The strength of our resident-led communities

The main role of the residents committee is to work closely with our people to ensure that the village's activities, services and environment both meet the needs of residents and maximise the amenities of the local community.

THIS LEVEL OF COLLABORATION extends to Metlifecare's annual Resident Chairperson Conference. The two-day conference includes time for chairs from all villages to get together without management to discuss key ideas and concerns. Feedback is then presented to senior management, including the CEO, and the group collectively discuss ways to implement improvements or deal with any issues.

Our resident chairs are people who, in many cases, have had highly successful careers themselves and they offer us invaluable wisdom and insight. They advocate and articulate very clearly any issues on behalf of our residents, and the feedback they provide is incredibly valuable, especially on new initiatives or ideas.

The wellbeing tick

Daily activity schedules are an important part of village life at Metlifecare. We work with residents to ensure activities suit the unique mix of interests at each village and make use of local amenities. Like us, our residents have a holistic view of personal wellbeing and aim to participate in a well-balanced range of activities.

Last year we partnered with the Auckland University of Technology (AUT) School of Health Science to undertake an assessment at each village based on the seven dimensions of wellbeing model, modified for older adults. We are now responding to the findings and reviewing each village's activities to ensure we are focused across all domains, while still reflecting the unique interests of each village community. Additionally, we provide free access to our Wellbeing Hub, an online group-wide resource providing information and activities to help residents stay informed and connected about wellbeing. This is accessible at ecare kiosks at every village, which also allow residents to independently monitor their blood pressure and weight on-site.

Bringing future residents into the family

When considering a move into a village, we know many people are unsure about what village life is like. Our approach is to help them experience it first-hand - by introducing them to staff and residents, inviting them to events and activities and including them in our village communications. By the time they do move in, they already feel a part of the village family.

During lockdown, we took this further with residents who had signed agreements, but couldn't move in. We offered them the same services and activities as our village residents – shopping deliveries, Virtual Village activities, village social media pages, wellbeing calls and our frequent information updates.

We received fantastic feedback from this initiative and after lockdown we were excited to finally welcome them to our villages as new residents.

The proven value of our village model

Covid-19 tested the strength and resilience of Metlifecare's village model, and we came through well.

Our residents were kept safe and well thanks to our strong, people-centred operating model and committed, capable staff. Feedback from residents and families highlights to us the peace of mind this provided. The strong post-lockdown interest in our village vacancies illustrates the value future residents place on good care and support in challenging times.

CAROLYN LANE
Resident chair, Kapiti Village

"Last year was the first conference I attended, and I found it notable for the openness and frankness of the conversations between the chairs, and between chairs and management. It is mutually beneficial and there was a genuine sense of collaboration and potential. Chair-to-chair connections can provide cross-pollination of useful approaches, while chair-to-management conversations can be a sounding board for thinking in progress, a way of gathering information on local initiatives that might have organisation-wide application, and a conduit for corporate communications. Some more difficult issues are far better addressed through discussion than dissemination."

Saluting our people

For our team at Metlifecare this was certainly a year like no other. During the lockdown, their expertise, passion and commitment shone through. Staff members went above and beyond their job descriptions and, regardless of their own personal circumstances, displayed a single-minded determination to keep our residents and each other safe.

WE KNOW OUR PEOPLE ARE OUR KEY STRENGTH, and we have continued to recruit high-calibre people and invest in their development, safety and wellbeing. This investment is not only being realised through retaining good people but also their participation in development opportunities and career progression through the company.

Retaining our valued team members

Over the past year we have further improved employee retention, a satisfying achievement in a competitive market. Metlifecare performs very well, both as an organisation overall, and also in the skills-short areas of nursing and caregiving.

In the past year we have set up a casual pool of employees in the Bay of Plenty to ensure we have a variety of staff ready to work at any village in the region at short notice. This means that our customers are looked after by Metlifecare staff who enjoy the flexibility of varied hours and villages to work in. We have also saved significantly on not employing more expensive external agency staff. We are now setting up a similar casual pool in Auckland following the success of this Bay of Plenty pilot.

Over 90% engaged in learning and development

Last year's launch of a new online Learning Hub has helped lift the reach and frequency of learning programmes across the business. During the year, 93% of our employees participated in training, compared to less than 50% five years ago.

We have also nearly doubled the number of employees engaged in ongoing training over the past five years.

More than 90% of Village Managers and Operation Leaders completed stage 3 of the Leadership Development programme during the year.

Professional development has always been a priority for our clinical and care teams. Our new Nurse Educator has already assisted many nurses and caregivers to consider new opportunities and we are pleased to report growing participation in professional development by this important group in our business.

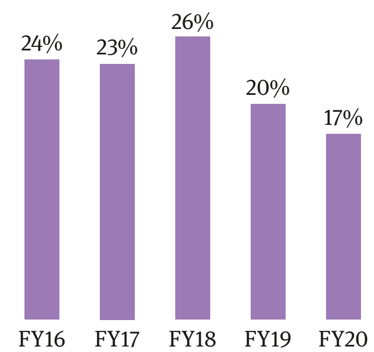
Health and safety

Metlifecare's commitment to health and safety extends through every level of the organisation. We have been a member of the Business Leaders Health and Safety Forum for several years and after one year in the ACC Accredited Employer Programme (AEP) we have achieved secondary level status. Our annual Health and Safety Hero award recognises employees who have best demonstrated our health and safety principles.

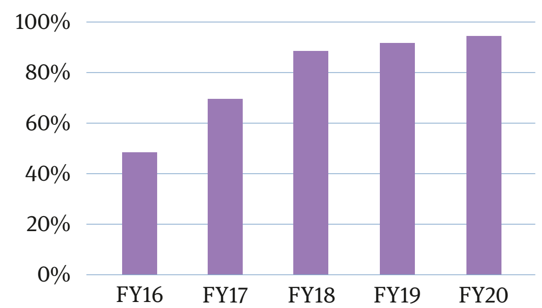
During the year, we embarked on an organisation-wide injury education programme, in conjunction with our third-party injury management provider. This has pleasingly resulted in greater awareness of risk management as well as the need to report incidents and minor ailments.

Papamoa Beach Village Nurse Manager Polly Delfim has recently been promoted to Village Manager

Employee Voluntary Turnover % (rolling)



Participation in Learning & Development



CAREER PROGRESSION

When Metlifecare recently promoted Nurse Manager Polly Delfim to the role of Village Manager for Papamoa Beach Village, Registered Nurse Trudy Anderson was also promoted to Nurse Manager.

Trudy joined Metlifecare 15 years ago in the role of caregiver. Following ongoing learning and development, she became a Registered Nurse two years ago, supported by Metlifecare. Trudy has been with Papamoa Beach Village since the village's opening, and we were delighted to appoint such a crucial role internally, validating the success of our Clinical Professional Development programme.

Nurse Manager Trudy Anderson

Thank you

To our 5,500 (and growing) fabulous residents who call a Metlifecare village their home. To the thousands of family members and friends who supported their loved ones during lockdown. To our tireless suppliers, contractors and volunteers whose flexibility and commitment was instrumental in our shared goal of 'leave no resident behind'. And to our 1,234 Metlifecare staff, named below, who went above and beyond for our residents in this year like no other.*

THE AVENUES
Aimee
Alecia - May
Ann
Carmelo
Caroline
Christie
Deborah N
Deborah O
Deborah W
Dianne
Doreen
Evelyn
Fay M
Fay O
Gaill
Glenys
Ian
Jane
Jeanette
Joseph
Karen
Karen Joanne
Kaye
Leah
Linda
Lisa Marie
Loua P
Lynnette Joan
Mandeep
Naoni
Ngaire
Peka
Priya
Ramel
Raywin
Samira
Susanna
Theresa
Valerie
Veronique
Wilfred Kendrick

BAYSWATER
Belinda
Bernice
Bettina
Carol Gaye
Catherine
Colby
David
Eileen
Fleur
Gail
Janet
Julie May
Karen H
Karen S
Kevin
Laura
Logan
Lynne
Maree G
Maree R
Maria Antonia
Mark
Pui Sze
Rosaleen
Samantha
Santiago Alfonso
Saskia
Sharyn
Suzanna
Terrence
Tomas
Vicky
Wendy

COASTAL VILLAS
Alice
Andrea
Ann
Ann-Marie
Atariin
Brittney
Bronwyn Naomi
Carol Anne
Carol
Chrislyn
Conor
Divya
Fiona
Flora
Frances Philleen
Gayle
Glennis Yvonne
Heinrich
Helen P
Helen S
James
Janet
Janis
Jennifer
Jillian
Karen Isobel
Kim
Kulvir
Larissa
Lynda
Lynn
Lynne
Maria
Mere
Micah John
Michael
Nicholas
Patricia
Pauline C
Pauline J
Richard
Robert B
Robert G
Rodney
Roger James
Roilan
Ross
Russell
Selina
Sharne
Sue
Theodora Adriana
Vivienne Angwin
Wendy
Yvonne June

CRESTWOOD
Alma
Amelia
Anju Mariya
Anu Sara
Aruna Wati
Aunofo
Barbara
Bernadene Karen
Bob
Caralena
Charity
Christal
David
Devyani
Diane Mary
Faines
Frederick
Hannah
Helen Elizabeth
Helena
Imelda
Jean
Jejson
Jennie
Jodi Dawn
Johanna Carolina
John
Julie
Karen
Kenneth Edward
Lauren
Linda
Linda Joy
Lorraine
Lorraine Margaret
Lucy Junie
Lynnere
Malia Ana
Marlene Debra
Martha
Mekala
Michelle
Mila
Mini
Preetha
Ra
Reuben
Roslyn
Sandisiwe Buhkbenkosi
Shermini Priya
Sunila
Talia
Tupou
Urmila
Zabeen

DANNEMORA GARDENS
Alan
Alice
Andesha
Balakrishna Daviah
Catherine
Catriona
Christina
Christine
Dennis
Elizabeth
Gillian
Graham George
Joanne
Kayla
Larry
Lisa
Margaret C
Margaret T
Mary-Diel
Melissa
Paul
Pauline
Quintina
Ravik
Rebecca Jayne
Rosario
Rowen
Sarah
Stephen
Warren
Zoe

EDGEWATER
Andrea
Ann
Anu
Charles
Daniel
Folorita
Glenda
Janette
Kaileigh
Karen
Leonard Francis
Linda
Olivia
Raymond Leonard
Shonal
Stephanie
Steven
Teresa
Yothin
Yvonne

FOREST LAKE GARDENS
Allie Jinae
Alysha
Ashly
Cheyanne
Dallas
Darlene Ann
Elizabeth Audrey
Elizabeth
Elna
Kiri
Lisa C
Lisa N
Madisen
Maree
Martin
Mary
Nathaniel
Nira
Paula
Pippa

*Staff list as at 18 August 2020.

Rupinder
Sahra
Satish
Sharon
Sophia
Stanley
Steven
Tamasin

GREENWICH GARDENS
Abigail
Amelia
Amy
Andrea Amor
Arachel
Ayden
Brian
Catherine
Cecilia
Charmaine Joy
Christopher
Claire
Coby
Daniel
David Anthony
Debra
Derek
Emily
Ervin
Falvio
Fangapulotu
Fei
Fretzie
Gail
Gerson
Gethin
Guriqbal
Halamehi
Hazel
Holly
Jairalyn
James
Janice
Jennifer
Jenny
Jess Nicholo
Karen
Liah
Lorenz Collins
Louise
Margaret
Maria Ruby
Michele
Monica
Nancy Pearl
Nelia
Nicholas
Pavaneh
Peter
Prakash
Priyashani Kithmini
Raechel
Ralph
Roiri
Roshai
Ruta
Sacha
Salvacion
SangJun
Sechang
Shanika
Sulieti
Toni
Uma
Vili
Von Karlo
Wayne

GULF RISE
Beverley
Jarrod
Robert
Victoria
William Richard

GREENWOOD PARK
Alexandria Louise
Alison
Alissa
Andrea
Charlie
Christine
Christine C
Clare
Colin
Coralee
Deanna
Dianne Coralie
Donna
Elliott
Eve
Glen
Irene
Jenny
Jessi Rose
Jessica L
Jessica M
Judith
Katrina
Kay Denise
Kerry Margaret
Linda
Marama
Maureen
Melanie
Morgan
Murray
Reinder Jan
Robert-Ray
Robyn Cathrin
Sandra
Shirley
Shona
Steven Robert
Theresa
Valarie

HIBISCUS COAST VILLAGE
Brian
Caroline
Catherine A
Catherine H
Heather
Helen
Karen
Katie
Leeson
Lisa
Mathew
Mi Suk
Michelle
Mitanshu
Omobolope (Grace)
Philip P
Phillip N-C
Rachel
Ronald
Sandhya Ragni
Sharron
Sivanka
Terry

HILLSBOROUGH HEIGHTS
Amandeep
Blair Roy
Brian
Carl
Elena
Gavin
Gillian
Hannah
Hans
Harshi
Helen
Kilali
Kishanti
Krishanthi Dinushikha
Lenny
Mani
Mohini
Murray
Ofa
Pamela
Penelope
Rekha
Rini
Robert Samual
Shangeeta
Sujani
Sunanda
Sweety
Tina
Trevor

HIGHLANDS
Adrienne
Akuhata William
Ann Nirmala Santhi
Nanayakkara
Annette
Ashika
Avineel
Blake
Brett
Cam
Carol ann
Christine L
Christine T
Chui Sze
Criselda
Crystal
Dan (Sesinando)
Danel
David
Dennis
Donna
Donna
Edna
Eleanor
Faalua
Fia Elena
Fuliafa
Gamaliel
Grace
Hariata Raquel
Honorio (Nor)
Jacek
Jaya
Jayson Paul
Johannes
Jonathan
Joseph
Jovy
Judy
Kanchan
Karmjit
Kelly
Kirsten
Lakmi Darlene
Lance
Leticia
Lincy
Lisa Allison
Luc Jessen
Ma Theresa
Manvir
Margaret
Maria
Marlene
Max
Meki
Mele Pilimilose
Melissa
Mercy
Minnu
Navdeep Kaur
Nicholas
Ofaligi
Paulette
Peter
Premilla
Radith
Ranjini
Remana Kiriwai
Renee Jaidene
Reshma
Risa
Rosemary
Sione
Sophia
Steve (Estevens)
Subojini
Tarirai
Tayla
Tendai
Tute (Raitute)
Tyler Kurtis
Wendy Ann
Xcilia Ysobel Denise
Yash

KAPITI VILLAGE
Alison
Frances
Jill
Julie
Lorena Sharen
Malcolm
Michael
Patricia
Rodney
Sheryl Janette
Stephen
Tasha

LONGFORD PARK VILLAGE
Donna Sherree
Eshu
Felicity
Georgina
Gillian
Glenys
Glinda
Goliath
James
Jane
Kay
Kaye
Kenneth
Kevin
Leanne
Leyton
Linda May
Lorraine C
Lorraine W
Lynne
Margaret
Mark
May
Noeline
Pamela
River
Rosemarrie
Ross Valdor
Roy
Sarah Wati
Sharon
Taehuri
Tyla Christen
Vanessa Sheree

OAKRIDGE VILLAS
Craig
Lesley Grace
Louise
Peter
Robert

THE ORCHARDS
Acel
Angeli
Anna Marie
Asenaca Elizabeth
Bella
Blaire
Claire
Danika
Dennis

Devinder
Dimple
Edward
Geniffer
Gina
Glenn
Heather
Jacquelyn
Jagsir
Jeanette
Jocelyn
Jonathan
Juliet
Kamelot
Lakshmi
Mary-Ruth
Neelma
Paula
Priyanka
Roewell
Rosalind
Sarah
Sasha
Sesinita
Shamni
Shobika
Suzanne
Talalelei
Tania
Teresa
Teresita
Tessa
Timothy Andrew
Van Tan
Vinesh
Yvonne
Zenaida
Zhile
Zoe

PALMERSTON NORTH VILLAGE

Andrew
Angela
Anu
Beverley Jane
Blandina
Brandy
Bria
Carla Andrea Narvadez
Carrissa
Catharyn
Chandra
Christine
Debbie
Debra Kay
Divine
Durga
Elena
Elizabeth
Fely
Fiona
Gabriel
Garry
Jacob
Jennifer
Jenny Louise
Jessica
Jonathan
Judith
Jyoti
Karen
Karen Kathleen
Karla
Kaylah
Keshia Lee
Laken-valli
Linda Marie
Lister
Lucille
Melissa Cassidy
Melissa
Michael
Michelle T
Michelle T
Milly
Peter
Phillipa
Raewyn Leigh
Reena
Romana
Saphiti
Shantell
Sharon Elizabeth
Sheree
Shirya
Sophia
Stephanie
Sungheum
Susan
Tausagafou
Tilisi
Toni
Tracey
Trixie Tanya Tabanag
Vickie
Wendy

PAPAMOA BEACH VILLAGE

Ali
Anntanette
AugilieCamille
Barbara Anne
Christine
Cressa
Cristiene
David
Emil
Gagandeep
Gianny Janara
Helen
Jade
Janice
Jessica
Jocelyn
Julie
Krispulo
Kuldip Kaur
Lara
Leanne
Linda
Lorelie
Ma. Jessica Mae
Madhu
Maria Imelda
Maria Tatiana
Matthias
Melanie
Melissa
Mili
Najinder
Nardia
Natasha
Ngaire
Nina
Pardeep
Pollyana
Rachel
Reneeta
Ricardo John
Samara
Sangeeta
Stephanie
Stephen B
Stephen W
Taina
Tracey
Trudy
Valdeleia
Warren
Younju

POWLEY

Aleyamma
Almira
Alofa
Amiben
Amita
Angela
Aresha
Arlene
Arthi
Ashlyn
Atelete
Atishna
Barbara H-C
Barbara N
Christine (Tai Fang)
Christine R
Christine W
Claire
Daireen
Dale
Deepti
Denise Marie
Dianne
Dyostna Devi
Elani
Florence
Glenda
Glenn
Harmandeep
Jacqueline
Jesika Swara
Jianhua (Wendy)
Joseph
Joteshma
LeAnne
Lisa
Lisepa
Malcolm
Malelega
Mary
Merlie
Meseret
Mustar
My Huyen Tran
Nikhil
Nirmala
Raizul
Ranisha
Ranjutha
Robert
Rupert
Sam
Sandra Hazel
Saniza
Sarah
Shelley
Shiv
Sindhu
Siwilai
Snehal S
Snehal S
Sogra
Sue
Taka Nolene
Tasneem Abdeali
Teresa Florin
Tintu
Vani
Vijanti
Wilma
Withanage Nimali Chitra
Yongxian
Yuen Ting

PINESONG

Aiden
Akeneta
Amandeep
Angela
Annabel
Bradford
Corrina
David Grant
Denicee
Emelita
Enya
Erika
Fatafehi
Florentyna
Fred
Freddy
Irum
Jack
Jagdeep
Judith
Katrina
Keith
Kendall
Kieran Hemi Atawhai
Koran
Krizna
Leonie
Linda
Linda
Lisa Anne
Lisa C
Lisa T
Manju
Maria
Mark
Mathew
Michael John
Mohammed
Molokeini
Morven
Natasha
Norman
Orit
Paraskevoulla
Pauline
Purnima
Rebecca
Rekha Priyadarshini
Sarah
Sarah
Shalini
Shelley
Simone Marie
Siosina
Stephanie
Susan
Young Soon
Zachary

THE POYNTON

Alice
Alison
Angela B
Angela P
Bernice
David
Debbie
Emileigh
Eve
Fred Hotorene Tewhetu
Geumju (Julie)
Grant
Heather
Jahn
Jennifer (Yanni)
Jennifer
Jolene
Joy (Tae In)
Karen
Katie
Laura
Leila
Lovel
Melana
Melanie
Michelle
Patrice
Pauline A
Pauline K
Phillip Tausilia
Priya
Regan
Richard Cornelis
Shahil
Sharlin
Sharon
Shaun
Sue
Sun Sim (Jennifer)
Susan
Tracy
Vanessa
Vicki
Vidhi
Vishal Latchmi
Wayne
Weilin (William)
Xiaopeng (Leo)

SOMERVALE

Adrienne
Amandeep K
Amandeep K
Anne Cecilia Loma
April
Aroha
Beth
Brooke
Bruno
Candis
Carol
Catherine Anne
Chona
Chris
Christine
Christopher
Cintia
Claire
Cushla Jane
Daisy
Daryan
Denay Adia
Denise Karen
Diane
Elaine
Elizabeth
Frances A
Frances S
Gagandeep
Gary
Geertruida
Georgia
Georgina Rose
Gerald
Heather
Hillary
Isabel
Jahna
Janine Margaret
Janine
Jaswinder
Jean
Jill
Jocelyn
Jorg
Josephine
Joy
Julie
Kabwenea
Karen
Keely
Kerrianne
Kerry
Kiranpreet
Kitty
Kristine
Laura
Leigh-Ann
Lisa-Ann
Lovepreet
Lupita
Ma.Theresa
Mandeep
Margaret
Marilyn
Mawete
Melvin
Michael
Nicola
Nonita
Oceana
Patricia
Pauleena
Pauline
Pauline Jane
Pingiki
Pisa
Rebecca O
Rebecca S
Rebecca W
Renee
Rosanna
Rosela Gababan
Rosina
Ruth
Sabneez
Sachet Scott
Sara
Sarah
Sarita
Sharon F
Sharon H
Sharon M
Sheryl
Simranjit
Sonia
Steve
SuHee
Susan Elizabeth
Susan
Susan Patricia
Susane
Taryn
Tracy
Tupu
Veena
Vikki
Wendy
William Dichoso
Yasmeen
Yvonne S

