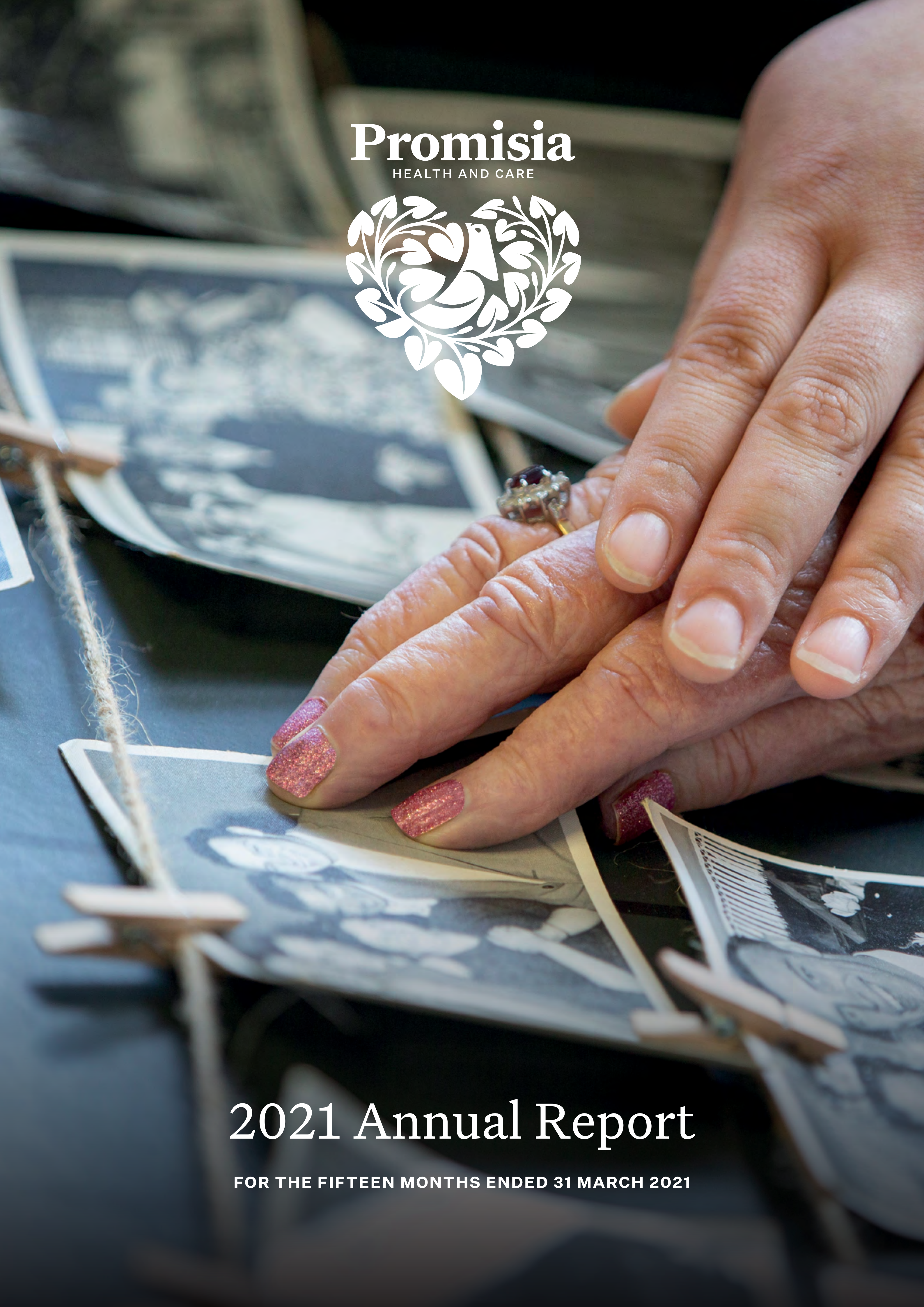