7 SAINT VINCENT

Aki
Angeline
Averill Mary
Beverly
Colleen
Eliza
Elizabeth H
Elizabeth M
Frankie
Fung Cheung Flora
Harsha
Jam
Jay Ann Espinosa
Jeethu
Jenny
Jeremy
Jerrika Anna
Joanne
Jonathan
Joshua
Kalotini
Kasvin
Kristhia
Kulsum Nisha
Lesley
Lily
Maryam
Merv
Michiyo
Nagham
Nicky
Ramasuari
Renuka
Reynalyn
Robert Leslie
Roma
Rosalie
Sai
Seini
Shawna
Tanmay
Tsitsi
Yewang
Zeyu

WAITAKERE GARDENS

Aileen
Arti
Ashleigh
Barbara-Jayne
Catherine
David
Derek
Elaine
Eleanor
Elizabeth
Gloria
Halle
Harley Lee
Hugh
Javiera
Jillian
Jonathan
Karyn
Kay
Kennitta
Kylie
KyungSu
Leanne
Linda
Martin
Melina
Nick
Stuart
Terry
Toby
Tram
Willy

SUPPORT OFFICE

Agnes
Alexandra
Alexis
Allan
Amanda I
Amanda M
Amanda M
Amanda R
Amy
Andrew
Andrew C
Andrew S
Andrew P
Angela
Anna D
Anna Lissa
Anna M
Barbara G
Barbara L
Bėgum
Brian John
Brian
Briar
Bridgitt
Bronwyn
Bryce
Camille
Carol
Caroline
Catherine
Cherie
Chloe
Chung Yan
Clara
Clifton
Corrine
Daniel
Darren
David F
David K
David W
David M
Dayna
Dhwani
Dominic
Dylan
Elizabeth
Emma
Felicity
Gareth
Geneine
George
Georgianna
Glen
Grant
Hannah
Harneet
Helen
Imogen
Jacqueline
Jamie
Janyce
Jennifer H
Jennifer K
Joanna H
Joanne A
John
Jonathon
Joseph
Joy
Julian
Julie
Kai
Karen M-U
Karen S
Karen S
Katerina
Katharine
Kelly
Kerensa
Kristie
Lauren
Linda
Adelina
Maria
Mary B
Mary S
Mathew W
Matthew H
Michelle P
Michelle V K
Neil
Nicola R
Nicole G
Nicole O
Norma
Patricia
Peter
Philip H
Philip L
Rangimarie
Rebecca G
Rebecca M
Rebecca O
Rehana
Renee
Richard C
Richard T
Rowena
Vishnoo
Samuel
Sandra
Sandunika
Sara
Sarah B
Sarah H
Sarasi
Serlina Y
Shalini
Shanae
Sophia
Shomal
Simon
Sung Ah
Susan
Susan Marie
Suzee
Tanya
Tao
Taryn
Tayla
Theresa
Tracey Leeanne
Tracey T
Tracey W
Viktoriya
Wendy
Ying
Zahra Salem

Growing vegetables is popular with residents like Rae Brownlee from Waitakere Gardens

Increasing sustainability

We are pleased to report further progress towards our goal to increasingly embed sustainability into the way we operate, the way we interact with stakeholders and the environment, and the decisions we make for the longer term.

Our approach

At Metlifecare we recognise that the long-term value we create comprises much more than financial returns to our investors. We view our duty of care to provide safe and secure homes, living environments and care for our residents as a social licence to operate, and we take this responsibility seriously.

Likewise, as an investor with a long-term horizon, we are highly conscious of the need to build sustainable assets that our residents love to live in while integrating seamlessly with, and contributing to, the local community and environment.

The Metlifecare family is committed to creating a better future for our residents and their families, our employees, our suppliers, our environment and the communities we serve.

Planning and engagement

Metlifecare has long considered sustainability in our development and operating decisions. In recent years initiatives have included energy and water efficiency measures in building and refurbishments; waste management and recycling programmes; sustainability policies with our supply chain partners; health, safety and wellbeing programmes for residents, employees and contract partners; and continued engagement and support with our local communities.

In the past year we commenced working towards an overarching framework to identify, monitor and report tangible outcomes that reflect our focus on sustainability and environmental impact. We established an ESG (Environmental, Social and Governance) governance team and September 2019's leadership conference saw a company-wide commitment to the implementation of this framework across the business.

The organisational impacts from events around Covid-19 have slightly slowed this project during the second half, however momentum has since been renewed with the return to greater operational normality. We expect the framework to be completed, with benchmarking and monitoring well under way, over the coming year.

Sustainability in village design

Metlifecare's development programme places strong emphasis on long-term sustainability. This involves a whole-of-life view, considering social and environmental impacts in our decision making as well as economic costs and benefits. In our building decisions we focus on lifetime operating costs to ensure we are making the best long-term choices.

As an example, Greenwich Gardens and The Orchards were the first two retirement villages in New Zealand to be built to the New Zealand Green Building Council's Homestar 6 Star Green requirements. Our new villages will be built to a similar or better standard, with thermally broken windows, heat pumps, LED lighting, 2.6 R-rated insulation and appliances that are energy and water efficient. Our residents enjoy lower energy costs and better health from having warm, dry homes.

Our refurbishment programme is likewise focused on providing such benefits as improved insulation, LED lighting and energy efficient appliances to residents in our more established villages.

Our newest village developments have also focused heavily on reducing environmental impact, with new initiatives including revegetation around foreshores and riperian planting around rivers; and water-sensitive urban design to reduce impact on stormwater infrastructure.

Residents leading from the front

As with many New Zealanders, Metlifecare's residents have become increasingly conscious of the role they can play in improving the planet and are determined to do so. Environmental improvement has become a standing topic at resident committee meetings and the annual Resident Chairperson Conference.

At the most recent Resident Chairperson Conference the group identified initiatives around four key areas where they can work with Metlifecare to improve our performance in:

- Reducing our environmental and carbon footprint; reducing waste and recycling where possible
- Re-purposing goods and giving to those in need
- Aligning Metlifecare's procurement with ESG friendly organisations
- Engaging with key stakeholders, including Metlifecare's wider family of residents and employees, local councils and other organisations to help drive our 'E' journey.

It is wonderful to see our residents' determination and enthusiasm to work collectively with us to accelerate our sustainability journey.

Engaging with our communities

Metlifecare's stakeholder engagement practices are driven by our desire to work productively with the people and groups that we connect with. Whether it's shareholders, suppliers, residents, staff or neighbours, we recognise that regular interaction, constructive dialogue and respect are key to achieving mutually positive outcomes. Here are some examples:

- Our collaboration with communities in Beachlands and Botany has resulted in enhanced village design and amenity decisions, as well as building excitement and support within the neighbourhood.
- Our sponsorships and partnerships with organisations which enhance the health, safety and wellbeing of our local communities, including: the Auckland Philharmonia Orchestra; the Auckland Rescue Helicopter Trust; and the Metlifecare Leadership and Innovation Award for a young leader.
- We support our residents' fundraising initiatives and events which benefit local charities and community organisations. In the past year, our residents have contributed thousands of dollars and donated large amounts of clothes, toys, furniture and other items to a range of good causes.

KAPITI ECO WORKSHOP

"We're not just leaving it to the kids!"

In January 2020, Kapiti Village held its first-ever Eco Workshop, attended by nearly 40 residents, staff and contractors. Resident Chairperson Carolyn Lane reports:

"Kapiti Village is set in a stunning natural environment – the village is on 18 hectares, with its own woodlands, lakes and wildlife. As a village we feel privileged to have access to this wonderful area and want to do our best to enhance our local ecosystem and reduce our environmental footprint.

Sustainability has emerged as a significant interest at residents' meetings, so we brought everyone together to discuss ideas and agree on some village-wide projects.

Our eco-warriors came armed with ideas – from predator control to worm farms; from composting to water conservation; and from planting for biodiversity to battery disposal. To start with, we've established seven initial projects and project teams, which are:

- ***Planting natives and exotics*** to encourage bees and insects
- ***Creating a predator and pest-free village*** – identifying and trapping animals that kill existing native animals and birdlife
- ***Rainwater collection and recycling*** – for irrigation and to reduce mains water consumption
- ***Large scale composting*** – to reduce waste, enrich the soil and suppress plant diseases and pests
- ***Worm farms to support the commercial kitchen and resident centre kitchens*** – by reducing waste and producing fertiliser for our plants
- ***Battery recycling*** – mobile phones, hearing aids, remote control batteries
- ***Swap meet*** – recycling, repurposing and re-use of pre-loved items.

These projects are now under way in partnership with the village, and we are looking forward to ticking them off. And there are still lots of ideas to pick up next – we're not just leaving it to the kids!"


Planting for butterflies and bees at Gulf Rise in Red Beach © *Boffa Miskell / Alex Smith*

Our board of directors

Kim Ellis
BCA (HONS), BENG (HONS)

CHAIR, INDEPENDENT DIRECTOR
Appointed 25 August 2014

Kim is an experienced director and former Chief Executive Officer. He is currently the chair of NZ Social Infrastructure Fund and Green Cross Health, and a director of Freightways, Port of Tauranga, Fonterra Shareholders' Fund and Ballance Agri-Nutrients.

Until 2006, Kim was the Managing Director of Waste Management NZ Ltd for 13 years. Prior to that, he held a number of CEO positions.

Kim chairs the Metlifecare Board and the Nominations & Corporate Governance Committee, and is a member of the Audit & Risk, Development and People & Remuneration Committees.

Christopher Aiken
BA

INDEPENDENT DIRECTOR
Appointed 23 August 2012

Chris has over 30 years' experience in the property sector, and is currently chair of the Kāinga Ora Construction Programme Assurance Panel and the Amberfield Development Committee. He was previously Chief Executive Officer of HLC.

Chris is also an advisor to the development and construction industry, director of the Piritahi Construction Alliance and a member of the Auckland Urban Design Panel. He has also had an extensive technology career, and is a former director of Auckland City Council Property Board, and a former chair of North Harbour Stadium, Telecom Retail Holdings and Origin Quarries Group.

Chris chairs Metlifecare's Development Committee and is a member of the Nominations & Corporate Governance Committee.

Mark Binns
LLB

INDEPENDENT DIRECTOR
Appointed 1 August 2017

Mark is a professional director and former Chief Executive Officer who brings substantial experience in construction, property development and asset management to the Board. Until 2017, Mark was Chief Executive Officer of Meridian Energy, where he led the company through the largest Initial Public Offering in New Zealand's history. Prior to that, Mark spent 22 years at Fletcher Building and Fletcher Challenge, where he rose to the position of Chief Executive of Fletcher Building's Infrastructure Division.

Mark is currently a director of Auckland International Airport and Te Puia Tapapa, Chair of Crown Infrastructure Partners, and a Trustee of the Auckland War Memorial Museum, where he chairs the Future Museum Capital Programme Committee.

Mark is a member of the Nominations & Corporate Governance and Development Committees, and chairs the People & Remuneration Committee.

Alistair Ryan
MCOM (HONS)

INDEPENDENT DIRECTOR
Appointed 23 August 2012

Alistair is an experienced director with wide corporate and financial experience in listed companies. His background includes a 16-year career at SKYCITY Entertainment Group where he held senior management roles, including Chief Financial Officer. Prior to SKYCITY, Alistair was a Corporate Services Partner with Ernst & Young, based in Auckland. He is currently chair of Kingfish, Barramundi and Marlin Global, and retired as a director of Kiwibank on 30 August 2020. He is also a member of the FMA's Audit Oversight Committee.

Alistair chairs Metlifecare's Audit & Risk Committee and is a member of the Nominations & Corporate Governance and People & Remuneration Committees.

Rod Snodgrass
BCA

INDEPENDENT DIRECTOR
Appointed 1 August 2017

Rod has broad experience in corporate strategy, business and product innovation, digital growth, transformation and disruption in the New Zealand communications and media sector. He has previously held senior executive roles at Spark and Vector. Rod brings a global strategic view of the technology industry having been on the Boards of the Mobile World Capital Advisory Board, Telco Futures Forum, Southern Cross Cables, XtraMSN and Yahoo!Xtra in New Zealand and AAPT and 3 Mobile in Australia.

Rod is currently a director of JUCY Group, Geo, NoIssue, Williams Warn and SMX, a Trustee of Springboard Trust, an ANZ Chartered Accountant and a Member of the New Zealand Institute of Directors.

Rod is a member of the Resident Experience & Care, Development and Nominations & Corporate Governance Committees.

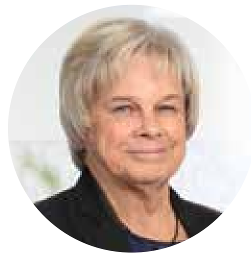
Carolyn Steele
BMS (HONS)

NON-INDEPENDENT DIRECTOR
Appointed 13 December 2013

Carolyn has substantial experience in capital markets, mergers and acquisitions and investment management. Until 2016 Carolyn was a Portfolio Manager at Guardians of New Zealand Superannuation, the Crown entity which manages the New Zealand Superannuation Fund. Prior to joining the Guardians in 2010, Carolyn spent more than ten years in investment banking at Forsyth Barr and Credit Suisse First Boston/First NZ Capital.

Carolyn is currently chair of the Halberg Foundation, a director of WEL Networks, Ultrafast Fibre, Green Cross Health and Trustee of the New Zealand Football Foundation.

Carolyn chairs the Resident Experience & Care Committee and is a member of the Audit & Risk and Nominations & Corporate Governance Committees.



Dr Noeline Whitehead
PHD, MN (HONS), PG DIP HEALTH SCIENCES, RN

FORMER NON-INDEPENDENT DIRECTOR
Appointed 19 June 2013 and resigned from Metlifecare Board effective 30 June 2020

Prior to her resignation on 30 June 2020, Noeline was a member of the Resident Experience & Care, Development and Nominations & Corporate Governance Committees.

Noeline has made a significant contribution to New Zealand's residential aged care sector through her membership of national committees and her long association with the Eden Alternative organisation. Her passion for resident wellbeing and strong focus on clinical practice has brought expertise in these areas to the Board.

Our executive team

Glen Sowry
INSEAD AMP

CHIEF EXECUTIVE OFFICER

Glen has led Metlifecare since April 2016 and prior to his appointment, was Chief Executive Officer of Housing New Zealand with 67,000 properties across the country.

Glen has held several senior roles at Air New Zealand, Television New Zealand and Telecom. He spent 10 years at Air New Zealand, initially as Head of Corporate Affairs and Government Relations, then leading the domestic and short haul international airlines. In his role at Metlifecare, Glen is responsible for the strategic direction and performance of the company and its people.

Richard Thomson
BCOM, LLB (HONS), PGDIP

CHIEF FINANCIAL OFFICER

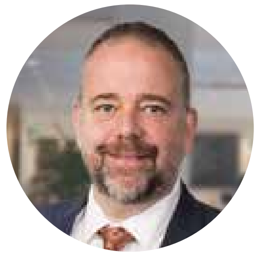
Richard joined the Metlifecare team in September 2017 from Air New Zealand where he was Group General Manager Commercial, leading commercial strategies including revenue management and pricing. Richard brings a strong blend of technical corporate finance skills and investment banking experience from previous roles at PwC and JPMorgan.

Richard and his team are responsible for Metlifecare's financial management as the Company focuses on its growth, innovation and commercial performance agendas.

Tanya Bish
MHSc (HONS), BCOM, NZRCompN

CLINICAL DIRECTOR

Tanya joined the Metlifecare team in July 2015 after eight years at Waitemata District Health Board. She is a Registered Nurse with over 30 years' experience working in teams caring for and supporting older adults. She has previously worked as a care home manager, a gerontology nurse specialist and participated in residential aged care research. Tanya and her team are responsible for all aspects of clinical care within our care homes.



Richard Callander

GENERAL MANAGER OPERATIONS

Richard was appointed General Manager Operations in January 2015 after 16 years with SKYCITY Entertainment Group both overseas and in New Zealand.

Richard has extensive executive management experience in customer service and a proven track record delivering sustainable growth for shareholders and positive outcomes for key stakeholders. Richard and his team are responsible for all aspects of village operations and delivering a high-quality customer experience to Metlifecare's residents every day.

Julie Garlick
BCOM, FCIM

GENERAL MANAGER MARKETING

Julie joined Metlifecare in October 2017 after four years as General Manager Marketing at SKYCITY Entertainment Group, where she oversaw its transformation into an entertainment, dining and accommodation leader. Prior to that she played a similar role repositioning The Warehouse Group in the highly competitive retail sector.

Julie and her team are responsible for connecting with future and existing customers and bringing Metlifecare's brand and customer proposition to life.

Sandra King

GENERAL MANAGER SALES

Sandra was appointed General Manager Sales in July 2019. An accomplished and proven commercial sales leader with a track record of building high-performance integrated sales organisations, Sandra leads a team of passionate staff responsible for the sale of new village units and the resale of existing units to new residents. With an extensive background in commercial strategy, operational and digital transformation projects, she has previously held senior executive roles with NZME and Fairfax and has been Managing Director for both PPR Communications and Pacific Publications NZ.

Andrew Peskett
BA (HONS) LLB

GENERAL MANAGER CORPORATE SERVICES

Andrew has 25 years' legal experience, having worked in top-tier law firms in London and in-house at Beca prior to joining Metlifecare in June 2007.

Andrew heads up the legal, people and corporate teams. He has been heavily involved in the Company's corporate transactions including the recent scheme implementation agreements with EQT, the 2019 retail bond and various capital raisings, acquisitions and disposals since 2007. He has recently expanded his role by assuming leadership of the people team.

Hannah Walton
BA, BCOM

GENERAL MANAGER BUSINESS TRANSFORMATION

Hannah joined Metlifecare in October 2019 as Head of Digital and was appointed General Manager Business Transformation in May 2020. She is a results-orientated leader with over 20 years' experience in telecommunications, with particular experience in leading large-scale transformational change programmes.

Prior to joining Metlifecare, Hannah worked for nearly 10 years at Spark where she held a number of executive level roles. Hannah leads our IT Team and is passionate about digital inclusion and innovative solutions to meet customer needs.

Matt Wickham
BE (HONS)

GENERAL MANAGER DEVELOPMENT

Matt joined Metlifecare in the role of General Manager Development in February 2020, following 20 years working in the construction and property development sectors. He started his career as a graduate mechanical engineer before expanding his remit to project management roles on large-scale projects in both the private and public sectors in New Zealand and the United Kingdom.

Matt is passionate about all aspects of property and sees real opportunity in bringing teams of smart people together to develop the next generation of retirement living for New Zealand's baby boomers.

Greenwich Gardens resident George Jones with granddaughter, Summer

Metlifecare

Corporate Governance Statement

THIS STATEMENT IS A SUMMARY of the Corporate Governance Statement approved by the Board of Directors (the Board) of Metlifecare Limited (the Company) on 9 September 2020. The full statement is available at: www.metlifecare.co.nz/investor-centre/charters-policies.

The Board is responsible for promoting the success of Metlifecare and its subsidiaries in its role as one of the leading retirement village operators in New Zealand in a way which ensures that the interests of shareholders and stakeholders are promoted and protected.

The Board believes that strong principles of corporate governance protect and enhance the assets of the Company for the benefit of all shareholders. The Company's governance policies provide guidance for the effective oversight of the Company by the Board on behalf of its shareholders, employees and other material stakeholders.

Metlifecare's constitution, Code of Ethics, Board and Committee charters and policies, NZX releases, annual and interim reports and other material are available on the Company's website at www.metlifecare.co.nz/investor-centre.

Board

The Board has adopted a formal Board Charter that details the Board's roles and responsibilities. Broadly these are to:

- Set strategy, review business and financial plans and monitor management's performance against those benchmarks, ensuring adequate resources are made available
- Appoint, provide counsel to and review the performance of the CEO
- Approve senior executive appointments, remuneration and consider succession
- Ensure that an effective risk management framework is operating
- Set the capital structure, approve major investments and divestments and approve and monitor financial reporting
- Lead all aspects of governance including setting ethical standards, reviewing conduct, and assessing the Board's effectiveness in carrying out its functions.

The Board schedules a minimum of six meetings each year. An annual work programme, set out in the Board Charter, and a standing agenda, together with written reports and presentations from the CEO and senior management, address and update directors on strategy and operational matters.

Skills of the Board

The Board has determined that to operate effectively and to meet its responsibilities it requires competencies in disciplines including governance, aged care, property, finance and capital markets, risk and compliance, legal and regulatory, and people. The current mix of skills and experience is considered appropriate for the responsibilities and requirements of governing the Company.

Independent directors

The Board had seven non-executive directors as at 30 June 2020, with Dr Noeline Whitehead retiring on that date. The Board has determined that as at 30 June 2020 the following five directors were independent: Kim Ellis, Chris Aiken, Mark Binns, Alistair Ryan and Rod Snodgrass. All five directors have independent status as they are not executive officers of Metlifecare and they do not have a Disqualifying Relationship (as that term is defined in the NZX Listing Rules).

The Board has determined that Carolyn Steele is a non-independent director due to her being deemed a representative of the New Zealand Superannuation Fund (a substantial product holder of Metlifecare). Prior to Dr Noeline Whitehead's retirement from the Board on 30 June 2020, she was deemed to be non-independent under the NZX Listing Rules due to her close family ties with Executive member Tanya Bish.

The roles of Chair, Chair of the Audit & Risk Committee and CEO are not held by the same person.

The Board does not have a tenure policy, however the current directors have served periods of time which are considered appropriate.

Director development

The Board's annual work programme includes an extensive programme of village visits. Directors are encouraged to undertake continuing education and development of further skills to remain current on how to best perform their duties as directors of an issuer.

New directors are provided with a letter of appointment setting out the Board's expectations of them, copies of key Company documents, an introduction to the activities of the group including its portfolio of villages and the opportunity to meet with and ask questions of management.

Diversity

A focus on diversity throughout the organisation recognises that a diversified work force (including at Board and management levels) contributes to improved business performance, enables innovation and is fair to all. The CEO and General Manager Corporate Services have responsibility for reviewing the Diversity Policy and assessing Metlifecare's performance against the objectives on an annual basis.

The measurement of diversity objectives was an area of increased focus in the 2020 financial year. The Company has completed a pay parity review in selected key roles, implemented flexible working practices, trained leaders in an advanced Wellbeing and Resilience programme and made recommendations on further progress. Accordingly, the Board believes that for the 2020 financial year the Company has made progress towards achieving its measurable objectives and against its Diversity Policy. However, the Board notes that there is still plenty of room for progress, and that this continues to be a priority for the Board moving into the 2021 financial year.

The gender breakdown of the Board and employees is as follows:

	AS AT 30 JUNE 2020		AS AT 30 JUNE 2019	
	MALE	FEMALE	MALE	FEMALE
Board	5	2*	5	2
Officers: Executives	5	4	5	4
Employees	272	960	260	889

*Director Noeline Whitehead resigned from the Board effective 30 June 2020

Board committees

The Board operates five standing committees which operate under the following Charters approved by the Board:

- Audit & Risk Committee Charter
- Development Committee Charter
- Nominations & Corporate Governance Committee Charter
- People & Remuneration Committee Charter
- Resident Experience & Care Committee Charter.

The Charters are available on the Company's website.

- The **Audit & Risk Committee** assists the Board in fulfilling its responsibilities by overseeing, reviewing and providing advice to the Board relating to financial information and reporting, compliance with continuous disclosure and other regulatory requirements, audit functions and risk management.
- The **Development Committee** is responsible for monitoring future site opportunities, new developments, remediation, refurbishment and long-term maintenance works, product and services safety together with health and safety in the development environment.
- The **Nominations & Corporate Governance Committee** is responsible for the director appointment process and adherence to corporate governance principles.
- The **People & Remuneration Committee** is responsible for matters related to people strategies and issues, and remuneration.
- The **Resident Experience & Care Committee** provides governance and oversight of the customer experience, the provision of care services to residents, and the safe operation of the care and village environments.

These Committees undertake regular self-reviews initiated by their chair and report back to the Board. Additionally, all directors are encouraged to, and regularly do, attend meetings of Committees that they are not a member of.

Takeovers

The Board has a Takeover Response Manual that establishes protocol that will apply if there is a takeover offer for Metlifecare and which includes the option of establishing a subcommittee comprised of non-interested directors. The manual is reviewed and updated at least annually. The Board has also considered the Company's valuation model that provides an indicative value of Metlifecare.

A process was followed in relation to the Scheme Implementation Agreements entered into by the Company on 29 December 2019 and 10 July 2020 under which Asia Pacific Village Group Limited (APVG) agreed to acquire all Metlifecare's shares. A Scheme Committee was established and 19 meetings were held for the year to 30 June 2020 as set out in the table below.

Reporting and disclosure

The Board is committed to reporting Metlifecare's financial and non-financial information in an objective, balanced, and clear manner. The Annual Report is an important document for communicating financial performance as

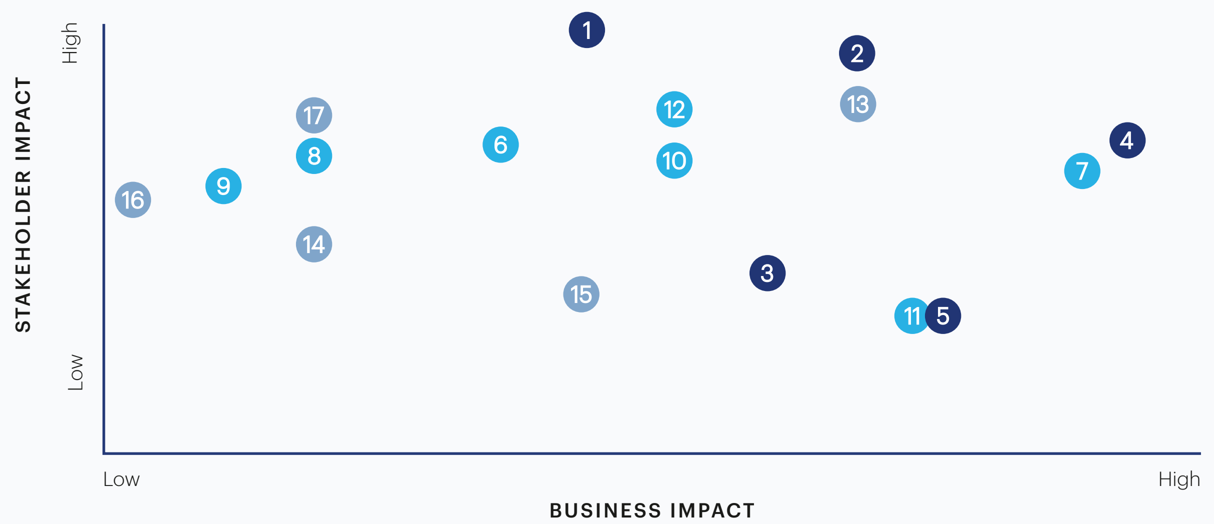
ATTENDANCE AT BOARD AND COMMITTEE MEETINGS in the Year Ended 30 June 2020									
		BOARD ATTENDANCE	COMMITTEE ATTENDANCE						
TOTAL NUMBER OF MEETINGS HELD		**6**	**12**	**6**	**3**	**1**	**7**	**6**	**19**
Director		Board	Board Other	Audit & Risk	People & Remuneration	Nominations & Corporate Governance	Development	Resident Experience & Care	Scheme Committee
Name	Commencement date								
K.R. Ellis	25 August 2014	6	12	6	3	1	7	N/A	18
C.G. Aiken	23 August 2012	6	11	N/A	N/A	1	7	N/A	N/A
M.J. Binns	1 August 2017	6	10	N/A	3	1	6	N/A	15
A.B. Ryan	23 August 2012	6	11	6	3	1	N/A	N/A	18
R.J. Snodgrass	1 August 2017	5	12	N/A	N/A	1	7	6	N/A
C.M. Steele	13 December 2013	6	12	6	N/A	1	N/A	6	4*
N.B. Whitehead	19 June 2013 to 30 June 2020	6	12	N/A	N/A	1	5	5	N/A

*Only a Committee member for part.

well as updating on progress with Metlifecare's non-financial performance including strategy and operations. Commentary on key non-financial matters is available in the Chair and CEO report on pages 8 to 12.

Metlifecare strives to be a responsible corporate citizen, respecting the rights of all stakeholders including residents, staff, suppliers and the wider communities in which our villages are located. The Company has identified its material Environmental, Social and Governance (ESG) factors considered essential to keeping our business on a sustainable footing and their relative impact on our business and stakeholders. This is shown in the matrix below which was created in July 2019:

Sustainability matrix



1 Care
2 Resident / Customer Experience
3 Diversity and Inclusion
4 Occupational Health and Safety
5 Employer of Choice
6 Economic Performance
7 Risk Management
8 Strategy and Innovation
9 Transparent Disclosure of Information
10 Data Privacy and Confidentiality
11 Stakeholder Engagement
12 Corporate Governance & Compliance
13 Maintenance
14 Sustainable Behaviour
15 Energy Efficiency / Renewable Energy
16 Waste Management
17 Building Design

Matrix indicates those activities with the highest importance

Social Governance Environmental

More information on Metlifecare's approach to identifying and managing its environmental, social and governance risks is set out on pages 41 and 42.

As a listed company Metlifecare must ensure its financial and other information is reliable and of high quality, allowing compliance with the NZX Listing Rules and the ASX Listing Rules. The Company's Market Disclosure Policy and Shareholder Communications Policy set out a framework to ensure compliance with the NZX and ASX Listing Rules.

Directors are responsible on behalf of the Company for the preparation and fair presentation of the financial statements. The CEO, CFO and General Manager Corporate Services provide the Board with a confirmation that the financial statements comply with the requirements of the Financial Markets Conduct Act 2013.

Remuneration

A full report on remuneration is set out on pages 103 and 104. The People & Remuneration Committee is responsible for determining the remuneration of the CEO. Executive remuneration recommendations are made to the Committee by the CEO. Packages include a base salary and an 'at risk' Short Term Incentive (STI) linked to specific strategic goals.

The Company adopted a new "rights based" Employee Share Scheme in 2019, with a three-year test period. The Plan is designed to align the interests of key employees with the interests of shareholders to ensure long-term Company objectives can be achieved whilst providing incentive for these employees. The Company's legacy Long Term Incentive Plan (LTIP) continues to apply for those shares issued to participants which have yet to vest. If the Scheme Implementation Agreement, under which Asia Pacific Village Group Limited (APVG) has agreed to acquire all of Metlifecare's shares, proceeds then all of the share rights will vest early pursuant to the Employee Share Scheme and the legacy LTIP shares will be acquired and cancelled.

The director remuneration pool of $723,000 was approved at the 2017 Annual Shareholders' Meeting. A breakdown of the fees is set out on page 102. Directors do not currently receive any remuneration in the form of Metlifecare shares.

Risk management and audit

Management of risk is a high priority to ensure the protection of the Group's staff, the environment, Company assets and reputation.

The Company has a comprehensive risk management system in place, with robust risk management processes and tools embedded within the Company's business operations to drive consistent, effective and accountable

Greenwich Gardens resident Valerie Finlayson shares a laugh with with CEO Glen Sowry

decision making. The Company's risk register sits at the heart of Metlifecare's risk management framework and identifies significant business risks. Tools for managing risks include Audit & Risk Committee reviews and recommendations, financial and compliance reporting procedures, outsourcing of various functions to external providers, and ensuring that the Company has insurance policies in place with a reputable insurer.

The Audit & Risk Committee oversees the external and internal audit programmes. Management reports regularly on specific high-level risk management issues.

The Audit & Risk Committee has responsibility for ensuring the independence of the external auditor. Metlifecare's external auditor for the year ending 30 June 2020 was PricewaterhouseCoopers (PwC). Samuel Shuttleworth of PwC has been the lead audit partner since September 2018. The fee paid to the auditor in 2020 for audit services was $445,000. The fee for approved non-audit services was $69,000 in relation to tax compliance services. The auditor is regularly invited to meet with the Audit & Risk Committee, including without management present.

Shareholder relations

The Board fosters constructive relationships with shareholders and encourages them to engage with the Company. Information about Metlifecare, its governance and all material information released to the NZX and ASX, including reports to shareholders, is available in the investor section of the Company's website.

The Shareholder Communications Policy sets out a framework to enable shareholders to engage with the Company in an informed manner and for market participants to be able to make assessments of the Company's prospects and value.

The Market Disclosure Policy sets out the procedures that are followed to ensure that, consistent with legal and regulatory requirements, market releases are timely, orderly, and accurate and that all parties in the investment community have similar access to information.

5-year performance summary

YEAR ENDED 30 JUNE	FY20	FY19	FY18	FY17	FY16
Operational					
Number of Villages	25	24	24	24	24
Resales of occupation rights[1]	323	354	343	322	401
New sales of occupation rights	97	116	98	130	138
Total sales of occupation rights	420	470	441	452	539
New homes completed	81	112	185	187	73
New care beds completed	-	70	69	48	35
Total development completed	81	182	254	235	108
Total homes in portfolio	4,558	4,478	4,380	4,198	4,025
Total care beds in portfolio	440	440	370	342	354
Financial					
Operating Revenue ($m)	134.0	131.0	114.9	109.0	106.0
Underlying Profit[2#] ($m)	93.8	94.1	91.7	91.3	71.0
Net (Loss)/Profit After Tax[3] ($m)	(33.7)	51.2	135.3	258.7	239.0
Operating Cash Flow ($m)	123.1	119.9	111.0	129.6	130.4
Underlying Operating Cash Flow[#] ($m)	56.2	55.9	54.8	52.1	50.6
Total Assets ($m)	3,571.0	3,515.7	3,286.6	2,958.6	2,586.4
Total Equity[3] ($m)	1,533.2	1,582.1	1,553.3	1,437.1	1,199.4
Net Tangible Assets per Share[3] ($)	7.18	7.41	7.28	6.74	5.63
Dividends (cps)	0.00	11.00	10.00	8.05	5.75
Gearing (Loan to Valuation Ratio)	17%	15%	9%	5%	6%

[1] Excludes Palmerston North joint venture.

[2] Underlying Profit calculation has been changed to exclude the provision for resident share of capital gains as it relates to future periods and includes a wage subsidy of $6.8m in FY20. Underlying Profit for FY16-FY19 has also been restated on the same basis.

[3] Restated to reflect the prior period adjustments to the Deferred Tax Liability calculation.

[#] Non-GAAP measure.


Owen Priestly enjoys his garden, Dannemora Gardens

Underlying profit reconciliation

Underlying Profit before Tax (underlying profit) is a non-GAAP (unaudited) financial measure used by Metlifecare and other listed retirement village companies to monitor the current trading performance of the business. This reconciliation has been provided to show how it is calculated.

UNDERLYING PROFIT BEFORE TAX ($m)	FY20	FY19	VARIANCE
Reported Net Profit/(Loss) after Tax (NZ IFRS)	**(33.7)**	**51.2**	**(84.9)**
Change in fair value of investment properties	74.8	(53.9)	(128.7)
Change in fair value of residents' share of capital gains	3.6	3.6	-
Impairment/(Reversal of impairment) of PPE	(1.7)	16.3	(18.0)
Realised Resales Gains	60.5	71.5	(11.0)
Realised Development Margin	11.7	16.9	(5.2)
One-off Revenue	-	(6.5)	6.5
One-off Costs	5.5	-	5.5
Tax Expense/(Benefit)	(26.9)	(5.1)	(21.8)
Underlying Profit before Tax	**93.8**	**94.1**	**(0.3)**

Underlying profit differs from NZIFRS net profit after tax by replacing the unrealised fair value adjustment in property values with the realised components of movements in investment property, as well as removing other unrealised tax and one-off items that are not expected to occur with regularity.

The adjustments are as follows:

1. Change in fair value of investment properties: unrealised non-cash valuation changes (refer note 3.1 on page 71).
2. Change in fair value of residents' share of capital gains: residents' share of capital gains that were paid to qualifying residents during the reporting period are accounted for in the Realised Resales Gains below. Accordingly, the provision made in the Statement of Comprehensive Income for residents' share of capital gains, which relates to future periods, is added back to Underlying Profit to avoid double counting.
3. Impairment/(Reversal of impairment) of Property, Plant and Equipment: impairments and subsequent reversals of impairment losses associated with care home valuation changes are excluded, as the Group is in the business of owning and operating care homes, not constructing the asset for resale (refer note 3.3 on page 75).
4. Realised Resales Gains: estimated realised gains on the resale of an Occupation Right Agreement (ORA) are calculated as the net proceeds received on the settlement of the resale of the pre-existing ORA (i.e. the difference between the ORA payment received from the incoming resident and the ORA payment previously received from the outgoing resident). The reported measure allows for a vacating resident's share of capital gains (if applicable) and includes amounts payable to the vacated resident at balance date on units that have been resettled in the year. Realised resale gains exclude deferred management fees and unit refurbishment costs.
5. Realised Development Margin: estimated realised development margin is calculated as the margin obtained on settlement from the first-time sale of an ORA for a newly constructed unit. The margin calculation is based in the actual selling price of the units settled during the year less the following costs:
   - directly attributable construction costs
   - a pro-rata apportionment of land on the basis of the historical cost or purchase price of the land
   - a pro-rata share of infrastructure costs specific to a stage
   - non-recoverable GST
   - capitalised interest to the date of completion on costs attributed to the unit.

   Costs associated with common areas (including management offices), amenities and any care facilities are excluded from the costs above on the basis that they are assets that support the sale of ORAs for all subsequent resales, rather than just the first-time sale.
6. One-off revenue: in December 2018 an agreement was reached for a settlement of $6.5 million. This item does not form part of the recurring operating performance of the business.
7. One-off costs: one-off legal and consultants expenses of $5.5 million were incurred in the year ended 30 June 2020 relating to plaster cladding litigation and costs associated with the Scheme of Arrangement with APVG. These costs do not relate to ordinary activities and are not expected to recur with regularity.
8. Tax Expense: the impact of current and deferred taxation is removed (refer notes 5.1 and 5.2 on page 83).

Group Financial Statements

For the year ended 30 June 2020

Fairway Gardens from Pakuranga Golf Course, artist impression

Consolidated Statement of Comprehensive Income

For the year ended 30 June 2020

$000	Note	30 June 2020	30 June 2019 [1] (Restated)
Income			
Operating revenue	2.1	**134,006**	124,280
Other income		**-**	6,500
Interest income		**111**	248
Total income		**134,117**	131,028
Change in fair value of investment properties	3.1	**(74,791)**	53,860
Share of profit arising from joint venture, net of tax		**1,638**	151
Expenses			
Employee expenses	2.2	**(50,262)**	(53,057)
Property costs	2.2	**(27,429)**	(28,933)
Other expenses	2.2	**(32,436)**	(29,242)
Change in fair value of residents' share of capital gains		**(3,553)**	(3,644)
Reversal of impairment/(impairment)	3.3	**1,714**	(16,317)
Depreciation	3.3	**(4,451)**	(4,971)
Amortisation		**(637)**	(833)
Finance expense	4.6	**(4,452)**	(1,874)
Total expenses		**(121,506)**	(138,871)
(Loss)/Profit before income tax		**(60,542)**	46,168
Income tax benefit	5.1	**26,870**	5,050
(Loss)/Profit for the year		**(33,672)**	51,218
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Loss on cash flow hedges		**(109)**	(799)
Items that will not be reclassified to profit or loss:			
Share of other comprehensive income arising from joint venture, net of tax		**28**	(11)
(Loss)/gain on revaluation of care homes, net of tax	4.5	**(207)**	498
Other comprehensive loss, net of tax		**(288)**	(312)
Total comprehensive (loss) / income		**(33,960)**	50,906
(Loss) / Profit attributable to shareholders of the parent company		**(33,672)**	51,218
Total comprehensive (loss) / income attributable to shareholders of the parent company		**(33,960)**	50,906
(Loss) / Profit per share for profit attributable to the equity holders of the company during the year			
Basic (cents)	4.2	**(15.8)**	24.1
Diluted (cents)	4.2	**(15.8)**	24.0

[1] The comparative figures for the year ended 30 June 2019 have been restated to reflect changes in deferred tax. Refer to note 1.5 for further details.

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statement of Movements in Equity

For the year ended 30 June 2020

$000	Note	Contributed Equity	Retained Earnings	Hedging Reserve	Revaluation Reserve	Employee Share Scheme Reserve	Total Equity
Restated balance at 1 July 2018 [1]		307,024	1,239,045	(313)	7,050	459	1,553,265
Comprehensive income / (loss)							
Profit for the year [1]		-	51,218	-	-	-	51,218
Other comprehensive income / (loss)		-	-	(799)	487	-	(312)
Total comprehensive income / (loss)		**-**	**51,218**	**(799)**	**487**	**-**	**50,906**
Employee share scheme	4.4	-	-	-	-	307	307
Transfer from employee share scheme reserve	4.4	113	8	-	-	(121)	-
Dividends paid to shareholders	4.3	-	(22,385)	-	-	-	(22,385)
Restated balance at 1 July 2019 [1]		307,137	1,267,886	(1,112)	7,537	645	1,582,093
Restated balance at 1 July 2019		**307,137**	**1,267,886**	**(1,112)**	**7,537**	**645**	**1,582,093**
Comprehensive income / (loss)							
Loss for the year		**-**	**(33,672)**	**-**	**-**	**-**	**(33,672)**
Other comprehensive income / (loss)		**-**	**-**	**(109)**	**(179)**	**-**	**(288)**
Total comprehensive income / (loss)		**-**	**(33,672)**	**(109)**	**(179)**	**-**	**(33,960)**
Employee share scheme	4.4	**-**	**-**	**-**	**-**	**465**	**465**
Transfer from employee share scheme reserve		**-**	**51**	**-**	**-**	**(51)**	**-**
Dividends paid to shareholders	4.3	**-**	**(15,360)**	**-**	**-**	**-**	**(15,360)**
Balance at 30 June 2020		**307,137**	**1,218,905**	**(1,221)**	**7,358**	**1,059**	**1,533,238**

[1] The comparative figures as at 1 July 2018 and 1 July 2019 have been restated to reflect changes in deferred tax. Refer to note 1.5 for further details.