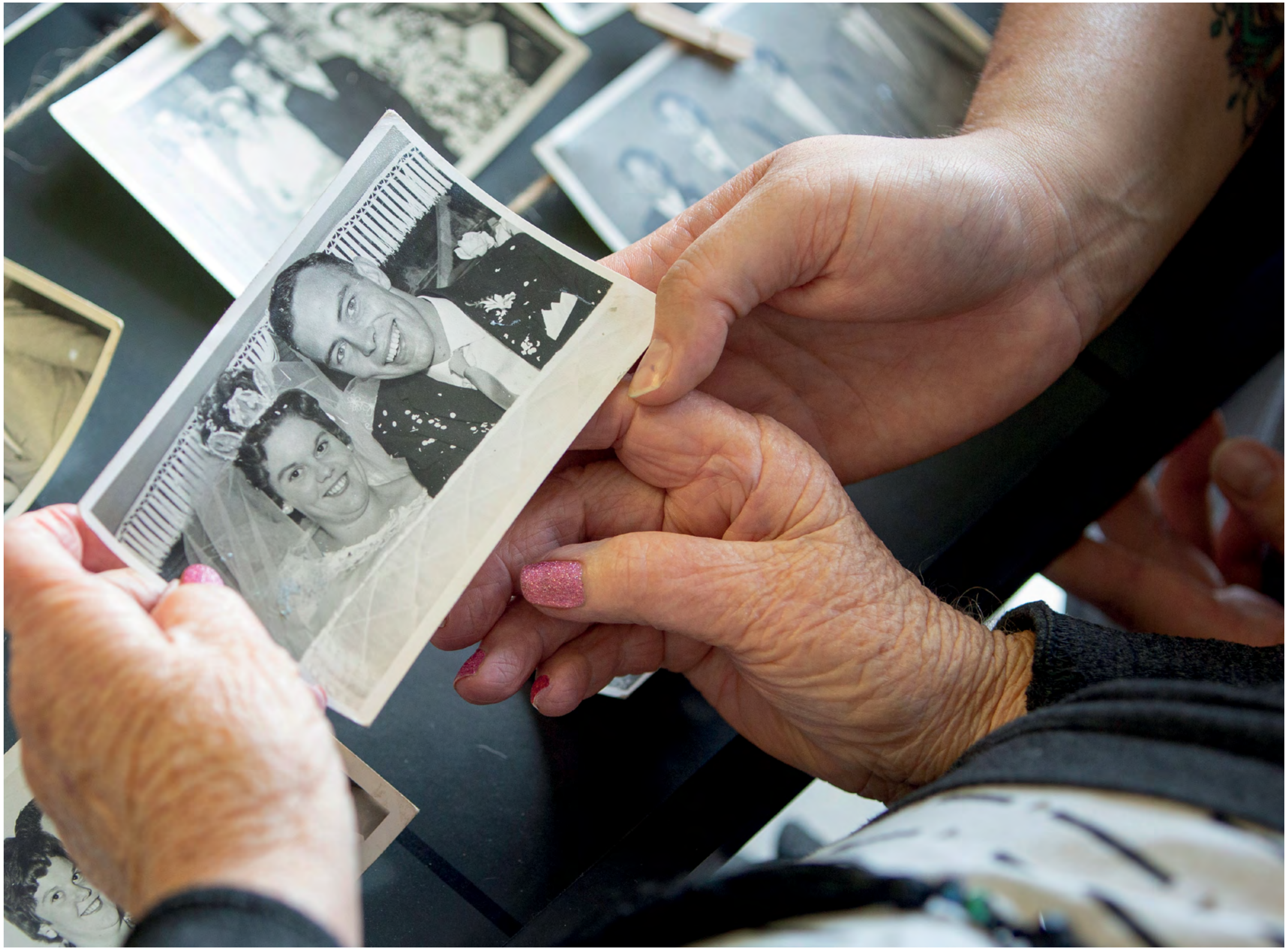