Consolidated Balance Sheet

As at 30 June 2020

$000	Note	30 June 2020	30 June 2019 [1] (Restated)
Assets			
Cash and cash equivalents		**5,238**	3,431
Trade receivables and other assets	5.3	**19,071**	23,477
Derivative financial instruments	5.6	**1,469**	-
Property, plant and equipment	3.3	**60,001**	53,393
Intangible assets		**1,010**	1,000
Investment properties	3.1	**3,471,707**	3,423,615
Investment in joint venture		**12,454**	10,788
Total assets		**3,570,950**	3,515,704
Liabilities			
Trade and other payables	5.4	**44,738**	41,290
Derivative financial instruments	5.6	**3,166**	1,545
Interest bearing liabilities	4.6	**301,830**	279,208
Deferred management fees		**134,568**	126,271
Refundable occupation right agreements	3.2	**1,553,410**	1,458,439
Deferred tax liability	5.2	**-**	26,858
Total liabilities		**2,037,712**	1,933,611
Net assets		**1,533,238**	1,582,093
Equity			
Contributed equity	4.1	**307,137**	307,137
Reserves		**7,196**	7,070
Retained earnings		**1,218,905**	1,267,886
Total equity		**1,533,238**	1,582,093

[1] The comparative figures as at 30 June 2019 have been restated to reflect changes in deferred tax. Refer to note 1.5 for further details.

The Group Financial Statements presented are signed for and on behalf of Metlifecare Limited and were authorised by the Board for issue on 26 August 2020.

K. R. Ellis
Chair
26 August 2020

A. B. Ryan
Director
26 August 2020

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

Consolidated Cash Flow Statement

For the year ended 30 June 2020

$000	30 June 2020	30 June 2019
Cash flows from operating activities		
Receipts from residents for management fees	**27,830**	29,937
Receipts from residents for village, care and service fees	**74,399**	69,041
Receipts from residents for sale of new refundable occupation right	**78,091**	74,437
Receipts from residents for resale of refundable occupation right agreements	**188,763**	207,585
Receipt from Government for wage subsidy	**7,100**	-
Payments to residents for refundable occupation right agreements	**(128,855)**	(146,802)
Payments to suppliers and employees	**(116,998)**	(112,354)
Net GST received	**352**	976
Interest received	**100**	346
Interest paid	**(3,147)**	(1,955)
Bond issuance costs	**(1,717)**	-
Net buyback costs for regeneration and remediation	**(2,804)**	(1,308)
Net cash inflow from operating activities	**123,114**	119,903
Cash flows from investing activities		
Net repayments from / (advances to) joint venture	**100**	(106)
Dividends received from joint venture	**125**	75
Payments for property, plant and equipment	**(10,825)**	(16,652)
Payments for intangibles	**(647)**	(627)
Payments for investment properties	**(111,523)**	(213,742)
Capitalised interest paid	**(7,201)**	(8,415)
Receipts from settlement income	**-**	6,500
Net cash outflow from investing activities	**(129,971)**	(232,967)
Cash flows from financing activities		
Dividends paid	**(15,360)**	(22,385)
Net (repayments) / proceeds from borrowings	**(75,460)**	123,135
Proceeds from bond issuance	**100,000**	-
Principal payments of lease liabilities	**(516)**	(553)
Net cash inflow from financing activities	**8,664**	100,197
Net increase / (decrease) in cash and cash equivalents	**1,807**	(12,867)
Cash and cash equivalents at the beginning of the financial year	**3,431**	16,298
Cash and cash equivalents at the end of the financial year	**5,238**	3,431

The above consolidated cash flow statement should be read in conjunction with the accompanying notes.

Consolidated Cash Flow Statement (continued)

For the year ended 30 June 2020

Reconciliation of (Loss)/Profit after Tax with Net Cash Inflow from Operating Activities

$000	30 June 2020	30 June 2019 [1] (Restated)
(Loss) / Profit after tax	**(33,672)**	51,218
Adjustments for:		
Change in fair value of investment properties	**74,791**	(53,860)
Change in the fair value of residents' share of capital gains	**3,553**	3,644
Employee share scheme	**465**	307
Depreciation and impairment	**2,737**	21,288
Amortisation	**637**	833
Deferred tax expense	**(26,870)**	(5,064)
Loss on disposal of property, plant and equipment	**(13)**	201
Share of profit arising from joint venture, net of tax	**(1,638)**	(151)
Items classified as investing activities:		
Other income	**-**	(6,500)
Changes in working capital relating to operating activities:		
Trade receivables and other assets	**1,797**	(2,621)
Trade and other payables	**828**	917
Deferred management fees	**8,297**	9,311
Refundable occupation right agreements	**92,202**	100,380
Net cash inflow from operating activities	**123,114**	119,903

[1] The comparative figures for the year ended 30 June 2019 have been restated to reflect changes in deferred tax. Refer to note 1.5 for further details.

The above consolidated cash flow statement should be read in conjunction with the accompanying notes.

Notes to the Group Financial Statements

1 GENERAL INFORMATION

This section outlines the basis upon which the Group Financial Statements are prepared. Specific accounting policies are outlined in the note to which they relate.

1.0 Reporting entity

The Group Financial Statements presented are for Metlifecare Limited ("the Company") and its subsidiaries (together "the Group") as at 30 June 2020. The Group is in the business of owning, operating, and developing retirement villages and care homes for the elderly in New Zealand.

Metlifecare Limited is a limited liability company, incorporated and domiciled in New Zealand. The address of its registered office is Level 4, 20 Kent Street, Newmarket, Auckland 1023. The Group is designated as a 'for profit' entity for financial reporting purposes.

1.1 Basis of preparation

The principal accounting policies adopted in the preparation of these Group Financial Statements are set out below and in the relevant note disclosures. These policies have been consistently applied to all the periods presented, unless otherwise stated.

Statutory base

Metlifecare Limited is a company registered under the Companies Act 1993 and is a FMC Reporting Entity in terms of Part 7 of the Financial Markets Conduct Act 2013. The Company is listed on the NZX Main Board (NZX), and the Australian Securities Exchange (ASX) as a Foreign Exempt Listing, and has bonds listed on the NZX debt market.

The Group Financial Statements have been prepared in accordance with the requirements of Part 7 of the Financial Markets Conduct Act 2013, the NZX Main Board Listing Rules, the ASX Listing Rules, and the NZX Debt Market Rules.

These Group Financial Statements 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 New Zealand Financial Reporting Standards and authoritative notices, as appropriate for for-profit entities. They comply with International Financial Reporting Standards (IFRS).

The Group is a Tier 1 for-profit entity in accordance with XRB A1.

The balance sheet for the Group is presented on the liquidity basis where the assets and liabilities are presented in the order of their liquidity.

Historical cost convention

These Group Financial Statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties, care homes and derivative financial instruments.

Going concern

These Group Financial Statements have been prepared on a going concern basis.

1.2 Goods and Services Tax (GST)

All amounts are shown exclusive of goods and services tax (GST), other than trade receivables and trade payables, except where the amount of GST incurred is not recoverable from the taxation authority. When this occurs the GST is recognised as part of the cost of the asset or as an expense, as applicable.

1 GENERAL INFORMATION (continued)

1.3 Critical judgements, estimates and assumptions

The preparation of financial statements in accordance with NZ GAAP requires the use of certain critical accounting estimates and judgements. It also requires management to exercise their judgement based on historical experience and other factors, including expectations of future events, that are believed to be reasonable under the circumstances in the process of applying the Group's accounting policies.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Group Financial Statements are as follows:

- Revenue recognition - management fees (note 2.1)
- Wage subsidy (note 2.2)
- Fair value of investment properties (note 3.1) and care homes (note 3.3)
- Deferred tax (note 5.1).

1.4 Significant events and transactions

The financial position and performance of the Group was affected by the following events and transactions during the reporting period.

Impact of COVID-19 Pandemic

In March 2020, the World Health Organisation designated COVID-19 as a global pandemic which has had a significant impact on both global and local economies.

The Group’s primary focus in responding to the pandemic has been to protect the safety of both residents and staff. From 23 March, when alert level 3 was announced, and continuing into the Government-mandated level 4 lockdown that remained in place until 27 April, access restrictions were put in place at villages, additional personal protective equipment was procured for staff, and other costs were incurred in supporting residents and staff. Under the government-mandated lockdown the ability of new residents to enter villages was limited, meaning few sales could be settled, and the restrictions at development sites resulted in construction activity being suspended.

Certain key judgements and estimates are applied in the annual financial statements. The directors have assessed the impact of COVID-19 on these judgements and estimates and concluded that limited changes are necessary. The following key matters were considered with regards to the financial impact of COVID-19 on the Group financial statements:

- CBRE Limited (CBRE) as independent valuers undertook a valuation as at 30 June 2020. CBRE concluded their valuation on the basis of "material valuation uncertainty". In the current extraordinary circumstances there is a higher degree of uncertainty than would otherwise be the case however the valuation can still be relied upon. The full scale of the impact as at the point of time of the valuation was currently unknown and will largely depend on the scale and longevity of the pandemic and the consequential ongoing impact on the economy with limited market evidence since the outbreak. As a result, although the methodology applied in the valuation is consistent with prior years, certain key estimates have been adjusted. Further details are included in note 3;
- Government subsidies received have been accounted for as Government grants and offset against the expenses to which they relate as disclosed in note 2.2;
- No changes to the methodology or input estimates in relation to expected credit losses have been required as a result of continued strong collection levels in respect of private care fees and deferred settlement of ORA contracts; and
- The enactment of COVID-19 Response (Taxation and Social Assistance Urgent Measures) Act 2020 has resulted in the reintroduction of depreciation on buildings. The impact of this is detailed in note 5.2.

1 GENERAL INFORMATION (continued)

1.4 Significant events and transactions (continued)

Scheme of Arrangement

Background

On 29 December 2019, the Group announced that it had entered into a Scheme Implementation Agreement (SIA) under which Asia Pacific Village Group Limited (APVG), an entity owned by EQT Infrastructure IV fund and managed by EQT Fund Management S.à.r.l., (“EQT Infrastructure IV”), agreed to acquire 100% of Metlifecare’s shares for $7.00 per share. Following the global spread of COVID-19, Metlifecare received notice from APVG that advised of an intention to terminate the 2019 SIA, on the basis that the emergence and spread of COVID-19 was a specified event that had caused, or was reasonably likely to cause a Material Adverse Change and that the Group had breached certain prescribed occurrences under the SIA. Metlifecare rejected that notice and treated APVG’s actions as a repudiation of APVG’s contractual obligations.

On 10 July 2020, the Group announced that it had entered into a new Scheme Implementation Agreement (New SIA) under which APVG agreed to acquire 100% of Metlifecare’s shares for $6.00 per share.

The parties also agreed to discontinue all litigation and settle disputes related to the original SIA dated 29 December 2019. Shareholders will be given the opportunity to vote on the New SIA at a special meeting of shareholders, currently expected to be held in October 2020. A scheme booklet will be sent to shareholders with details of the special meeting and a copy of an independent adviser’s report prepared in accordance with guidance of the Takeovers Panel.

In addition to shareholder approval, the scheme is subject to the satisfaction of other customary conditions including High Court approval and Overseas Investment Office consent.

A break fee of $12.8m would become payable by the Group to APVG in the event that the SIA was terminated as a consequence, amongst other matters, of a competing proposal arising. A reverse break fee of the same amount is payable by APVG in limited circumstances.

Potential impact of the New SIA on the Group Financial Statements

In accordance with the existing Long Term Incentive plan rules, 522,928 of restricted shares will be forfeited and 314,528 Performance Share Rights, issued during the period, may vest following the receipt of final orders approving the scheme but prior to the record date on which the shareholders of the Group are identified for the purposes of arranging settlement. If the Performance Share Rights were to be fully vested, an additional $1.4m would be expensed in the Statement of Comprehensive Income.

The Group currently has recognised accumulated tax losses of $118.3m as at 30 June 2020, all of which would be forfeited as a consequence of an ownership change to APVG. This would have the effect of increasing the Deferred Tax Liability by $33.1m and reducing net tangible assets per share from $7.18 to $7.03 at 30 June 2020, all else being equal. In calculating the Deferred Tax liability at 30 June 2020, a potential breach of shareholder continuity could not be presumed on the basis that:

- the New SIA was not raised until 5 July and accepted on 10 July;
- 75% or more of the votes cast in each interest class must be voted in favour of the Scheme Resolution and more than 50% of the total number of Metlifecare Shares on issue must be voted in favour of the Scheme Resolution; and
- the directors are not unanimous in their support of the New SIA.

For these reasons, the tax losses have continued to be recognised in the Group Financial Statements at 30 June 2020.

1 GENERAL INFORMATION (continued)

1.4 Significant events and transactions (continued)

Scheme of Arrangement (continued)

Difference between the offer price and Net Tangible Assets

The offer price under the New SIA of $6.00 per share is less than the Net Tangible Assets per share of $7.18 (refer to note 4.1) at 30 June 2020. The most significant component of the Group's reported net assets is the value of its Investment Properties. The independent assessment of the value of Investment Properties undertaken by CBRE at each reporting date reflects the aggregate of the values of each individual property asset owned by the Group rather than the value of the property asset portfolio as a whole. The fair value of the assets when treated as a portfolio or an assembled group of properties can exceed, or be less than, the sum of the fair value of each asset individually. Although individual balance sheet items are carried at fair value or amounts that approximate their fair value, various factors influence the extent of the difference between the sum of the individual assets and the value of the a portfolio sold in a single transaction. These factors include, but are not limited to:

1. the additional costs of owning and operating a portfolio of assets rather than an individual asset; these are not accounted for in the stand-alone valuation of individual assets;
2. the size and geographic diversity of the portfolio and its assumed effect on the ability to spread asset specific or location specific risk and/or the liquidity of the portfolio;
3. differences in viewpoint amongst investors regarding future macro-economic conditions and trading environment;
4. the value of accumulated tax losses and the ability to protect the same; and
5. returns available from alternative investment classes at a particular point in time.

The difference between the offer price under the New SIA and the Group's reported net assets is attributable to a combination of these factors. The directors have considered the difference and concluded no further changes to the carrying value of the Group's net assets are required, taking into account that the property portfolio, which is the majority of the Group's net assets, is independently valued by CBRE.

1.5 Comparative information

Deferred Tax

The carrying value of the Group's investment property is determined on a discounted cash flow basis and includes taxable and non-taxable cash flows. The Group has recognised deferred tax in relation to the present value of cash flows with a future tax consequence as provided by CBRE. In calculating the deferred tax at 30 June 2020, the Group has identified adjustments in the calculation impacting the balance in the prior years. These are described below:

1. CBRE's future taxable cash flows include accrued DMF income that is already included in the Group's calculation of current tax. As there is no future tax consequence arising from accrued DMF income, this balance has been excluded from CBRE's future taxable cash flows in the calculation of deferred tax.
2. The Group had previously recognised deferred tax in relation to CBRE's cash flows on future remediation expenditure. This has now been excluded as the remediation expenditure is non-deductible for tax
3. An initial recognition exemption (IRE) is required to be applied for deferred tax purposes on an asset's initial recognition and the acquisition is not part of a business combination. The Group did not previously apply the IRE on certain buildings which were completed before the year ended 30 June 2018.

1 GENERAL INFORMATION (continued)

1.5 Comparative information (continued)

Deferred Tax (continued)

As a consequence, the comparative periods have been restated as follow:

	June 2019 Originally Reported ($000)	Adjustment ($000)	**June 2019 Restated ($000)**
Consolidated Statement of Comprehensive Income			
Profit before income tax	46,168	-	**46,168**
Income tax expense/(benefit)	6,935	(11,985)	**(5,050)**
Profit for the year	39,233	11,985	**51,218**
Consolidated Statement of Movements in Equity			
Retained earnings at 1 July 2018	1,153,912	85,133	**1,239,045**
Consolidated Balance Sheet			
Deferred tax liability	123,976	(97,118)	**26,858**
Retained earnings	1,170,768	97,118	**1,267,886**
Deferred Tax - note 5.2			
Deferred tax liability at 1 July 2018	117,173	(85,133)	**32,040**

	June 2019 Originally Reported	Adjustment	**June 2019 Restated**
Impact on earnings per share			
Basic earnings per share (cents)	18.4	5.7	**24.1**
Diluted earnings per share (cents)	18.4	5.6	**24.0**
Impact on net tangible assets per share			
Net tangible assets per share ($)	$6.96	$0.45	**$7.41**

These are non-cash adjustments and had no further impact on the Group's consolidated statement of comprehensive income, consolidated statement of movements in equity, consolidated balance sheet and consolidated cash flow statement. As the restatement only affects two line-items in the consolidated balance sheet, a full third balance sheet has not been presented.

1.6 Fair value hierarchy

The Group measures investment property, care homes and interest rate swaps at fair value. The Group classifies its fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

The fair value hierarchy has the following levels:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: Inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs)

The level in the fair value hierarchy within which the fair value measurement is categorised is determined on the basis of the lowest input to the fair value measurement. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, the measurement is a Level 3 measurement.

1 GENERAL INFORMATION (continued)

1.7 Foreign currency translation

Functional and presentation currency

Both the functional and presentation currency of Metlifecare Limited and its subsidiaries is New Zealand dollars ($).

Transactions and balances

Foreign currency transactions are translated into New Zealand dollars using the exchange rates prevailing at the transaction date.

Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in the consolidated statement of comprehensive income of each Group entity.

1.8 Notes to the Group Financial Statements

The notes, which include information which is material and relevant to the operations, financial position and performance of the Group, are organised into the following sections:

2 OPERATING PERFORMANCE

This section provides information that the directors consider most relevant in the context of the operating performance of the Group including: revenue, property, corporate and administration expenses.

2.1 Operating Revenue

$000	**30 June 2020**	30 June 2019
Management fees	**59,481**	55,460
Rest home, hospital and service fees	**40,553**	35,783
Village fees	**30,550**	29,615
Other revenue	**3,422**	3,422
Total operating revenue	**134,006**	124,280

Revenue recognition

Revenue, other than management fees, is recognised in accordance with NZ IFRS 15.

Management fees

Occupation right agreements (ORA) confer the right to occupancy of a unit or serviced apartment and are considered leases under NZ IFRS 16. A management fee is payable by the residents of the Group's independent living units and serviced apartments for the right to share in the use and enjoyment of common facilities. The management fee is calculated as a percentage of the occupation right agreement amount and accrues monthly, for a set period, based on the terms of the individual contracts. The current disclosure statement and occupation right agreement accrues management fees at the rate of 10% per annum for a maximum of three years.

The timing of the recognition of management fees as lease income is a critical accounting estimate and judgement. The management fee is recognised on a straight-line basis in the statement of comprehensive income over the average expected length of stay of residents, which is 8 years for independent living units and apartments and 4 years for serviced apartments in the years ended 30 June 2020 and 2019. At 30 June 2020, it is estimated that an increase of the average expected length of stay of residents by one year would reduce management fee revenue by $1.9m (2019: $1.2m) and a decrease of one year would increase management fee revenue by $1.8m (2019: $1.8m).

The management fee is payable in cash by the resident at the time of repayment (to the resident) of the refundable occupation right agreement amount due. The Group has the right of set-off of the refundable occupation right agreement amount and the management fee receivable. At year end, the management fee receivable that has yet to be recognised in the statement of comprehensive income as management fee revenue is recognised as a deferred management fee liability on the balance sheet.

Rest home, hospital and service fees

Rest home, hospital and service fee charges are governed by the individual contracted care and service agreements held with each care and serviced apartment resident. Revenue, for rest home and hospital, is recognised based on the daily fees charged whilst service fees are recognised on a monthly basis dependent on the level of service provided to serviced apartment residents.

Village fees

Village fees are detailed within each resident's occupation right agreement and relate to the operating costs of the village. Revenue is recognised based on the weekly fees charged, reflecting the period a resident has occupied a unit or serviced apartment.

Other revenue

Other revenue for the Group includes resident refurbishment recoveries and administration fees collected on occupation right agreement contracts issued prior to 2006. Revenue is recognised at the point in time the services are provided and agreed to by the resident.

Information about major customers

Revenues from the Group's largest customer, the New Zealand Government, is included in total revenue. This includes care fee revenue from eligible Government subsidised aged care residents who receive rest home or hospital level care. Revenue received from the Ministry of Health included in rest home, hospital and service fees amounted to $14.5m (2019: $12.2m).

2 OPERATING PERFORMANCE (continued)

2.2 Expenses

$000	30 June 2020	30 June 2019
(Loss)/Profit before income tax includes the following expenses:		
Employee costs	**57,059**	53,057
Wage subsidy	**(6,797)**	-
Total employee expenses	**50,262**	53,057
Utilities and other property costs	**13,177**	12,436
Repairs and maintenance on investment properties	**12,917**	15,246
Repairs and maintenance on property, plant, furniture and equipment	**1,335**	1,251
Total property costs	**27,429**	28,933
Resident costs	**7,268**	6,488
Marketing and promotion	**5,679**	7,643
Other employment costs	**2,033**	2,816
Communication costs	**3,469**	3,310
Legal costs	**3,083**	514
Consultant costs	**3,133**	972
(Gain)/Loss on disposal of property, plant and equipment	**(13)**	201
Other village operating expenses	**3,900**	3,798
Other operating expenses	**3,370**	2,942
Fees paid to PricewaterhouseCoopers New Zealand		
Audit and review of financial statements	**445**	469
Debt and treasury advisory services	**-**	114
Tax compliance services	**69**	35
Executive remuneration benchmarking advisory services	**-**	54
Total fees paid to PricewaterhouseCoopers New Zealand	**514**	672
Debt and treasury advisory services costs capitalised	**-**	(114)
Total expensed fees paid to PricewaterhouseCoopers New Zealand	**514**	558
Total other expenses	**32,436**	29,242

Other employment costs include staff related costs such as staff training, and recruitment.