Promisia
HEALTH AND CARE

2021 Annual Report

FOR THE FIFTEEN MONTHS ENDED 31 MARCH 2021



On behalf of the Board of Directors, we are pleased to present Promisia Healthcare Limited's first annual report as an aged care business. This report covers the 15 months to 31 March 2021 (FY20/21) and includes 5 months operation as an aged care business. It provides more information for our shareholders on our business and what makes us different, as well as our performance during the period. This report can also be read online at Promisia.co.nz/reports-&-results.

We hope you enjoy this report and thank shareholders for your support.

Stephen Underwood
Chairman

Tom Brankin
Executive Director

22 June 2021

Caring for those who need a helping hand

Our business revolves around delivering quality residential care services.

We are focused on doing the right thing for senior New Zealanders. It entails offering care that is appropriate and sensitive to people's individual requirements as they age.

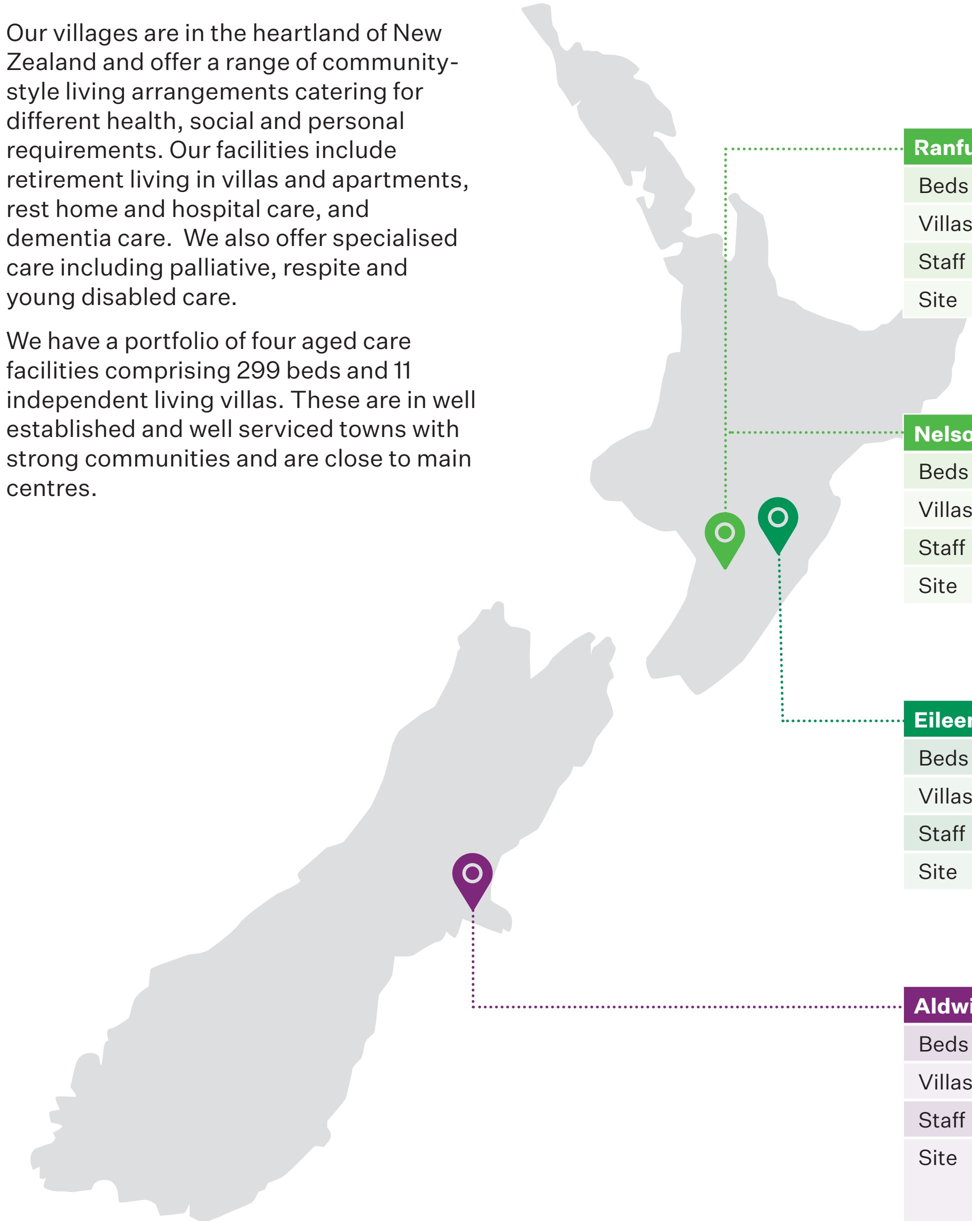
We pride ourselves on providing personalised care, doing what we said we would do, behaving with integrity and respecting our residents who have entrusted us with their care.

We deliver personalised care that focuses on respecting and helping residents who now need more of a helping hand.

Our Communities

Our villages are in the heartland of New Zealand and offer a range of community-style living arrangements catering for different health, social and personal requirements. Our facilities include retirement living in villas and apartments, rest home and hospital care, and dementia care. We also offer specialised care including palliative, respite and young disabled care.

We have a portfolio of four aged care facilities comprising 299 beds and 11 independent living villas. These are in well established and well serviced towns with strong communities and are close to main centres.



Ranfurly Manor, Feilding	
Beds	162
Villas	6
Staff	168
Site	Owned

Nelson Street, Feilding	
Beds	49
Villas	-
Staff	32
Site	Owned

Eileen Mary, Dannevirke	
Beds	58
Villas	5
Staff	58
Site	Owned

Aldwins House, Christchurch	
Beds	30
Villas	-
Staff	28
Site	Leased with option to acquire

FY20/21 at a Glance

FY20/21 was an exciting year for Promisia, with the acquisition of an aged care group on 30 October 2020 setting a new pathway for our company.

OPERATIONAL HIGHLIGHTS

30 October 2020
Acquisition of aged care facilities completed

9 December 2020
Tom Brankin appointed executive director following resignation of former CEO

15 December 2020
Opened first wing of Aldwins House aged care facility in Christchurch

22 March 2021
Site preparation underway to enable construction to begin of PHL's Ranfurly development begin Feilding

PROGRESS AGAINST FY21 STRATEGIC OBJECTIVES

✓ **Complete the transaction and ensure integration of systems**

✓ **Focus on cost efficiencies to create a leaner organisation**

In Progress: Establish lean head office and experienced leadership team

In Progress: Maximise occupancy of Christchurch facility

Commenced: Build occupancy with marketing and begin sale of new villas at Ranfurly Manor in Feilding

19 December 19
Announced proposed acquisition of aged care facilities

11 June 20
Transactions approved by shareholders

3 October 20
Successful completion of debt and equity raisings to fund transactions

30 October 20
Completion of acquisition of aged care businesses

2 December 20
Announced change of balance date to 31 March

21 January 21
Change of company name to Promisia Healthcare Limited

16 February 21
Announced compulsory acquisition of minimum holdings

22 February 21
Announced share purchase plan. Completed successfully 31 March 2021

Financial Snapshot

Financial Year NZ $000's	FY20/21 15 months
Primary Business Activities	**Aged Care (5 months)**
Operating Revenue	6,060
Fair value movement on investment properties	1,250
Total Income	7,310
EBITDAF[1]	(234)
NPAT on continuing operations	26
NPAT on discontinued and continuing operations	30
Total assets	59,227
Cash and cash equivalents	1,219
Debt	17,833
Net operating cashflow	566

- Total income of $7.3m, including revenue of $6.0m and an increase in fair value movement of investment properties of $1.3m
- Earnings excluding fair value movements (EBITDAF) of $(0.2)m
- Net profit after tax on continuing operations of $0.02m
- Net profit after tax on discontinued and continuing operations of $0.03m
- Total assets $59.2m
- Net debt $17.8m
- Cash and cash equivalents of $1.2m

[1]EBITDAF is operating earnings before interest, tax, depreciation, amortisation and fair value adjustments and is a non-GAAP number.

Chairman's Report

Dear Shareholders

It is very pleasing to be writing this report as Chair of an aged care business, having finalised the acquisition of facilities from the Brankin Family Interest Trust in October last year.

As shareholders will be aware, the Covid-19 environment created unforeseen challenges around funding of the transaction and settlement took longer than anticipated initially. Raising both equity and debt during lockdown and the following months was challenging. During this period, the directors and the company's legal and financial advisers were meeting daily to progress the transaction. On behalf of the directors and shareholders, I would like to thank our equity investors, who contributed almost $8 million, for their perseverance and continued commitment as settlement deadlines were extended.

We also thank MSL Capital for raising equity at a very difficult time for equity investment and the BNZ and Senior Trust for the provision of the debt finance component of the settlement price.

We were pleased to settle on 30 October 2020 and refocus the company as an aged care business.

Our portfolio now consists of four aged care facilities, located in the heartland of New Zealand and providing personalised care for senior New Zealanders. We are focused on the more acute care end of the sector, with a focus on rest home and hospital care supplemented by provision of dementia care, respite, and young disabled care. We provide personalised care that is appropriate and sensitive to a resident's individual requirements.

Our facilities offer a full range of living and care options, from independent living villas and serviced apartments to rest homes, hospital and specialist dementia care. This range of living options allows residents to age in place as their care needs change.

On behalf of shareholders and my fellow directors I wish to thank retiring director Duncan Priest for his contribution to the company, often in very challenging circumstances. Duncan joined the Board in October 2012.