Fees paid to PricewaterhouseCoopers New Zealand for the audit and review of financial statements include $112,000 of incremental audit fees for the audit of each individual retirement village within the Group.

Wage subsidy

As part of its COVID-19 response plan, the NZ Government introduced a 12-week wage subsidy to support employers affected by COVID-19 to retain their employees. Receipt of the wage subsidy was predicated on certain criteria being met including a 30% year-on-year reduction in actual or projected revenue in any month between 20 January 2020 and 9 June 2020 caused by the COVID-19 outbreak and associated government response, and other qualitative considerations. The Group has assessed that revenue for a retirement village operator for the purposes of the wage subsidy criteria is operating cashflow received. This includes the Group's largest cash inflow being the sale and resale of Occupation Right Agreements (ORAs). The eligibility criteria for wage subsidy has been applied on a group level.

As the Group's ability to sell units was significantly restricted during the level 4 lock-down period, the Group experienced more than 30% reduction in cash revenue in the month of April 2020. As such, the Group applied for and received a wage subsidy of $7.1m (2019: nil) in April 2020 which was utilised to part fund the employee costs for a 12-week period from April to June 2020. The Group assessed that $0.3m of subsidy was received for casual employees who did not work during the subsidy period. This has been refunded to Ministry of Social Development (MSD) after balance date.

The wage subsidy scheme included a number of quantitative and qualitative criteria that the Group considered in its application. The Group's evaluation has not been reviewed by MSD to date. The wage subsidy of $6.8m has been recognised as a reduction in employee costs in accordance with *NZ IAS 20 Accounting for Government Grants and Disclosure of Government Assistance.*

3 INVESTMENT PROPERTY AND OTHER ASSETS

This section shows the retirement village investment property assets, related liabilities for resident occupation right agreements and other property assets including property, plant and equipment which are considered to be the most relevant to the operations of the Group.

Material valuation uncertainty

The property portfolio comprising investment property (note 3.1) and property, plant and equipment (note 3.3) has been independently valued by CBRE Limited (CBRE) as at 30 June 2020. The valuation represents a 'point in time valuation' and while the same overall approach was used for this valuation as in prior years, the valuers highlighted that some significant changes were made to the key assumptions as a result of COVID-19. CBRE reassessed a number of their inputs and assumptions to take account of:

- Lower growth rates, particularly in the short term;
- Higher discount rates; and
- Increased discounts on unsold stock.

CBRE noted that they completed all due diligence, research and analysis that would ordinarily form part of a full valuation including physical inspections which were still carried out. CBRE noted that the full scale of the impact as at the point of time of the valuation was unknown and will largely depend on the scale and longevity of the pandemic and the consequential ongoing impact on the economy with limited market evidence since the outbreak. This resulted in it being difficult as at 30 June 2020 to determine the effect that COVID-19 would have on the retirement and aged care sectors in New Zealand.

CBRE reported on the basis of "material valuation uncertainty" meaning less certainty and a higher degree of caution should be applied to the valuation. CBRE commented in the valuation report that, for the avoidance of doubt, the inclusion of the "material uncertainty" declaration does not mean that the valuation cannot be relied upon. Rather, it means that in the current extraordinary circumstances there is a higher degree of uncertainty than would otherwise be the case and given the foregoing market uncertainty it may be necessary for the valuation to be reviewed periodically over the coming months to reflect the duration and severity of the impact of COVID-19. The material valuation uncertainties remain until investment markets become active and subsequent transactional evidence demonstrates a trend in current pricing.

3.1 Investment Properties

Investment properties

Investment properties include completed freehold land and buildings, freehold development land and buildings under development comprising independent living units and apartments, serviced apartments and common facilities, provided for use by residents under the terms of the occupation right agreement. Investment properties are held for long-term yields.

$000	30 June 2020	30 June 2019
Opening balance	**3,423,615**	3,182,632
Additions	**122,913**	187,304
Investment property disposed of	**(30)**	(181)
Change in fair value recognised during the year	**(74,791)**	53,860
Closing balance	**3,471,707**	3,423,615

Investment properties are categorised as follows:

$000	30 June 2020	30 June 2019
Development land	**166,453**	147,098
Retirement villages under development	**67,328**	72,550
Retirement villages		
Valuation	**1,553,578**	1,620,131
Plus: Net liabilities to residents	**1,684,348**	1,583,836
Total investment properties	**3,471,707**	3,423,615

3 INVESTMENT PROPERTY AND OTHER ASSETS (continued)

3.1 Investment Properties (continued)

Valuation process and key inputs

CBRE undertook the valuation of investment properties in accordance with professional valuation standards for all the reporting periods presented. CBRE's principal valuer, Michael Gunn, is an independent registered valuer and associate of the New Zealand Institute of Valuers and is appropriately qualified and experienced in valuing retirement village properties in New Zealand. The fair value as determined by CBRE is adjusted for assets and liabilities already recognised in the balance sheet which are also reflected in the discounted cash flow model. As part of the valuation process in the current year a material valuation uncertainty was reported. Refer to note 3 above.

Development land

Development land is comprised of a standalone title and/or part of the principal site. Where the development land is a standalone title CBRE has ascribed a value which can be captured independently, if desired, from the overall village. Where the development land is part of the principal site, CBRE has identified if there is potential, be it planning or economic, to expand the village and has assessed a value accordingly. This latter value, whilst identified as surplus land value, cannot be independently captured.

Development land is valued based on recent comparable transactions. The Group's land values range between $65 per square metre (psm) and $1,201 psm (2019: $53 psm and $1,201 psm). An increase (decrease) in the psm rate would result in a higher (lower) fair value of development land.

As a general rule, CBRE has treated units in the early stages of construction, land with approvals and other vacant land clearly identified for future development as land for development in its highest and best use.

Retirement villages under development

Where the staged development still requires substantial work such that practical completion will not be achieved at or close to balance date, or the fair value of investment properties under development cannot be reliably determined at this point in time, the carrying amount of cost less any impairment is considered to be the fair value. Impairment is determined by considering the value of work in progress and management's estimate of the asset value on completion.

Retirement villages

To assess the market value of the Group's interest in a retirement village, CBRE has undertaken a cash flow analysis to derive a net present value. As the fair value of investment properties is determined using inputs that are significant and unobservable, the Group has categorised investment properties as Level 3 under the fair value hierarchy in accordance with NZ IFRS 13 *Fair Value Measurement.*

Any developed but not yet sold stock (unsold stock) is valued based on recent comparable transactions, adjusted for disposal costs, holding costs and an allowance for profit and risk. This represents the fair value of the Group's interest in unsold stock at 30 June.

Key accounting estimates and judgements

The significant unobservable inputs used in the fair value measurement of the Group's portfolio of retirement villages are the property price growth rate and the discount rate. The following assumptions have been used to determine fair value:

Unobservable Input	**2020**	2019
Nominal growth rate - anticipated annual property price growth over the cash flow period 0 - 5 years	**-2.0% - 3.5%**	0% - 3.5%
Nominal compound growth rate - anticipated annual property price growth over the cash flow period > 5 years	**2.5% - 3.0%**	2.6% - 3.1%
Pre-tax discount rate	**12.8% - 16.3%**	12.5% - 16.5%

3 INVESTMENT PROPERTY AND OTHER ASSETS (continued)

3.1 Investment Properties (continued)

The sensitivity of the fair value of investment property to changes in significant assumptions is set out in the table below.

30 June 2020	Adopted value * (ILU, SA, ILA)	Discount rate + 50 bp	Discount rate – 50 bp	Growth rates + 50 bp	Growth rates – 50 bp
Valuation ($000)	**1,416,000**				
Difference ($000)		**(52,770)**	**56,270**	**83,453**	**(82,941)**
Difference (%)		**(4%)**	**4%**	**6%**	**(6%)**

30 June 2019	Adopted value * (ILU, SA, ILA)	Discount rate + 50 bp	Discount rate – 50 bp	Growth rates + 50 bp	Growth rates – 50 bp
Valuation ($000)	1,479,170				
Difference ($000)		(53,640)	57,260	98,595	(77,287)
Difference (%)		(4%)	4%	7%	(5%)

* ILU (Independent Living Unit), SA (Serviced Apartment), ILA (Independent Living Apartment) excluding unsold stock. Retirement villages measured at fair value includes unsold stock.

The occupancy period is a significant component of the CBRE valuation and is driven from a Monte Carlo simulation. The simulations are dependent on the demographic profile of the village (age and gender of residents) and the reason for departing a unit. The resulting stabilised departing occupancy period is an estimate of the long run occupancy term for residents. An increase in the stabilised departing occupancy period will have a negative impact on the valuation and a decrease in the stabilised departing occupancy will have a positive impact on the valuation. The valuation calculates the expected cash flows for a 20 year period (2019: 20 years) with stabilised departing occupancy assumptions set out below.

Stabilised departing occupancy - years	**2020**	2019
Serviced apartments	**4.0 - 5.0**	3.8 - 4.9
Independent living units and apartments	**6.5 - 8.7**	6.3 - 9.0

The CBRE valuation also includes within the forecast cash flows the Group's expected costs relating to any known or anticipated remediation works. The estimate of the gross cash flows included for remediation works is $45.8m over a four year period (2019: $45.0m over a five year period). The increase in the allowance for remediation works reflects further work conducted over the period across the portfolio and updated estimates of the remaining cost of the required works. The estimates are based on currently available information. CBRE has also included within the forecast cash flows the Group's expected costs associated with seismic strengthening works of $1.9m (2019: $1.9m).

3 INVESTMENT PROPERTY AND OTHER ASSETS (continued)

3.2 Refundable Occupation Right Agreements

$000	30 June 2020	30 June 2019
Refundable occupation right agreements	**1,997,444**	1,859,679
Residents' share of capital gains	**32,780**	34,927
Loans to residents	**(19,996)**	(19,775)
Management fees receivable	**(456,818)**	(416,392)
Total refundable occupation right agreements	**1,553,410**	1,458,439

Occupation right agreements confer the right to occupancy of the unit or serviced apartment and are considered leases under NZ IFRS 16. A new resident is charged a refundable security deposit, on being issued the right to occupy one of the Group's units or serviced apartments, which is refunded to the resident subject to a new occupation right agreement for the unit or serviced apartment being issued to an incoming resident, net of any amount owing to the Group. The Group has a legal right to set off any amounts owing to the Group by a resident against that resident's security deposit. Such amounts include management fees, loans receivable, service fees and village fees. As the refundable occupation right is repayable to the resident upon vacation (subject to a new occupation right agreement for the unit or serviced apartment being issued to an incoming resident), the fair value is equal to the face value, being the amount that can be refunded.

The right of residents to occupy the investment properties of the Group are protected by the statutory supervisor restricting the ability of the Group to fully control these assets without undergoing a consultation process with all affected parties.

Certain older occupation right agreements include the right to a proportion of the capital gain arising on resale. The amount of the capital gain relating to these agreements is recognised by way of a liability on the balance sheet.

Estimated maturity

In determining the fair value of the Group's investment properties, CBRE estimates the established length of stay to be 6.5 - 8.7 years for independent living units and apartments (2019: 6.3 - 9.0 years) and 4.0 - 5.0 years for serviced apartments (2019: 3.8 - 4.9 years). Therefore, it is not expected that the full obligation to residents will fall due within one year. Based on historical and expected turnover calculations the estimated maturity of the total obligation refundable to residents is as follows:

$000	30 June 2020	30 June 2019
Within 12 months	**137,337**	123,756
Beyond 12 months	**1,416,073**	1,334,683
	1,553,410	1,458,439

Notes to the Group Financial Statements

3 INVESTMENT PROPERTY AND OTHER ASSETS (continued)

3.3 Property, Plant and Equipment

Property, plant and equipment comprises owner-occupied freehold land and buildings and plant and equipment operated by the Group for the provision of care services, and land and buildings that are to be developed into care homes in the future.

$000	Freehold Land & Buildings	Construction Work in Progress	Plant, Furniture & Equipment and Motor Vehicles	Right of Use Assets	Total
At 30 June 2018					
Cost or valuation	36,367	6,512	29,956	3,447	76,282
Accumulated depreciation and impairment losses	-	(209)	(19,899)	(1,405)	(21,513)
Net book value	36,367	6,303	10,057	2,042	54,769
Year ended 30 June 2019					
Opening net book amount	36,367	6,303	10,057	2,042	54,769
Revaluation of care homes	691	-	-	-	691
Additions	1,001	15,673	2,612	-	19,286
Transferred from construction work in progress	13,721	(13,990)	269	-	-
Disposals	-	-	(65)	-	(65)
Impairment	(8,062)	(7,986)	(269)	-	(16,317)
Depreciation	(576)	-	(4,012)	(383)	(4,971)
Closing net book amount	43,142	-	8,592	1,659	53,393
At 30 June 2019					
Cost or valuation	43,142	-	32,772	3,447	79,361
Accumulated depreciation and impairment losses	-	-	(24,180)	(1,788)	(25,968)
Net book value	43,142	-	8,592	1,659	53,393
Year ended 30 June 2020					
Opening net book amount	**43,142**	-	**8,592**	**1,659**	**53,393**
Revaluation of care homes	**(152)**	-	**-**	**-**	**(152)**
Additions	**454**	**6,000**	**3,080**	**-**	**9,534**
Transferred from construction work in progress	**3,231**	**(4,170)**	**939**	**-**	**-**
Disposals	**-**	-	**(37)**	**-**	**(37)**
Reversal of Impairment / (Impairment)	**1,811**	-	**(97)**	**-**	**1,714**
Depreciation	**(871)**	-	**(3,205)**	**(375)**	**(4,451)**
Closing net book amount	**47,615**	**1,830**	**9,272**	**1,284**	**60,001**
At 30 June 2020					
Cost or valuation	**47,615**	**1,830**	**36,754**	**3,447**	**89,646**
Accumulated depreciation and impairment losses	**-**	**-**	**(27,482)**	**(2,163)**	**(29,645)**
Net book value	**47,615**	**1,830**	**9,272**	**1,284**	**60,001**

3 INVESTMENT PROPERTY AND OTHER ASSETS (continued)

3.3 Property, Plant and Equipment (continued)

All property, plant and equipment is initially recorded at cost. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes material and direct labour, and any other costs directly attributable to bringing the asset to its working condition for its intended use. Plant and equipment is subsequently measured at cost less accumulated depreciation and impairment losses, if any.

Subsequent to initial recognition, freehold land and buildings for care homes are carried at a revalued amount, which is the fair value at the date of the revaluation less any subsequent accumulated depreciation on buildings and accumulated impairment losses, if any, since the assets were last revalued. Fair value is determined by reference to market based evidence, which is the amount for which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction as at the valuation date.

Any revaluation surplus is recognised in other comprehensive income unless it reverses a revaluation decrease of the same asset previously recognised in the statement of comprehensive income. Any revaluation deficit is recognised in the statement of comprehensive income unless it directly offsets a previous surplus in the same asset in other comprehensive income. Any accumulated depreciation at revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings. Independent valuations are performed annually at the balance sheet date.

Right-of-use assets relating to leases of office premises are capitalised and recognised within property, plant and equipment at the commencement date of the lease and comprise the initial lease liability, plus any initial indirect costs incurred and restoration costs, less any lease incentives received. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

The Group's care homes encompassing freehold land and buildings were valued by CBRE for all reporting periods presented. For 2020 CBRE reported a material valuation uncertainty (refer to note 3).

CBRE determined the fair value of all care home assets using an earnings-based multiple approach where the normalised earnings before interest, tax, depreciation, amortisation and rent is capitalised at rates of between 11.0% to 13.8% (2019: 11.0% to 14.0%). The valuation prepared has been split between land, improvements, chattels and goodwill to determine the fair value of the assets. Goodwill of $11.2m (2019: $8.2m) in respect of care home assets included in the CBRE valuation is not recognised in the Group Financial Statements. The revaluation, net of applicable deferred income taxes, was recognised in other comprehensive income and is shown in the revaluation reserve in shareholders' equity.

As the fair value of freehold land and buildings is determined using inputs that are unobservable, the Group has categorised property, plant and equipment as Level 3 under the fair value hierarchy in accordance with NZ IFRS 13 *Fair Value Measurement.*

The significant unobservable inputs used in the fair value measurement of the Group's portfolio of land and buildings are the capitalisation rates applied to individual unit earnings. A significant decrease (increase) in the capitalisation rate would result in a significantly higher (lower) fair value measurement.

3 INVESTMENT PROPERTY AND OTHER ASSETS (continued)

3.3 Property, Plant and Equipment (continued)

If freehold land and buildings were stated on a historical cost basis, the amounts would be as follows:

$000	**30 June 2020**	30 June 2019
Net book value	**35,346**	32,201

Depreciation is provided on a straight line basis on property, plant and equipment, other than freehold land, at rates calculated to allocate the assets' cost or valuation, less estimated residual value, over their estimated useful lives, commencing from the time the assets are held ready for use, as follows:

- Freehold buildings	25 - 50 years
- Plant, furniture and equipment	3 - 10 years
- Motor vehicles	5 - 7 years

The residual values and useful lives of assets are reviewed, and adjusted if appropriate, at each balance sheet date.

Impairment of non-financial assets

Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the assets' carrying amount exceeds its recoverable amount, after reducing the carrying amount by any amount that the asset has been revalued. The recoverable amount is the higher of an assets' fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the statement of comprehensive income within other expenses.

Impairment losses previously recognised through the statement of comprehensive income have resulted from final construction costs for new care homes exceeding the valuation performed on completion by CBRE.

In the year ended 30 June 2020 an impairment loss of $1.7m in respect to a previously recognised impairment was reversed to reflect the increase in the valuation of the care homes (2019: an impairment loss of $16.3m).

4 SHAREHOLDERS' EQUITY AND FUNDING

This section includes disclosures related to the Group's capital structure and external funding arrangements.

4.1 Contributed Equity

	30 June 2020 Shares	30 June 2019 Shares	30 June 2020 $000	30 June 2019 $000
Total Issued and fully paid up capital (including treasury shares)				
Balance at beginning of the year	**213,304,722**	213,132,290	**307,137**	307,024
Shares issued net of transaction costs	**-**	172,432		113
Balance at end of the year	**213,304,722**	213,304,722	**307,137**	307,137

	30 June 2020 Shares	30 June 2019 Shares
Treasury shares		
Balance at beginning of the year	**522,928**	397,028
Shares issued under the senior executive share plan	**-**	172,432
Shares vesting under the senior executive share plan	**-**	(46,532)
Balance at end of the year	**522,928**	522,928

	30 June 2020	30 June 2019 [1]
Net tangible assets per share	**$7.18**	$7.41

[1] The comparative figure for the year ended 30 June 2019 have been restated to reflect changes in deferred tax. Refer to note 1.5 for further details.

Net tangible assets represents total assets less total liabilities less intangible assets. The shares on issue at the end of the year is used to calculate the net tangible assets per share.

All ordinary shares are authorised and rank equally with one vote attached to each fully paid ordinary share. The shares have no par value. Ordinary shares are classified as equity and are recognised net of incremental costs directly attributable to the issue of new shares. The Company incurred no transaction costs issuing shares during the year (2019: nil).

Treasury shares relate to shares issued under the senior executive share plan that are held on trust by the Group. These shares are accounted for as treasury shares by the Group until such time as they are cancelled or vest to members of the senior executive team. The vesting of these shares is subject to achievement of performance hurdles or by approval of the New SIA. Refer to note 1.4.

4 SHAREHOLDERS' EQUITY AND FUNDING (continued)

4.2 Earnings Per Share

Basic

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

	30 June 2020	30 June 2019 [1]
(Loss) / Profit attributable to equity holders ($000)	**(33,672)**	51,218
Weighted average number of ordinary shares on issue ('000s)	**212,782**	212,760
Basic earnings per share (cents)	**(15.8)**	24.1

Diluted

Diluted earnings per share is calculated by dividing the profit attributable to equity holders by the weighted average number of ordinary shares adjusted for any shares to be issued under the share right scheme for which performance hurdles would have been met based upon the Company's performance up to the reporting date and to the extent to which they are dilutive.

	30 June 2020	30 June 2019 [1]
(Loss) / Profit attributable to equity holders ($000)	**(33,672)**	51,218
Diluted weighted average number of ordinary shares on issue ('000s)	**213,305**	213,264
Diluted earnings per share (cents)	**(15.8)**	24.0

[1] The comparative figures for the year ended 30 June 2019 have been restated to reflect changes in deferred tax. Refer to note 1.5 for further details.

4.3 Dividends

	Cents per share	30 June 2020	30 June 2019
Recognised amounts			
Final dividend for 2018	6.75	**-**	14,386
Interim dividend for 2019	3.75	**-**	7,999
Final dividend for 2019	7.25	**15,360**	-
Total dividends paid ($000)		**15,360**	22,385

Due to the current economic climate at the time of signing the Group Financial Statements and in accordance with the terms of the New SIA, no final dividend will be paid for the period.

Imputation credits

The imputation credit balance for the Group at 30 June 2020 is nil (2019: nil). No tax payments were made during the year and dividends paid were unimputed.

Share Scheme

The Company operates a Senior Management Share Scheme (the Scheme) which is intended to align the interests of executives and other senior management with the interests of shareholders and provide a continuing incentive to these employees over the long term.