Duncan's extensive knowledge and experience in the New Zealand's capital markets has provided wise counsel over the last nine years. We thank him for his service and wish him well for the future. A replacement director will be appointed prior to the Annual Meeting.

The compulsory acquisition of small shareholdings, being fewer than 500,000 shares, is underway and will result in a significant reduction in registry costs.

Thank you to all shareholders who participated in the Share Purchase Plan (SPP) that closed on 31 March 2021. The SPP was a great success and enabled the company to reduce interest bearing debt and improve its working capital position.

Our immediate objective is to bed in the new business and build occupancy at the large Aldwins Road facility. The company is well placed for growth and we look to the future with confidence.

OUR GROWTH STRATEGY

While we are currently one of the smallest listed companies in the retirement village and aged care sector, we have identified several areas for growth and are excited about our future.

In the near term, our primary growth drivers revolve around:

- Development activity
- Broaden revenue mix
- Acquisition

We remain focused on provincial New Zealand, which offers lower land costs, generally lower operating costs than larger centres and strong average occupancy rates given there are usually fewer facilities in the area.

Development Activity

Demand for aged care in New Zealand is expected to increase significantly over the next 12 years as the number of New Zealanders over the age of 75 years is expected to double. The aged care facilities currently available in New Zealand cannot accommodate the expected increase in demand and new facilities will need to be built.

We have identified development opportunities at three of our four facilities.

We took over the lease of the refurbished Aldwin's House in Christchurch in December, and we are now progressively opening new rooms to meet demand. Full occupancy is 145 beds.

Ranfurly Manor is Feilding's largest aged care facility with 162 beds. The site includes 1 hectare of adjoining land, and we have a development contract for an additional 32 villas and 10 apartments. Construction on stage 1 has commenced and the first villas and apartments are expected to be completed by the end of this calendar year.

The development is being undertaken by interests associated with Tom Brankin, the vendor of the business and now Executive Director of Promisia. An interest free loan has been provided from the developer and therefore no capital investment is required from Promisia. The loan will be repaid from proceeds of each initial sale of an Occupational Right Agreement (ORA) for a new villa or apartment.

The Directors are also evaluating the viability of the construction of up to five additional retirement villas at the Eileen Mary facility in Dannevirke.

Broaden Revenue Mix

Currently, approximately 68% of our revenue is from Government funding, with the remainder from private payment from residents.

We generate a solid stream of recurring revenue from the delivery of aged care services, and from village fees. Rest home, hospital and specialised care services are paid for either by the Government or by residents themselves if they do not qualify for government funding.

Many of our beds are dual purpose in that we can redeploy them between rest home or hospital care, depending on residents' needs. Given the higher support required for hospital and dementia care, these beds tend to generate higher margins and will remain an area of priority for us.

We also generate revenue from the village fees paid by residents.

We have identified opportunities to broaden our revenue mix with additional periodic revenue from the sale of independent living villas and apartments in the form of Occupational Right Agreements (ORAs). Construction of 32 villas and 10 apartments adjoining our Ranfurly facility in Feilding is underway. This development will not produce any significant income until the second sale of ORAs for these villas and apartments as the income from the initial ORA sale will fund their purchase by the Group from the developer.

Acquisition

We believe there are further growth opportunities for our business through the acquisition of other aged care facilities, particularly in provincial New Zealand.

The aged care sector remains highly fragmented and increasing compliance and regulatory costs are making it more difficult for smaller operators.

This is leading to a growing number looking to sell and move out of the sector, providing an opportunity for Promisia to acquire modern facilities in areas where there is strong demand.

Our priority is ensuring that any acquisition is value accretive and in line with our strategy. Any acquisitions will be considered based on contribution to profitability, quality, geographic and cultural fit, demand for services, and growth potential. We remain focused on provincial New Zealand, however, will consider opportunities in the main centres where it meets our acquisition criteria.

FY21 FINANCIAL PERFORMANCE

Our FY21 result covers the 15 months ended 31 March 2021, following the change of the company's balance date to 31 March, and includes five months of trading as an aged care business.

Income was $7.3m, including an increase in fair value movement of investment properties of $1.25m. Promisia operates four aged care facilities (3 owned, 1 leased), offering rest home, hospital and dementia care, as well as respite, palliative and young disabled care. Eleven resales of occupation rights agreements (ORAs) were completed during the five-month period.