Awards of shares depend on satisfaction of performance hurdles and an assessment of Total Shareholder Return by comparison with the peer group (being members of the NZX50 Index at the date of grant and, in the future, other listed retirement village operators). Shares issued under the Scheme are entitled to dividends.

4 SHAREHOLDERS' EQUITY AND FUNDING (continued)

4.4 Share-based Payments

Share rights issued

The Scheme is accounted for as an in-substance share rights scheme. A reconciliation of the share rights on issue is provided below:

	30 June 2020	30 June 2019
Share rights outstanding at 1 July	**522,928**	397,028
Granted during the year	**-**	172,432
Vested during the year	**-**	(46,532)
Share rights outstanding at 30 June	**522,928**	522,928

The table below sets out amounts recognised in respect to share based payments.

$000	30 June 2020	30 June 2019
Share based payment expense recognised in the consolidated statement of comprehensive income within 'employee expenses'	**465**	307
Accumulated employee share based payment expense recognised in the employee share scheme reserve	**1,059**	645

During the year ended 30 June 2020, no shares vested (2019: 46,532). No previously recognised share based payment expense was transferred to share capital in the current period (2019: $113,000). From 1 July 2019, the in-substance share rights scheme was replaced with Performance Share Rights (PSR). On 1 October 2019, 314,528 PSRs were granted, the vesting of which remains subject to the future satisfaction of performance hurdles under the Scheme.

The fair value of the in-substance share rights and PSRs granted is recognised as an employee expense in the profit or loss component of the statement of comprehensive income with a corresponding entry in the employee share scheme reserve. The total amount to be expensed over the vesting period is determined by reference to the fair value of the in-substance share rights granted, excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of in-substance share rights that are expected to become exercisable.

At each balance sheet date, the Group revises its estimates of the number of in-substance share rights expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in the profit or loss component of the statement of comprehensive income, and a corresponding adjustment to equity over a three year period.

As part of this in-substance share rights scheme, interest-free loans are provided to the executives and senior management at grant dates which will be settled for in-substance share rights that vest, by a cash bonus (forfeited in-substance share rights offset the remaining loan balance). The PAYE element of this bonus will be treated as a cash-settled share-based payment transaction with a liability for PAYE accruing over the vesting period. After vesting, to the date of exercise, this liability is adjusted by reference to the market value of the shares. Changes in the fair value of this liability will be recognised in profit or loss.

4.5 Reserves

Revaluation Reserve

$000	30 June 2020	30 June 2019
Balance at beginning of the year	**7,537**	7,050
Share of gain/(loss) on revaluation of care home arising from joint venture, net of tax	**28**	(11)
(Loss)/gain on revaluation of care homes	**(152)**	691
Tax on revaluation of care homes	**(55)**	(193)
Balance at end of the year	**7,358**	7,537

The revaluation reserve records changes in the revaluation of property, plant and equipment.

4 SHAREHOLDERS' EQUITY AND FUNDING (continued)

4.5 Reserves (continued)

Hedging Reserve

The hedging reserve records the effective portion of accumulated changes in the fair value of interest rate swaps used in cash flow hedges. This is recognised in the profit or loss when the hedged item affects the profit or loss (refer note 5.6).

4.6 Interest Bearing Liabilities

$000	30 June 2020	30 June 2019
Bank loans	**202,343**	277,803
Retail bond	**100,000**	-
Capitalised debt costs	**(2,178)**	(637)
	300,165	277,166
Lease liabilities	**1,665**	2,042
Total interest bearing liabilities	**301,830**	279,208
Investment property valuation (refer note 3.1)	**1,787,359**	1,839,779
Debt to Valuation Ratio	**16.9%**	15.1%

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred and are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method.

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

Lease liabilities

Lease liabilities relating to leases of office premises are measured based on the present value of the fixed and variable lease payments, less any cash lease incentives receivable. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant rate of interest on the remaining balance of the liability for each period. Lease payments associated with low-value assets, and for lease terms of 12 months or less, are recognised on a straight-line basis as an expense in profit or loss.

Bank loans

The bank loans comprise the Core Revolving Credit Facility, Development Facility and Working Capital Facility, effective 8 March 2012 as amended from time to time as detailed below. On 20 December 2018 the bank facilities were renegotiated and extended. The maturities of the Core Revolving Credit Facility of $150m (2019: $175m), the Development Facility of $200m (2019: $275m) and the Working Capital Facility of $2m (2019: $2m) are detailed below.

Drawn bank loans

$000	Facility Limit	30 June 2020	30 June 2019
Core Facility	**150,000**	**98,333**	144,333
Development Facility	**200,000**	**104,010**	133,470
Working Capital Facility	**2,000**	**-**	-
Total	**352,000**	**202,343**	277,803

4 SHAREHOLDERS' EQUITY AND FUNDING (continued)

4.6 Interest Bearing Liabilities (continued)

Maturities of bank loans

$000	Facility Limit	30 June 2020	30 June 2019
On demand	2,000	-	-
Between one and two years	141,667	141,666	83,333
Between two and three years	-	-	141,667
More than three years	208,333	60,677	52,803
Total	352,000	202,343	277,803

Retail Bond

On 30 September 2019 the Group issued $100.0m of guaranteed, secured, unsubordinated fixed rate bonds with a coupon rate of 3.00% per annum, maturing on 30 September 2026. Proceeds from the bond issue were used to repay a portion of the Group's existing bank debt and to provide diversity of funding and tenor.

Security

A Negative Pledge Deed has been entered into by the operating subsidiaries in favour of the banks in which the subsidiaries have undertaken not to create or permit to exist any mortgage or other charge over their assets or revenues without obtaining the prior written consent of the Group's Lenders.

Registered mortgages or an encumbrance in favour of the statutory supervisors of the village-owning subsidiary companies are recognised as first charges over the freehold land of those companies to protect the interests of the residents in the event of failure by the subsidiary companies as operators of the villages to observe obligations under the deeds of supervision, occupation right agreements and lifecare agreements.

Metlifecare Limited has issued a letter of support for the bank borrowings of the 50% joint venture entity Metlifecare Palmerston North Limited.

The retail bond is secured on an equal ranking basis with certain other secured creditors including Metlifecare's bank lenders. As of 30 June 2020 the bonds had a fair value of $104.9m.

Financial covenants

The Group must comply with certain financial covenants under the debt facility agreements. Under the terms of the Bond, Metlifecare must also comply with a Loan to Valuation ratio (50%). The financial covenants that the Group must comply with include a maximum Loan to Valuation ratio (50%), a minimum interest core ratio which is broadly the ratio of cash flow available for debt servicing excluding cash flows associated with the current remediation programme to interest costs in respect of the previous 12 months, and a minimum forecast interest core ratio (the ratio of forecast cash flow available for debt servicing but excluding cash flows associated with the current remediation programme to forecast interest costs in respect of the next 12 months). For the year ended 30 June 2020, the Group was compliant with its financial covenants (2019: in compliance).

Finance Expense

$000	30 June 2020	30 June 2019
Interest costs	8,539	7,472
Facility costs	3,114	2,817
Less: interest costs and facility costs capitalised	(7,201)	(8,415)
Total finance expense	4,452	1,874

Interest on borrowings is charged using the BKBM Bill Rate plus a margin and line fees. Interest rates applicable in the year to 30 June 2020 ranged from 3.04% to 3.55% per annum (2019: 3.49% to 3.77% per annum). Derivative financial instruments used to manage interest rate risk are set out in note 5.6.

Borrowing costs of $7.2m (2019: $8.4m) arising from financing drawn for the construction of investment properties and care homes under development were capitalised during the year. Average capitalisation rates of 3.35% per annum (2019: 3.64% per annum) were used, representing the borrowing costs of the loans used to finance the projects.

5 OTHER DISCLOSURES

This section includes additional information that is considered less significant in understanding the financial performance and position of the Group, but must be disclosed to comply with New Zealand equivalents to International Financial Reporting Standards.

5.1 Income Tax Benefit

$000	30 June 2020	30 June 2019 [1]
(a) Income tax benefit		
Current tax	-	14
Deferred tax	(26,870)	(5,064)
Income tax benefit	(26,870)	(5,050)
(b) Numerical reconciliation of income tax benefit to prima facie tax		
(Loss)/Profit before income tax	(60,542)	46,168
Tax at the New Zealand tax rate of 28%	(16,952)	12,927
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Non taxable income and non deductible expenditure	1,110	3,328
Capitalised interest	(2,016)	(2,356)
Non taxable impact of investment property revaluation	20,942	(15,082)
Movement in property valuation	(31,772)	(4,932)
Adjustment for timing difference of provisions	(1,222)	989
Unrecognised tax losses	3,292	-
Utilised tax losses	-	-
Prior period adjustment	(252)	76
Income tax benefit	(26,870)	(5,050)

[1] The comparative figures for the year ended 30 June 2019 have been restated to reflect changes in deferred tax. Refer to note 1.5 for further details.

No income tax has been paid during the year. There are $3.3m unrecognised tax losses for the Group at 30 June 2020 subject to shareholder continuity (2019: nil). The income tax expense for the year is the tax payable on the current year's taxable income based on the applicable income tax rate, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the Group Financial Statements, and changes to available tax losses.

5.2 Deferred Tax

$000	Balance 1 July 2019 [1]	Recognised in income	Recognised in Reserves	Balance 30 June 2020
Property, plant and equipment	(3,971)	3,384	(54)	(641)
Investment property	(59,505)	23,387	-	(36,118)
Deferred management fees	440	(440)	-	-
Recognised tax losses	32,345	768	-	33,113
Other items	3,833	(229)	42	3,646
Net deferred tax liability	(26,858)	26,870	(12)	-

$000	Balance 1 July 2018 [1]	Recognised in income	Recognised in Reserves	Balance 30 June 2019 [1]
Property, plant and equipment	(3,479)	(299)	(193)	(3,971)
Investment property	(59,256)	(249)	-	(59,505)
Deferred management fees	1,822	(1,382)	-	440
Recognised tax losses	25,180	7,165	-	32,345
Other items	3,693	(171)	311	3,833
Net deferred tax liability	(32,040)	5,064	118	(26,858)

[1] The comparative figures as at 1 July 2018 and 30 June 2019 have been restated to reflect changes in deferred tax. Refer to note 1.5 for further details.

5 OTHER DISCLOSURES (continued)

5.2 Deferred Tax (continued)

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

NZ IAS 12 Income Taxes provides that there is a rebuttable presumption that investment property measured at fair value under NZ IAS 40 and NZ IFRS 13 is recovered entirely through sale. This presumption is rebutted if: the investment property is depreciable; and the investment property is held within a business model whose objective is to consume substantially all the economic benefits embodied in the investment property over time, rather than through sale. The Group rebuts the presumption and considers the held for use methodology more appropriately represents the Group's business model, that being a long-term owner and operator of integrated retirement village and aged care facilities.

The carrying value of the Group's investment property is determined on a discounted cash flow basis and includes cash flows that are both taxable and non-taxable in the future. The Group has recognised deferred tax in relation to the present value of cash flows with a future tax consequence as provided by CBRE. The Group considers it appropriate to recognise and measure deferred tax based on the deferred management fees under Occupation Right Agreements (ORA) being receivable at the end of the ORA period as that best represents the Group's contractual entitlement and is consistent with the CBRE's cash flow model used in the valuation of investment property.

Included within the CBRE valuation is the present value of the capital gains associated with the investment property which are non-taxable and primarily attributable to the capital growth of the non-depreciable components (i.e. land). No deferred tax has been recognised against these amounts.

On 26 March 2020, the COVID-19 Response (Taxation and Social Assistance Urgent Measures) Act 2020 received Royal assent. This Act restored building depreciation deductions for non-residential buildings for tax purposes. This has resulted in a $20.7m reversal of deferred tax (2019: nil) in the statement of profit and loss, and a corresponding reduction of deferred tax liability related to care facilities and common buildings.

The Group currently has recognised accumulated tax losses of $118.3m as at 30 June 2020, all of which would be forfeited as a consequence of an ownership change. This would have the effect of increasing the Deferred Tax Liability balance by $33.1m and reducing Net Tangible Assets per share to $7.03 all else being equal.

5.3 Trade Receivables and Other Assets

$000	**30 June 2020**	30 June 2019
Trade receivables	**6,617**	6,056
Provision for doubtful receivables	**(44)**	-
	6,573	6,056
Occupation right agreement receivables	**6,162**	9,833
Prepayments	**2,983**	2,335
Amounts due from related parties	**146**	246
Deposits paid for land acquisitions	**-**	820
Retentions and other receivables	**3,207**	4,187
Total receivables and other assets	**19,071**	23,477

All trade receivables and other assets are expected to mature within 12 months of balance date.

Trade receivables are recognised initially at fair value and are subsequently measured at amortised cost using the effective interest method, less any provision for impairment. A provision for the impairment of trade receivables is assessed based on the simplified approach of the expected credit loss model, which requires expected lifetime losses to be recognised from initial recognition of trade receivables based on current, historic and forward-looking information. Expected lifetime losses are measured by reviewing trade receivables based on type of debtor and days since resident departure. Application of NZ IFRS 9 impairment model has not had a material impact on the carrying value of expected credit losses.

5 OTHER DISCLOSURES (continued)

5.4 Trade and Other Payables

$000	**30 June 2020**	30 June 2019
Trade creditors	**4,142**	4,244
Sundry creditors and accruals	**28,606**	26,782
Revenue in advance	**4,320**	3,855
Employee entitlements	**7,670**	6,409
Total trade and other payables	**44,738**	41,290

All trade and other payables are expected to mature within 12 months of balance date. Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Creditors and other accruals

Expenses are brought to account on an accruals basis and, if not paid at the end of the reporting period, are reflected in the Consolidated Balance Sheet as a payable. These amounts represent liabilities for amounts owing at the end of the reporting period. The amounts are unsecured and are usually paid within 30 days of recognition.

Employee entitlements

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave are recognised in respect of employees' services up to the reporting date and 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 measured at the amounts paid or payable.

5.5 Financial Instruments

NZ IFRS 9 established three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial assets. The Group holds the following categories of financial instruments:

Financial assets at amortised cost - financial assets comprising Cash and Cash Equivalents, and Trade Receivables and Other Assets (excluding prepayments).

Financial liabilities at amortised cost - financial liabilities comprising Trade and Other Payables (excluding employee entitlements), Interest Bearing Liabilities and Refundable Occupation Right Agreements.

Financial liabilities at fair value through profit or loss - financial liabilities comprising Interest Rate Swaps.

5.6 Financial Risk Management

The Group is exposed to a variety of financial risks: market risk (including interest rate risk), credit risk, liquidity risk, and capital risk. The Group's overall risk management programme considers the volatility of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. Risk management is carried out under policies approved by the Board of Directors covering overall risk management and treasury and financial markets risks.

The Group uses different methods to measure different types of risk to which it is exposed including sensitivity analysis in the case of interest rates to determine market risk and ageing analysis for credit risk. From time to time the Group uses derivative financial instruments such as interest rate swap contracts to manage certain interest rate risk exposures. Derivatives are exclusively used for economic hedging purposes and not as trading or other speculative instruments.

5 OTHER DISCLOSURES (continued)

5.6 Financial Risk Management (continued)

(a) Market risk

(i) Foreign exchange risk

The Group does not have a material exposure to foreign exchange risk.

(ii) Cash flow and fair value interest rate risk

The Group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. The cash flow and fair value interest rate risks are monitored by the Board on a monthly basis. Management monitors the existing interest rate profile and as appropriate presents interest rate hedging analysis and strategies to the Board for consideration and approval prior to entering into any interest rate swaps. The position is managed depending on the timeframe, underlying interest rate exposure and the economic conditions.

At 30 June 2020, it is estimated that a general increase of half a percentage point in interest rates would reduce the Group's profits after tax (before any capitalisation) and equity by approximately $1.1m (2019: one percentage point $1.7m). The above numbers deduct the tax effect of 28%.

Derivative financial instruments

The Group has entered into interest rate swaps to reduce it's exposure to variability in floating rate interest payments for long-term borrowings.

Interest rate swaps are recognised at fair value on the date a contract is entered into and are subsequently measured at fair value on each reporting date. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows discounted using market rates at balance date. The Group has categorised interest rate swaps as Level 2 under the fair value hierarchy.

Cash flow hedges

The interest rate swaps are designated in cash flow hedging relationships. When an interest rate swap meets the criteria for hedge accounting, the effective portion of changes in the fair value of the interest rate swap is recognised in other comprehensive income and accumulated in the hedging reserve. Any ineffective portion of changes in the fair value of the interest rate swap is recognised in profit or loss. In these hedge relationships, ineffectiveness may arise due to changes in the counterparty and Metlifecare's own credit risk on the fair value of the derivatives, and differences in critical terms between the swaps and the bank loans. The amount accumulated in equity is expected to be reclassified to finance costs at the same time as interest payments for long-term borrowings are made.

At 30 June 2020, the Group has interest rate swap agreements in place with a total notional principal amount of $105m (2019: $55m), which are being used to cover approximately 35% (2019: 20%) of the outstanding principal of bank loans. These agreements effectively change the Group's interest exposure on the principal covered by the interest rate swaps from a floating-rate position to a fixed-rate position, with an average contracted fixed interest rate of 2.17% (2019: 2.57%). Derivatives in hedging relationships are designated based on a hedge ratio of 1:1. The hedge ratio is based on the interest rate swap notional amount to hedge the same notional amount of bank loans.

The notional values of interest rate swaps outstanding at 30 June 2020 and their maturities are:

$000	**30 June 2020**	30 June 2019
Less than one year	**15,000**	-
Between one and two years	**-**	20,000
Between two and seven years	**90,000**	35,000
Total interest rate swaps	**105,000**	55,000

The net fair value losses of $0.1m relating to the effective portion of cash flow hedges were recognised in other comprehensive income (2019: $0.8m), with the corresponding amount recognised as a $1.7m net liability in the consolidated balance sheet at 30 June 2020 (2019: $1.5m). The value reclassified from the hedging reserve to profit or loss was nil.

5 OTHER DISCLOSURES (continued)

5.6 Financial Risk Management (continued)

(b) Credit risk

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

The Group has no significant concentrations of credit risk. The Group's policy requires a security deposit from new residents before they are granted the right to occupy a unit, therefore, the Group does not face significant credit risk. The Group receivables represent distinct trading relationships with each of the residents. There are no concentrations of credit risk with residents. The only large receivables relate to the residential care subsidies which are received in aggregate via the various District Health Boards and Work and Income New Zealand. None of these entities are considered a credit risk. The values attached to each financial asset in the balance sheet represent the maximum credit risk. Assessment of any provision required for the impairment of trade receivables is detailed in note 5.3. No collateral is held with respect to any financial assets. The Group enters into financial instruments with various counterparties in accordance with established limits as to credit rating and dollar limits, and does not require collateral or other security to support the financial instruments.

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

(c) Liquidity risk

Liquidity risk is the risk that the Group may not be able to meet it's financial obligations as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities.

Cash flow forecasting is regularly performed by the Group. The Group monitors rolling forecasts of liquidity requirements to ensure sufficient cash to meet operational needs, while maintaining headroom on undrawn committed borrowing facilities at all times so that it does not breach borrowing limits or covenants on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans and covenant compliance. Cash proceeds from the sale of units and apartments that are funded from the Development Facility are repaid against the Development Facility otherwise surplus cash held by the operating entities is used to repay debt in the Working Capital and Core Facilities.

As part of the Group's treasury activities and liquidity management, all wholly-owned subsidiaries interact through intercompany accounts with Metlifecare Limited on a daily basis. This encompasses receipts from residents, payments to suppliers, and receipts and payments to residents under occupation right agreements.

5 OTHER DISCLOSURES (continued)

5.6 Financial Risk Management (continued)

Maturity profile of financial liabilities

The table below shows the maturity analysis of the Group's contractual undiscounted cash flows relating to financial liabilities.

$000	Less than 1 year	Later than 1 year
30 June 2020		
Derivative financial instruments	**837**	**504**
Lease liabilities	**617**	**1,439**
Trade and other payables	**37,068**	**-**
Retail bond	**2,782**	**114,619**
Bank loans	**5,738**	**209,407**
Refundable occupation right agreements	**137,337**	**1,416,073**
	184,379	**1,742,042**
30 June 2019		
Derivative financial instruments	452	543
Lease liabilities	617	2,056
Trade and other payables	34,881	-
Retail bond	-	-
Bank loans	8,410	291,449
Refundable occupation right agreements	123,756	1,334,683
	168,116	1,628,731

The bank loans drawn under the committed bank facilities are typically drawn down for fixed periods of 1 to 3 months and renewed at the conclusion of each fixed period.

The refundable occupation right agreement is repayable to the resident on vacation of the unit or serviced apartment or on termination of the occupation right agreement subject to a new occupation right agreement for the unit or serviced apartment being issued to an incoming resident. In determining the fair value of the Group's investment properties, CBRE estimate the stabilised occupancy period for residents. Based on these turnover calculations, the expected maturity of the total refundable obligation to refund residents is shown in note 3.2.

(d) Capital risk management

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

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

5 OTHER DISCLOSURES (continued)

5.7 Related Party Transactions

The following transactions were carried out with related parties:

(a) Key management personnel compensation

The key management personnel are all executives with the authority for the strategic direction and management of the Group. Their compensation paid or payable is set out below. The directors are remunerated through directors' fees and expenses.