Earnings excluding fair value movements (EBITDAF[1]) were $(0.2)m for the period. One off, non-recurring acquisition related transaction costs of $0.8m were included in this result. This compares to a loss of $(2.4)m for the year ending 31 December 2019.

The Group reported a net profit after tax on continuing operations of $0.026m, with a total profit from continuing and discontinuing operations of $0.049m. At 31 March 2021, total assets were $59.2m, net debt was $17.8m and the Group had cash and cash equivalents of $1.2m.

[1]EBITDAF is operating earnings before interest, tax, depreciation, amortisation and fair value adjustments and is a non-GAAP number.

OUR PEOPLE

Together our people, residents and their whānau make up our communities. We seek out people who genuinely care and are committed to making a difference in the lives of the elderly and their families/ whānau. The majority of our team live in their local community and know personally many of the residents. We support our people through training and aim to provide a workplace environment that is safe, comfortable and enjoyable. We are a New Zealand immigration accredited employer and have a multi-cultural team of employees. Ensuring inclusion and welcoming diversity are essential parts of our culture.

The past year was like no other for our people, as they responded to the Covid-19 situation and looked after residents in challenging and, at times, difficult conditions. On behalf of the Board and management, our utmost thanks go out to them for their efforts and the amazing care they provide each and every day.

Eileen Mary's day of cultural celebration

With a very multi-cultural staff, it made sense to hold a day to showcase the different cultures. From an initial event three years ago, it has now become an established part of the calendar for residents and staff at the Dannevirke aged care facility.

Staff and local school children entertain residents with a showcase of performances with this year's event including songs and dance from Indian, the Philippines, Tonga, the Cook Islands and Samoa.

Community members also added Maori culture and Scottish tunes to the mix. This was followed by a lunch featuring dishes from different countries.

Tararua District Mayor and deputy Major as well as the Chamber of Commerce president and other community groups, including families/ whānau, were invited to join in.

"Our staff are a virtual United Nations and we wanted to give them an opportunity to share their different heritage with residents. Our day of cultural celebration has now become one of the annual highlights here in Eileen Mary."

Facility Manager, Darlene Amboy

OUTLOOK

We are building off an established base, in an attractive sector with good growth dynamics.

The number of people aged over 75 years is forecast to double in the next 10 years and new facilities will need to be built to meet demand, particularly for higher needs and specialised care. In addition, increasing compliance is driving sector consolidation with smaller facilities finding it more difficult to remain viable.

Promisia is well positioned to capitalise on this demand. We are a valued part of the communities where we are located and provincial New Zealand will remain a focus for us – these are communities that are often under-resourced in terms of aged care.

We have a carefully considered and diversified growth strategy and are already taking advantage of the development opportunities available to us. Our priority remains to deliver the highest quality care to residents, within an active and inspiring community.

We look forward to building our business and delivering increasing value to our shareholders.

Stephen Underwood
Chairman

Tom Brankin
Executive Director

FY22 Strategic Initiatives

6-12 Months

- Build occupancy at Aldwins House, Christchurch
- Progress the Ranfurly development in Feilding (32 villas and 10 care apartments)
- Identify potential sites for a new rest home/retirement village
- Identify other acquisitions and development opportunities

12-24 Months

- Achieve at least 70% occupancy of Aldwins House, Christchurch
- Complete the Ranfurly development in Feilding
- Evaluate development of new villas on owned land in Dannevirke
- Identify other acquisitions and development opportunities

Our Strengths

- Stable future revenue streams with significant growth opportunity
- Excellent modern facilities
- Experienced people, with many years' industry involvement
- High calibre employees
- Local facilities in strong communities
- Existing growth opportunities
- Low overheads
- Carefully considered diversified growth strategy

ATTRACTIVE SECTOR DYNAMICS

Strong demand underpinned by favourable population demographics

The number of people in New Zealand aged over 75 is forecast to double from 300,000 to 600,000 over the next 12 years. The aged care facilities currently available in New Zealand cannot accommodate the expected increase in demand and new facilities will need to be built.