$000	30 June 2020	30 June 2019
Salaries and other short-term employee benefits	**4,186**	3,885
Senior executive long term share plan	**810**	657
Total	**4,996**	4,542

(b) Transactions and balances

During the year ended 30 June 2020 the joint venture company, Metlifecare Palmerston North Limited repaid $100,000 to the Group (2019: the Group advanced $231,000 to the joint venture company).

As at 30 June 2020 the joint venture company owed $146,000 to the Company (2019: $246,000).

(c) Terms and conditions

Advances due from the joint venture company are secured by way of a General Security Agreement and are repayable with a minimum of 12 months' notice. At balance date, notice had not been given in relation to these advances. Interest charges are calculated monthly based on the Group Treasury average cost of funds. Interest rates applicable in the 12 month period to 30 June 2020 ranged from 3.04% to 3.55% per annum (2019: 3.49% to 3.77% per annum).

(d) Directors' fees

During the year ended 30 June 2020, $743,000 of Directors' fees were paid (2019: $755,000). This includes the amount of any unrecoverable GST. Directors' fees are included within 'Other expenses' in note 2.2.

5.8 Segment information

The Group operates in one operating segment being that of retirement villages. The chief operating decision maker, the Board of Directors, reviews the operating results on a regular basis and makes decisions on resource allocation based on the review of Group results and cash flows as a whole.
The nature of the products and services provided and the type and class of customers have similar characteristics within the operating segment.

5.9 Commitments

$000	**30 June 2020**	30 June 2019
Capital commitments		
Estimated commitments to develop and construct certain sites	**75,074**	53,782
	75,074	53,782

5.10 Contingencies

No material contingencies to disclose in the current period (2019: the main contractor at Metlifecare Somervale Limited submitted a final claim for work which exceeded the Group's initial assessment of the amount due. The potential impact based on the information available was not considered material).

5 OTHER DISCLOSURES (continued)

5.11 Subsidiaries of the Group and Joint Venture Investment

All subsidiary companies are 100% owned and incorporated in New Zealand with a balance date of 30 June.

Operating entities

Forest Lake Gardens Limited
Hibiscus Coast Village Holdings Limited
Hillsborough Heights Village Holdings Limited
Longford Park Village Holdings Limited
Metlifecare 7 Saint Vincent Limited
Metlifecare Bayswater Limited
Metlifecare Coastal Villas Limited
Metlifecare Crestwood Limited
Metlifecare Dannemora Gardens Limited
Metlifecare Edgewater Limited
Metlifecare Fairway Gardens Limited
(previously Metlifecare Botany Limited)
Metlifecare Greenwich Gardens Limited
Metlifecare Greenwood Park Limited
Metlifecare Gulf Rise Limited
Metlifecare Highlands Limited
Metlifecare Kapiti Limited
Metlifecare Oakridge Limited
Metlifecare Orion Point Limited
Metlifecare Papamoa Beach Limited
Metlifecare Pinesong Limited
Metlifecare Pohutukawa Landing Limited
Metlifecare Powley Limited
Metlifecare Somervale Limited
Metlifecare The Avenues Limited
Metlifecare The Orchards Limited
Metlifecare The Poynton Limited
Waitakere Group Limited

Dormant and non operating entities

Longford Park Village Limited
Metlifecare Holdings Limited (formerly Vision Senior Living Limited)

All subsidiaries, except the dormant and non operating entities, own and manage retirement villages.

Investment in Joint Venture - Palmerston North

The Group has a 50% interest in joint venture company Metlifecare Palmerston North Limited (2019: 50%). The joint venture company, Metlifecare Palmerston North Limited, is incorporated in New Zealand and has a balance date of 30 June. The principal activity of Metlifecare Palmerston North Limited is the ownership and management of a retirement village.

Principles of consolidation

Subsidiaries

Subsidiaries are entities (including special purpose entities) controlled by the Company. Control exists when the Company is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In assessing control potential voting rights that are substantive are taken into account. The financial results of subsidiaries included in the consolidated financial statements from the date on which control commences until the date that control ceases.

Intercompany

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are eliminated unless the transaction provides evidence of impairment of the asset transferred. Accounting policies of subsidiaries are consistent with the policies adopted by the Group.

Joint venture entities

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

Unrealised gains on transactions between the Group and its joint venture entities are eliminated to the extent of the Group's interest in the joint venture entities. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred.

5.12 Subsequent Events

On 11 August 2020 community tranmission of COVID-19 was detected in the Auckland region resulting in a move to Level 3 for Auckland and a move to Level 2 for the rest of New Zealand. This development continues to place restrictions on the operation of the Group's villages and care homes, specifically the movement of residents and staff, and certain sales and marketing activity within villages. This has had no impact on the Group Financial Statements for the year ended 30 June 2020.

Independent auditor's report

To the shareholders of Metlifecare Limited

We have audited the group financial statements which comprise:

- the consolidated balance sheet as at 30 June 2020;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of movements in equity for the year then ended;
- the consolidated cash flow statement for the year then ended; and
- the notes to the group financial statements, which include significant accounting policies.

Our opinion

In our opinion, the accompanying group financial statements of Metlifecare Limited (the Company), including its subsidiaries (the Group), present fairly, in all material respects, the financial position of the Group as at 30 June 2020, its financial performance and its cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and International Financial Reporting Standards (IFRS).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the group financial statements* section of our report.

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

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)* (PES 1) issued by the New Zealand Auditing and Assurance Standards Board and the *International Code of Ethics for Professional Accountants (including International Independence Standards)* issued by the International Ethics Standards Board for Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our firm carries out other services for the Group in the area of tax compliance services. The provision of these other services has not impaired our independence as auditor of the Group.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the group financial statements of the current year. These matters were addressed in the context of our audit of the group financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Key audit matter	How our audit addressed the key audit matter
Valuation of investment properties and care homes, including material valuation uncertainty arising from COVID-19 The Group's retirement village portfolio, as disclosed in Notes 3.1 and 3.3 of the group financial statements, includes investment properties of $3.47 billion and care homes (encompassing freehold land and buildings) of $47.62 million and represents the majority of the assets held by the Group as at 30 June 2020. Investment properties and care homes are carried at fair value. Investment properties under development that are not sufficiently progressed to enable fair value to be reliably determined are carried at cost less any impairment. The valuation of the Group's retirement village portfolio is inherently subjective due to, amongst other factors, inputs into the valuations that are unobservable through available market information and also considers the individual characteristics of each village, its location, its resident profile and the expected future cash flows for that particular village. The existence of significant estimation uncertainty, coupled with the fact that only a small percentage difference in individual property valuation assumptions, when aggregated, could result in material misstatement, is why we have given specific audit focus and attention to this area. The valuations were performed by independent third party, registered valuer, CBRE Limited (the Valuer). The Valuer engaged by the Group is a well known firm, with experience in the sector in which the Group operates.	The valuation of investment properties and care homes are inherently subjective given that there are alternative assumptions and valuation methods that may result in a range of values. The impact of COVID-19 at 30 June 2020 has resulted in a wider range of possible values than at previous financial reporting year ends. We considered the adequacy of the disclosures made in the Notes 1.4, 3, 3.1 and 3.3 to the group financial statements. These notes explain that there is significant estimation uncertainty in relation to the valuation of investment properties and care homes. We discussed with the Group and obtained sufficient appropriate audit evidence to demonstrate that the Group's assessment of the suitability of the inclusion of the valuations in the consolidated balance sheet and disclosures made in the group financial statements were appropriate. We held discussions with the Group to understand the movements in the Group's investment properties and care homes portfolios, changes in the condition of each property or care home, the controls in place over the valuation process, and the impact that COVID-19 has had on the Group's investment properties and care homes portfolios. In assessing the individual valuations, we read the valuation reports for all investment properties and care homes. We also held separate discussions with the Valuer in order to gain an understanding of the assumptions and estimates used and the valuation methodology applied. This included the impact that COVID-19 has had on key assumptions such as the current unit pricing, current and anticipated residential property growth, capitalisation rates and proforma earnings for care homes. We also sought to understand and consider restrictions imposed on the valuation process (if any) and the market conditions at balance date. We confirmed that the valuation approach for each investment property or care home was in accordance with accounting standards and suitable for use in determining the fair value of investment properties and care homes at 30 June 2020.

Key audit matter	How our audit addressed the key audit matter
As discussed in Notes 1.4 and 3 of the financial statements, the Valuer has included a material valuation uncertainty clause in their valuation reports. This clause highlights that less certainty, and consequently a higher degree of caution, should be attached to the point estimate valuation as a result of the COVID-19 pandemic. This represents a significant estimation uncertainty in relation to the valuation of investment properties and care homes. We have, therefore, given specific audit focus and attention to this area. In determining a valuation, the Valuer took into account property specific information such as discount rates, property price growth rates for investment properties and capitalisation rates and proforma earnings for care homes, which are then adjusted to recognise the impacts of COVID-19. The Valuer then applied these assumptions in conjunction with available market data and transactions, to arrive at a range of valuation outcomes, from which a point estimate was derived. Due to the unique nature of each property, the assumptions applied took into consideration the individual property characteristics at a resident level, as well as the qualities of the property as a whole, including estimates for forecast remediation works.	We engaged our own in-house valuation specialist to critique and independently assess the work performed and assumptions used by the Valuer on a sample basis. In particular, we compared the assumptions used by the Valuer to our in-house valuation specialist's knowledge gained from reviewing valuations of similar properties, known transactions and market data. We also obtained an understanding of the key inputs in the valuations, we carried out procedures, on a sample basis, to test whether specific information supplied to the Valuer by the Group reflected the underlying records held by the Group. For the items tested, the information was consistent. We reviewed the estimated cost of remediation works by assessing the reasonableness of calculations and assumptions used and corroborating the relevant information with third party assessments commissioned by management, where applicable. We also assessed the reasonableness of management estimates of costs to complete developments that are practically complete and valued by the Valuer at 30 June 2020. We assessed the Valuer's qualifications, expertise and their objectivity and we found no evidence to suggest that the objectivity of the Valuer, in their performance of the valuations, was compromised. It was evident from our discussions with management and the Valuer, and from our review of the valuation reports that close attention had been paid to each village's individual characteristics, its overall quality, geographic location, desirability as a whole and impacts from COVID-19. We also considered whether there were any events subsequent to the date of the Valuer's report which may have caused the valuation of investment properties and care homes to be materially different to those determined by the Valuer, including the impacts from COVID-19.

Key audit matter	How our audit addressed the key audit matter
Methodology and assumptions for deferred tax As disclosed in note 5.2 of the group financial statements, the Group assesses deferred tax on investment properties on the basis that the asset value will be realised through use ('Held for Use'). In applying the Held for Use methodology, the Group has determined that deferred tax is recognised in relation to the present value of cash flows with a future tax consequence that is allocated to investment properties only. Non-taxable cash flows were primarily allocated to land and no deferred tax was recognised. The Group made two key assumptions which involve significant judgement: 1. Determining the amount and timing of taxable cash flows; and 2. Allocation of the Group's taxable and non-taxable cash flows. Additionally, the Group made changes in the calculations used in the Held for Use methodology as outlined in note 1.5 of the group financial statements which also resulted in a restatement of the prior period. As described in notes 1.4 and 5.2 of the group financial statements the timing of the Scheme Implementation Agreement (SIA) with Asia Pacific Village Group (APVG) required judgement to determine whether deferred tax on historical tax losses should continue to be recognised as at 30 June 2020. Due to the significance of the matters above, we have given specific audit focus to this area.	With respect to the assumptions used in the calculation of deferred tax, we engaged our in-house tax specialist to challenge the work performed and assess the reasonableness of the assumptions based on their knowledge of the tax legislation and other accepted approaches in the industry. Regarding the Held for Use methodology, we agreed the amount of taxable cash flows of investment properties to the Valuer's report, which is based on the same assumptions and estimates used in the valuation of investment properties described in the previous Key Audit Matter. All taxable and non-taxable cash flows that were allocated to buildings and land, respectively, were agreed to the Valuer's report. For the prior period adjustments, we agreed the adjustments to supporting information or evidence and engaged our in-house tax specialist to review the resulting deferred tax adjustments. Additionally, with the assistance of our in-house experts, we considered the appropriateness of the changes in methodology and adjustments raised. We have considered the status of the SIA and the remaining conditions that must be achieved, including shareholder approval prior to the SIA being satisfied, to support the continued recognition of tax losses as at 30 June 2020. We have also considered the appropriateness of the disclosures in notes 1.5 and 5.2 of the group financial statements. We have no other matters to report.

Our audit approach

Overview

An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement.

For the purpose of our audit, we used a threshold for overall Group materiality of $2,926,000, which represents approximately 2% of operating revenue.

We applied this benchmark because, in our view, it is a key financial metric used in assessing the performance of the Group and is not as volatile as other profit or loss measures.

We agreed with the Audit and Risk Committee that we would report on them misstatements identified during our audit above $146,300 as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

As discussed above, we have determined that there are two key audit matters:

- valuation of investment properties and care homes, including material valuation uncertainty arising from COVID-19; and
- methodology and assumptions for deferred tax.

Materiality

The scope of our audit was influenced by our application of materiality.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the group financial statements as a whole as set out above. These, together with qualitative considerations, helped us to determine the scope of our audit, the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the group financial statements as a whole.

Audit scope

We designed our audit by assessing the risks of material misstatement in the group financial statements and our application of materiality. As in all of our audits, we also addressed the risk of management override of internal controls including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the group financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

Information other than the group financial statements and auditor's report

The Directors are responsible for the annual report. Our opinion on the group financial statements does not cover the other information included in the annual report and we do not express any form of assurance conclusion on the other information. At the time of our audit, there was no other information available to us.

In connection with our audit of the group financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the group financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact.

Responsibilities of the Directors for the group financial statements

The Directors are responsible, on behalf of the Company, for the preparation and fair presentation of the group financial statements in accordance with NZ IFRS and IFRS, and for such internal control as the Directors determine is necessary to enable the preparation of group financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the group financial statements

Our objectives are to obtain reasonable assurance about whether the group 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) and ISAs 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 group financial statements.

A further description of our responsibilities for the audit of the group financial statements is located at the External Reporting Board's website at:

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

This description forms part of our auditor's report.

Who we report to

This report is made solely to the Company's shareholders, 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 Company and the Company's shareholders, as a body, for our audit work, for this report or for the opinions we have formed.

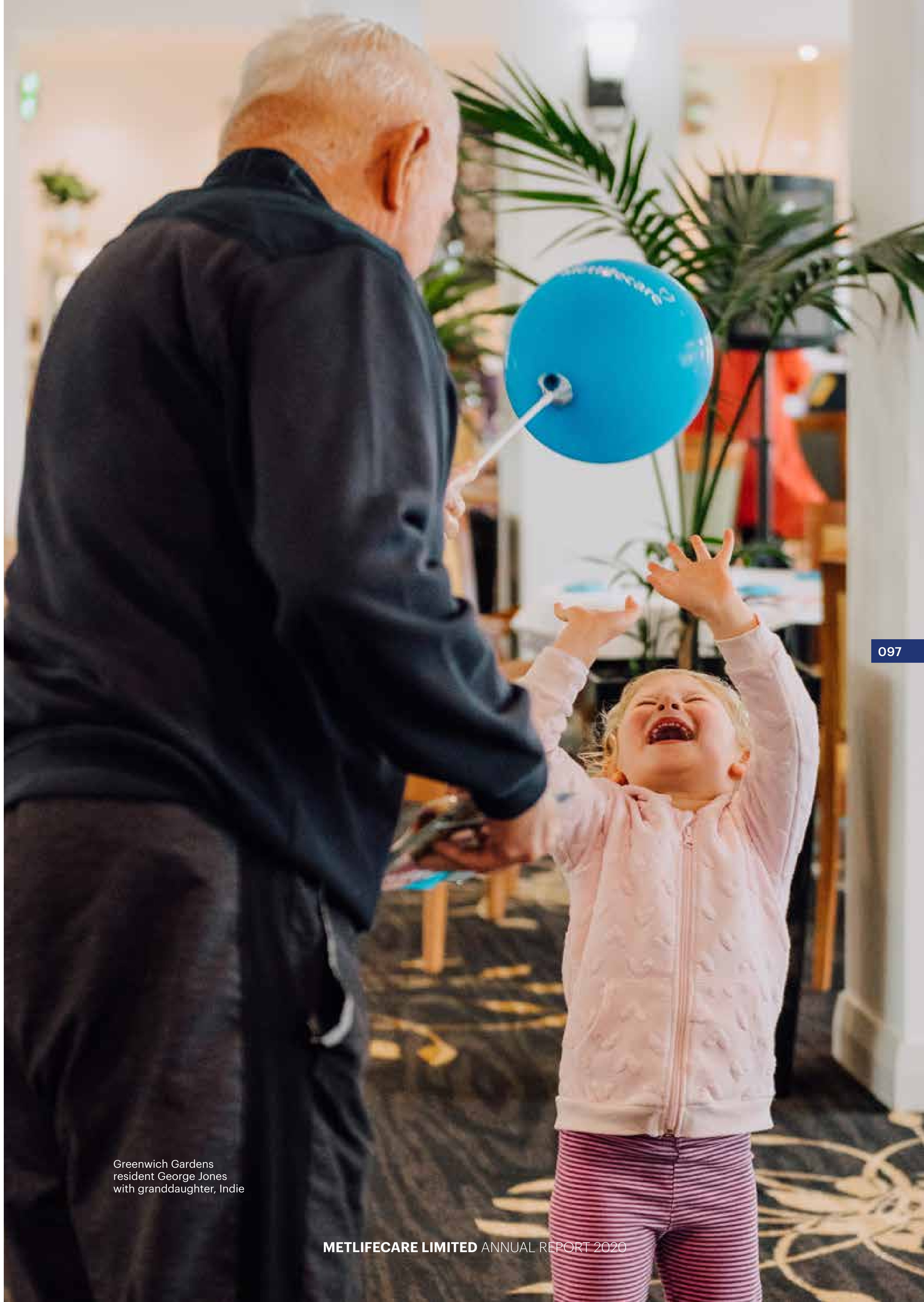
The engagement partner on the audit resulting in this independent auditor's report is Samuel Shuttleworth.

For and on behalf of:

PricewaterhouseCoopers

Chartered Accountants
26 August 2020

Auldand



Greenwich Gardens resident George Jones with granddaughter, Indie

Statutory Information

Community pavilion, Orion Point, artist impression

INTERESTS REGISTER

(A) General Disclosures

The following are particulars of general disclosures of interest by directors of Metlifecare Limited in the year to 30 June 2020, pursuant to section 140(2) of the Companies Act 1993. Where applicable, the disclosure also includes directorships of subsidiaries of the relevant companies.

DIRECTOR	ENTITY	NATURE OF INTEREST
Kim Ellis	Port of Tauranga Limited	Director
	FSF Management Company Limited	Director
	Freightways Limited	Director
	Ballance Agri-Nutrients Limited	Director
	New Zealand Social Infrastructure Fund Limited	Director/Chair
	*Sleepyhead Group Limited	Director
	+Green Cross Health Limited	Director/Chair
Chris Aiken	Murray Aynsley Properties Limited	Director
	Catalina Advisory Limited	Director/Shareholder
	Alumnus Properties Limited	Shareholder
	*HLC	Officer
	Cameron Trust	Trustee
	Hurstmere Property Trust	Trustee
	+Kāinga Ora Construction Programme Assurance Panel	Chair
Mark Binns	Auckland International Airport Limited	Director
	Auckland War Memorial Museum	Trustee
	Crown Infrastructure Partners Limited	Director/Chair
	Te Puia Tapapa GP Limited	Director
Alistair Ryan	Barramundi Limited	Director
	Kingfish Limited	Director
	Marlin Global Limited	Director
	FMA's Audit Oversight Committee	Member
	Kiwibank Limited	Director
Rod Snodgrass	The Exponential Agency Limited	Director/Shareholder
	Jucy Group Limited (NZ)	Director
	*Yellow Drill Limited (formerly Genoapay Limited)	Director/Shareholder
	*Chapter 2 Sports Limited	Director
	SMX Limited (NZ)	Director/Shareholder
	Springboard Trust	Trustee
Carolyn Steele	Steele Family Trust	Trustee
	Halberg Foundation	Director/Chair
	New Zealand Football Foundation	Trustee
	Green Cross Health Limited	Director
	WEL Networks Limited	Director
	Ultrafast Fibre Limited	Director
Dr Noeline Whitehead**	PASS Consultants	Director/Officer

* Interest ceased during the year. ** Resigned from the Company effective 30 June 2020. + New during the year.

(B) Specific Disclosures

As previously advised, Dr Noeline Whitehead's daughter, Tanya Bish is a member of the Executive Team. Dr Noeline Whitehead resigned as a director of the Company on 30 June 2020. Please refer to page 49 for further information.

In August 2019, in connection with Metlifecare's bond issue:

- Alistair Ryan abstained from attending relevant parts of board and sub-committee meetings and from voting on bond related matters due to his involvement with another company.
- Carolyn Steele noted that her husband was employed by Forsyth Barr.

In January 2020 Chris Aiken identified that, due to his involvement with another company, he was conflicted in relation to land adjoining Metlifecare's 7 Saint Vincent village. In May 2020, he identified that he was associated with one of the vendors of a block of land the Company was investigating acquiring.

(C) Indemnity and Insurance

The Company has effected insurance and given indemnities to its directors, including directors of subsidiary companies, in accordance with the Companies Act 1993.

(D) Use of Company Information

During the year the Board did not receive any notices from directors of the Company requesting use of Company information. No subsidiary board received any notice from its directors requesting use of the subsidiary's information.

(E) Directors' Share Dealings and Relevant Interests

During the year to 30 June 2020, one director being Chris Aiken, disclosed to the Board, under section 148 of the Companies Act 1993 and sections 297(2) and 298(2) of the Financial Markets Conduct Act 2013, particulars of acquisitions or dispositions of relevant interests in ordinary shares in the Company.

- The Cameron Trust (of which Chris Aiken is a trustee) made the following share purchases:
  - 5,000 shares at $4.45 per share on 16 September 2019;
  - 5,000 shares at $4.38 per share on 18 September 2019; and
  - 10,000 shares at $4.4575 per share on 23 September 2019.

Six directors (in italics below) had relevant interests in the ordinary shares in the Company as at 30 June 2020.

DIRECTORS' INTERESTS	NUMBER OF SHARES
Ellis Trust (*Kim Ellis* and MK Trustee 2015 Limited as Trustees)	185,000
Annette Ellis Trust (A.M. Ellis* and MK Trustee 2015 Limited as Trustees) - interested director *Kim Ellis*	73,100
Cameron Trust (*Chris Aiken* and W.A. Aiken as Trustees)	29,051
Mark Binns	15,000
Alistair Ryan	13,904
Rod Snodgrass	7,000
Noeline Whitehead	4,000

* (A.M. Ellis is the wife of Kim Ellis).

DIRECTOR INFORMATION

Company Directors

The Company's directors are set out in the directory on page 107.
Remuneration and other benefits received by directors during the year to 30 June 2020:

DIRECTOR	DIRECTOR FEES $
Kim Ellis	165,000
Alistair Ryan	97,500
Chris Aiken	95,000
Mark Binns	92,500
Carolyn Steele	92,500
Rod Snodgrass	87,500
Dr Noeline Whitehead*	87,500

The above fees exclude GST and expenses. * Resigned from the Company effective 30 June 2020.

Allocated payments are set out below:

POSITION	CURRENT FEE ALLOCATION $ (PLUS GST IF ANY)
Chair of Board (inclusive of Committee fees) – Kim Ellis	165,000
Non-Executive Director Base Fee (directors excluding Chair) Chris Aiken, Mark Binns, Alistair Ryan, Rod Snodgrass, Carolyn Steele and Dr Noeline Whitehead	82,500 (total 495,000)
Chair Audit & Risk Committee – Alistair Ryan	12,500
Chair Development Committee – Chris Aiken	12,500
Chair Resident Experience & Care Committee – Carolyn Steele	7,500
Chair People & Remuneration Committee – Mark Binns	7,500
Committee Member Fee (Committee Members excluding Nominations & Corporate Governance Members, Chair of each Committee and Chair of Board)	2,500 (total 17,500)
Total Allocated	717,500
Unallocated	5,500
Pool	723,000

Remuneration and other benefits received by directors of Metlifecare Palmerston North Limited (a jointly controlled entity) during the year to 30 June 2020. The fees set out below to Glen Sowry, Richard Thomson and Richard Callander were paid to Metlifecare Limited.

DIRECTOR	DIRECTOR FEES $
Richard Callander	5,000
Keith Hindle	5,000
Jane Hughes	5,000
Rebecca Mellish	5,000
Glen Sowry	5,000
Richard Thomson	5,000

Subsidiary Company Directors

Glen Sowry and Richard Thomson held the office of directors of all the Company's wholly owned subsidiaries during the year to 30 June 2020, being Forest Lake Gardens Limited, Hibiscus Coast Village Holdings Limited, Hillsborough Heights Village Holdings Limited, Longford Park Village Holdings Limited, Longford Park Village Limited, Metlifecare Bayswater Limited, Metlifecare Coastal Villas Limited, Metlifecare Crestwood Limited, Metlifecare Dannemora Gardens Limited, Metlifecare Edgewater Limited, Metlifecare Fairway Gardens Limited, Metlifecare Greenwich Gardens Limited, Metlifecare Greenwood Park Limited, Metlifecare Gulf Rise Limited, Metlifecare Highlands Limited, Metlifecare Kapiti Limited, Metlifecare Oakridge Limited, Metlifecare Orion Point Limited, Metlifecare Papamoa Beach Limited, Metlifecare Pinesong Limited, Metlifecare Pohutukawa Landing Limited, Metlifecare Powley Limited, Metlifecare 7 Saint Vincent Limited, Metlifecare Somervale Limited, Metlifecare The Avenues Limited, Metlifecare The Orchards Limited, Metlifecare The Poynton Limited, Metlifecare Holdings Limited and Waitakere Group Limited.

Alistair Ryan held the office of director of Metlifecare LTIP Trustee Limited during the year to 30 June 2020.

No director of any wholly owned subsidiary company received any director's fees or other benefits as a director of a subsidiary.

Jointly Controlled Entity (50% Shareholding) as at 30 June 2020

The following persons held the office of director of Metlifecare Palmerston North Limited, a jointly controlled entity, during the year: Richard Callander, Keith Hindle, Jane Hughes, Rebecca Mellish, Glen Sowry and Richard Thomson.

OTHER STATUTORY INFORMATION

Chief Executive Officer Remuneration

Metlifecare has an employment agreement with Glen Sowry in relation to his employment as Chief Executive Officer. The total remuneration package for Mr Sowry for the period to 30 June 2020 comprised:

- Fixed Remuneration, including base salary, matched KiwiSaver contributions up to a maximum of 3% and other benefits.
- Short Term Incentive (STI) payments offered and payable at the discretion of the Board. The STI paid in the financial year ended 30 June 2020 was in relation to performance delivered for the year to 30 June 2019 and had a target value of 40% of base salary. In order to be eligible for the STI, a financial "gateway" target had to first be met following which the Board assessed the STI on the basis of 70% organisational KPIs and 30% individual KPIs. These included asset delivery, sales and other profitability metrics as well as customer satisfaction and employee engagement and were set to ensure that the Chief Executive Officer was incentivised to meet and/or exceed the Company's strategic and operational targets. STI payment for the period 1 July 2019 to 30 June 2020 that would normally be paid in the year ended 30 June 2021 has been determined as nil, as the gateway target was not met in the year to 30 June 2020.
- Metlifecare operates a Senior Executive Employee Share Scheme which is a performance incentive designed to align senior executive remuneration with financial outcomes for shareholders for the longer term. Between FY17 and FY19, the scheme was a Long-Term Incentive Plan (LTIP) and participation in the LTIP was offered to the Chief Executive Officer at the discretion of the Board. Under the LTIP, shares were purchased using an interest free loan. In October 2019, a new Senior Executive Performance Share Right Plan (PSRP) was approved by the Board. The Performance Share Rights would vest after three years if all performance hurdles are met, at which time the equivalent number of shares are issued. Participation in the PSRP was offered to the Chief Executive Officer at the discretion of the Board.

Chief Executive Officer Remuneration 30 June 2017 to 30 June 2020

YEAR	BASE SALARY	STI	LTIP/PSR	KIWISAVER	TOTAL REMUNERATION
FY20	$624,254*	$139,392**	$413,060*** (performance share rights, not vested)	$22,909	$786,555
FY19	$600,000*	$187,200**	$270,000 (shares issued, not vested)	$23,616	$810,816
FY18	$595,074*	$203,431**	$193,050 (shares issued, not vested)	$23,973	$822,478
FY17	$585,053*	$57,000**	$191,858 (shares issued, not vested)	$8,822	$650,875

*Actual salary paid including annual leave.
**Actual STIs that were paid for performance during previous financial year.
*** Gross figures, pre-tax.

Employees' Remuneration Over $100,000

The number of employees, or former employees of the Company, or any subsidiary, not being directors, who during the year, received remuneration and other benefits valued at or exceeding $100,000, are set out below. Remuneration includes salary, employer KiwiSaver contributions, performance bonus payments, termination settlement payments, insurance premiums and the value of any shares transferred to employees under the Metlifecare Long Term Incentive Plan during the year ended 30 June 2020.

REMUNERATION	NUMBER OF EMPLOYEES
$100,000 - $110,000	19
$110,000 - $120,000	15
$120,000 - $130,000	12
$130,000 - $140,000	11
$140,000 - $150,000	7
$150,000 - $160,000	5
$160,000 - $170,000	5
$170,000 - $180,000	2
$180,000 - $190,000	2
$190,000 - $200,000	1
$200,000 - $210,000	4

REMUNERATION	NUMBER OF EMPLOYEES
$210,000 - $220,000	3
$220,000 - $230,000	2
$230,000 - $240,000	1
$240,000 - $250,000	2
$250,000 - $260,000	1
$280,000 - $290,000	1
$300,000 - $310,000	3
$310,000 - $320,000	1
$360,000 - $370,000	1
$540,000 - $550,000	1
$780,000 - $790,000	1
Total	100

Donations

The Company paid a total of $41,910 in donations in the year to 30 June 2020. This consisted of $34,410 to various Residents' Committees to enable residents to pay for specific items and $7,500 to the Auckland Rescue Helicopter Trust.

NZX Waivers

No waivers were granted by the NZX in favour of the Company, or relied on, in the 12-month period to 30 June 2020.

Limitations on the Acquisition of Company Securities

The Company is not subject to Chapters 6, 6A, 6B and 6C of the Australian Corporations Act 2001 dealing with the acquisition of shares (including substantial holdings and takeovers).

Limitations on the acquisition of securities imposed under New Zealand law are as follows:

- In general, securities in the Company are freely transferable and the only significant restrictions or limitation in relation to the acquisition of securities are those imposed by New Zealand laws relating to takeovers, overseas investment and competition
- The New Zealand Takeovers Code creates a general rule under which the acquisition of 20% or more of the voting rights in the Company or the increase of an existing holding of 20% or more of the voting rights of the Company can occur in certain permitted ways. These include a full takeover offer in accordance with the Takeovers Code, an acquisition approved by an ordinary resolution, an allotment approved by an ordinary resolution, a creeping acquisition (in certain circumstances), or compulsory acquisition of a shareholder holding 90% or more of the shares
- The Overseas Investment Act 2005 (as amended) and Overseas Investment Regulations 2005 regulate certain investments in New Zealand by overseas interests. The rules applicable to overseas investments have recently been amended through the Overseas Investment (Urgent Measures) Amendment Act 2020 (and associated regulations). In general terms, consent or notification is likely to be required where an 'overseas person' acquires shares in the Company that amount to more than 25% of the shares issued by the Company, or if the overseas person already holds more than 25%, the acquisition increases that holding
- The Commerce Act 1986 is likely to prevent a person from acquiring shares in the Company if the acquisition would have, or would be likely to have, the effect of substantially lessening competition in the market.

Place of Incorporation

The Company is incorporated in New Zealand with a Certificate of Incorporation number 237544.

Credit Rating

The Company has no credit rating.

SHAREHOLDER AND BONDHOLDER INFORMATION

Twenty Largest Shareholders

As at 17 July 2020

REGISTERED SHAREHOLDER		NUMBER OF SHARES	% SHARES
1	HSBC Nominees (New Zealand) Limited <HBKN90>	43,736,887	20.50
2	HSBC Nominees A/C NZ Superannuation Fund Nominees Limited	42,363,688	19.86
3	JPMorgan Chase Bank NA NZ Branch-Segregated Clients Acct	23,849,475	11.18
4	Citibank Nominees (New Zealand) Limited <CNOM90>	20,220,115	9.47
5	Accident Compensation Corporation <ACC140>	9,843,790	4.61
6	HSBC Nominees (New Zealand) Limited A/C State Street	9,277,005	4.34
7	BNP Paribas Nominees (NZ) Limited <COGN40>	4,481,553	2.10
8	JBWere (NZ) Nominees Limited <NZ Resident A/C>	4,355,121	2.04
9	Generate Kiwisaver Public Trust Nominees Limited <NZPT44>	3,705,773	1.73
10	BNP Paribas Nominees (NZ) Limited <BPSS40>	3,042,467	1.42
11	FNZ Custodians Limited	2,772,171	1.29
12	New Zealand Depository Nominee Limited <A/C1 Cash Account>	2,615,053	1.22
13	Forsyth Barr Custodians Limited <1 Custody>	2,470,453	1.15
14	JBWere (NZ) Nominees Limited <Res Inst A/C>	1,899,416	0.89
15	Custodial Services Limited <A/C 1>	1,383,666	0.64
16	Custodial Services Limited <A/C 4>	1,096,595	0.51
17	M3 Capital Limited	1,009,171	0.47
18	Philip George Lennon	1,000,000	0.46
19	Custodial Services Limited <A/C 3>	908,456	0.42
20	ANZ Wholesale Australasian Share Fund <PNAS90>	908,375	0.42
Total		**180,939,230**	**84.72**

Spread of Shareholdings

As at 17 July 2020

SIZE OF HOLDINGS	NUMBER OF SHAREHOLDERS	%	NUMBER OF SHARES HELD	%
1 – 1,000	1,569	33.21	838,857	0.39
1,001 – 5,000	2,094	44.32	5,448,289	2.55
5,001 – 10,000	540	11.43	4,020,823	1.89
10,001 - 100,000	466	9.86	10,697,590	5.02
100,001 and over	56	1.19	192,299,163	90.15
TOTAL	**4,725**	**100**	**213,304,722**	**100**

Substantial Product Holders

The entities who, under section 293 of the Financial Markets Conduct Act 2013, were Substantial Product Holders in the Company as at 30 June 2020 were:

SUBSTANTIAL PRODUCT HOLDERS	SHARES	%
New Zealand Superannuation Fund Nominees Limited	42,363,668	19.86
UBS Group AG and its related bodies corporate	15,500,454	7.27
Credit Suisse Holdings (Australia) Limited (on behalf of Credit Suisse Group AG and its affiliates)	13,504,583	6.33
Maso Capital Partners Limited	11,597,797	5.44
Accident Compensation Corporation	11,177,414	5.24

The total number of voting securities of the Company on issue at 30 June 2020 was 213,304,722 ordinary fully paid shares. All shares carry one vote per share.
The percentage column in the table above reflects each product holder's holding as a percentage of the current issued share capital of the Company.

Twenty Largest Bondholders

As at 17 July 2020

REGISTERED BONDHOLDER		NUMBER OF BONDS	% BONDS
1	Forsyth Barr Custodians Limited <1-Custody>	25,830,000	25.83
2	TEA Custodians Limited Client Property Trust Account <TEAC40>	10,088,000	10.08
3	FNZ Custodians Limited	9,864,000	9.86
4	Custodial Services Limited <A/C 4>	7,976,000	7.97
5	Generate Kiwisaver Public Trust Nominees Limited <NZPT44>	7,490,000	7.49
6	Investment Custodial Services Limited <A/C C>	4,339,000	4.33
7	Custodial Services Limited <A/C 2>	4,094,000	4.09
8	Custodial Services Limited <A/C 3>	4,046,000	4.04
9	BNP Paribas Nominees (NZ) Limited <BPSS40>	2,108,000	2.10
10	Custodial Services Limited <A/C 18>	1,905,000	1.90
11	HSBC Nominees (New Zealand) Limited <HKBN90>	1,870,000	1.87
12	Custodial Services Limited <A/C 1>	1,781,000	1.78
13	Forsyth Barr Custodians Limited <Account 1E>	1,438,000	1.43
14	Custodial Services Limited <A/C 16>	965,000	0.96
15	Investment Custodial Services Limited <990052085>	500,000	0.50
16	Social Service Council of the Diocese of Christchurch	460,000	0.46
17	Carlton Cornwall Bowls Incorporated	320,000	0.32
18	Dunedin Diocesan Trust Board <Income Fund>	300,000	0.30
19	Juliette Virginia Jones	295,000	0.29
20	Investment Custodial Services Limited <990027046>	271,000	0.27
Total		**85,940,000**	**85.87**

Spread of Bondholders

As at 17 July 2020

SIZE OF HOLDINGS	NUMBER OF BONDHOLDERS	%	NUMBER OF BONDS HELD	%
1 – 5,000*	28	7.93	140,000	0.14
5,001 – 10,000	56	15.86	540,000	0.54
10,001 - 100,000	218	61.76	7,868,000	7.87
100,001 and over	51	14.45	91,452,000	91.45
Total	**353**	**100**	**100,000,000**	**100**

* Note there is a minimum holding requirement of 5,000.

Net Tangible Assets Per Security

30 JUNE 2020	30 JUNE 2019
$7.18	$7.41*

* Net Tangible Assets has been re-stated to reflect prior period adjustments to the Deferred Tax Liability calculation.

DIRECTORY

Directors*
Kim Ellis - *Chair*
Chris Aiken
Mark Binns
Alistair Ryan
Rod Snodgrass
Carolyn Steele

*Dr Noeline Whitehead was a director of the Company until 30 June 2020

Registered Office (New Zealand)
Level 4, 20 Kent Street
Newmarket, Auckland 1023
Postal Address: PO Box 37463 Parnell, Auckland 1151
Telephone: 09 539 8000
Facsimile: 09 539 8001
www.metlifecare.co.nz

Registered Office (Australia)
Governor Philip Tower, Level 61
1 Farrer Place, Sydney NSW 2000
Telephone: +61 2 9296 2000
Facsimile: +61 2 9296 3999

Lawyers
Chapman Tripp
PwC Tower, Level 34
15 Customs Street West
Auckland 1010

Auditor
PricewaterhouseCoopers
PwC Tower, Level 27
15 Customs Street West
Auckland 1010

Bankers
ANZ Bank New Zealand Limited
Bank of New Zealand
ASB Bank Limited
Westpac New Zealand Limited

Executive Team
Glen Sowry
Chief Executive Officer

Richard Thomson
Chief Financial Officer

Tanya Bish
Clinical Director

Richard Callander
General Manager Operations

Julie Garlick
General Manager Marketing

Sandra King
General Manager Sales

Andrew Peskett
General Manager Corporate Services

Hannah Walton
General Manager Business Transformation

Matt Wickham
General Manager Development

SHARE AND BOND REGISTRAR NEW ZEALAND
Computershare Investor Services Limited
Level 2, 159 Hurstmere Road,
Takapuna, Auckland 0622
Postal Address: Private Bag 92119
Victoria Street West, Auckland 1142
Investor Enquiries: +64 9 488 8700
enquiry@computershare.co.nz
www.investorcentre.com/nz

SHARE REGISTRAR AUSTRALIA
Computershare Investor Services Pty Limited
Yarra Falls, 452 Johnston Street,
Abbotsford, Victoria 3067
Postal Address: GPO Box 3329 Melbourne, Victoria 3001, Australia

Investor Enquiries:
+61 3 9415 4083 (outside Australia)
1 800 501 366 (within Australia)
enquiry@computershare.co.nz

Stock Exchange Listings
NZX Main Board
ASX Official List
– ASX Foreign Exempt Listing

The Avenues
Cnr Tenth Avenue &
Devonport Road, Tauranga
Ph 07 571 0400

Bayswater
60 Maranui Street, Mt Maunganui
Ph 07 547 4047

Coastal Villas
Spencer Russell Drive,
Paraparaumu
Ph 04 296 6333

Crestwood
38 Golf Road,
New Lynn, Auckland
Ph 09 826 2000

Dannemora Gardens
30 Matarangi Road,
Botany Downs, Auckland
Ph 09 272 2467

Edgewater Village
14 Edgewater Drive,
Pakuranga, Auckland
Ph 09 577 1600

Forest Lake Gardens
2 Minogue Drive,
Te Rapa, Hamilton
Ph 07 849 8243

Greenwich Gardens
5 Greenwich Way,
Unsworth Heights, Auckland
Ph 09 440 6790

Greenwood Park
10 Welcome Bay Road,
Welcome Bay, Tauranga
Ph 07 544 7500

Gulf Rise
89 Symes Drive,
Red Beach, Auckland
Ph 0800 005 877

Hibiscus Coast Village
101 Red Beach Road,
Red Beach, Auckland
Ph 09 421 9718

Hillsborough Heights
1381 Dominion Road Extension,
Mt Roskill, Auckland
Ph 09 626 8060

Highlands
49 Aberfeldy Avenue,
Highland Park, Auckland
Ph 09 533 0600

Kapiti Village
1 Henley Way, Paraparaumu
Ph 04 296 1790

Longford Park Village
1 Longford Park Drive,
Takanini, Auckland
Ph 09 295 0040

The Orchards
123 Stanley Road,
Glenfield, Auckland
Ph 09 444 4010

Oakridge Villas
35 Cobham Road, Kerikeri
Ph 09 407 8549

Palmerston North Village
Cnr Carroll & Fitchett Streets,
Palmerston North
Ph 06 350 6400

Papamoa Beach Village
Cnr Parton Road &
Te Okuroa Drive, Papamoa
Ph 07 542 1933

Powley
135 Connell Street,
Blockhouse Bay, Auckland
Ph 09 627 0700

The Poynton
142 Shakespeare Road,
Takapuna, Auckland
Ph 09 488 5700

Pinesong
66 Avonleigh Road,
Titirangi, Auckland
Ph 09 817 1800

Somervale
33 Gloucester Road,
Mt Maunganui
Ph 07 572 9020

7 Saint Vincent
7 St Vincent Avenue,
Remuera, Auckland
Ph 09 524 1420

Waitakere Gardens
15 Sel Peacock Drive,
Henderson, Auckland
Ph 09 837 0512

Metlifecare