Growing demand for high needs and specialist aged care, particularly in regional New Zealand

12% of people over 75 are in care. 43,000 new care beds are required in New Zealand each year. There are insufficient beds being built to cater for the demand, particularly in regional New Zealand

Increasing compliance driving sector consolidation

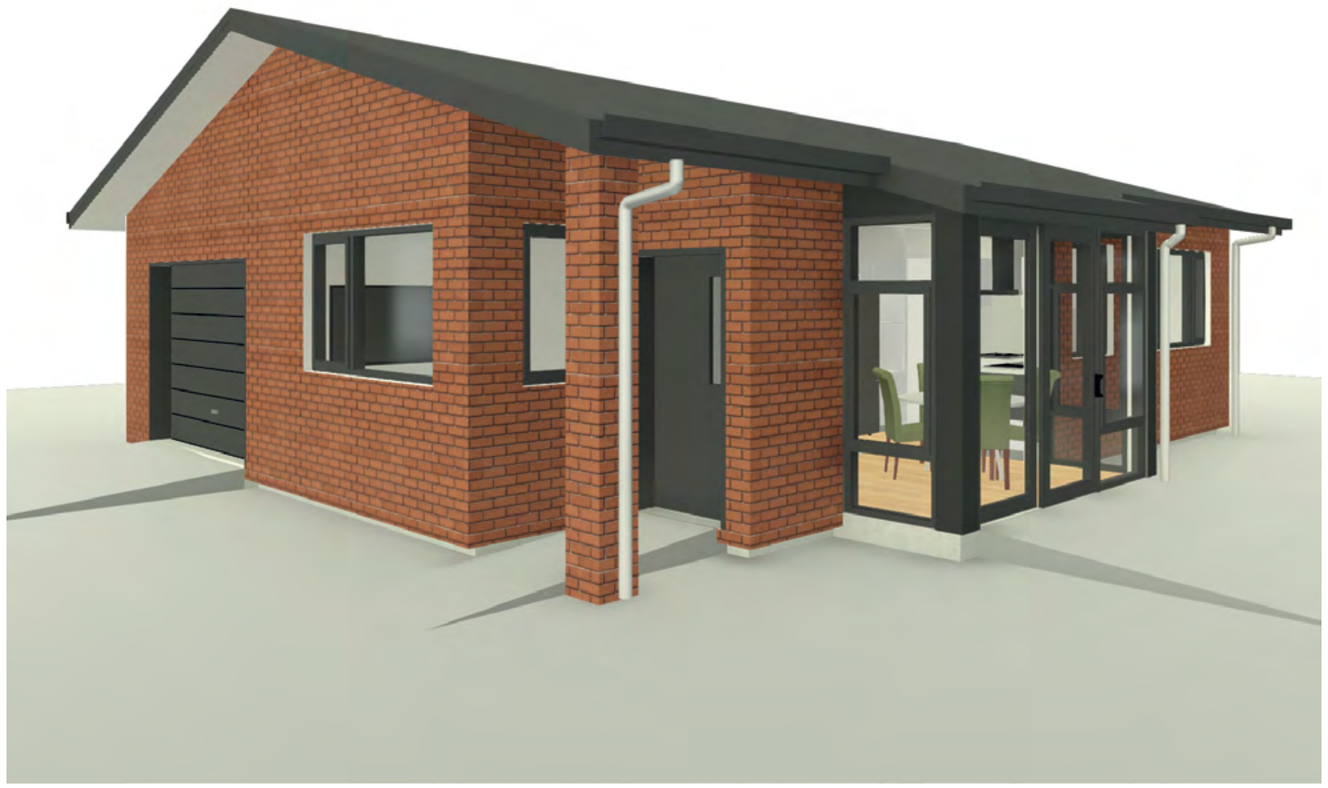
Smaller owner operator facilities (fewer than 50 beds) are closing as they lack the ability to remain profitable and compliant without significant capital investment.

Variety of care and business models in the sector, with different care offerings

Business models range from companies focused on building retirement villages with villas and apartments which do not provide care (independent living), through to higher needs care providers. Growing demand for continuity of care with higher care offerings on site.

The Ranfurly expansion is an exciting new development, creating a further 32 one and two bedroom villas and 10 serviced care apartments at this popular aged care facility in Feilding. The care apartments will be connected to the existing aged care facility and will provide rest home/hospital level care in apartment style living for residents. Building work has commenced, with the new serviced apartments scheduled to be completed in October 2021.

When completed, capacity at Ranfurly Manor will increase to 38 villas, 147 rest home/hospital beds and 25 dementia beds.



Our Values

AS CLEAR AS POSSIBLE

- We explain what we do in simple terms
- As much as possible, we help residents understand what we are doing for them
- Families/whānau know where they stand with us
- We have open and honest conversations

STRONGER TOGETHER

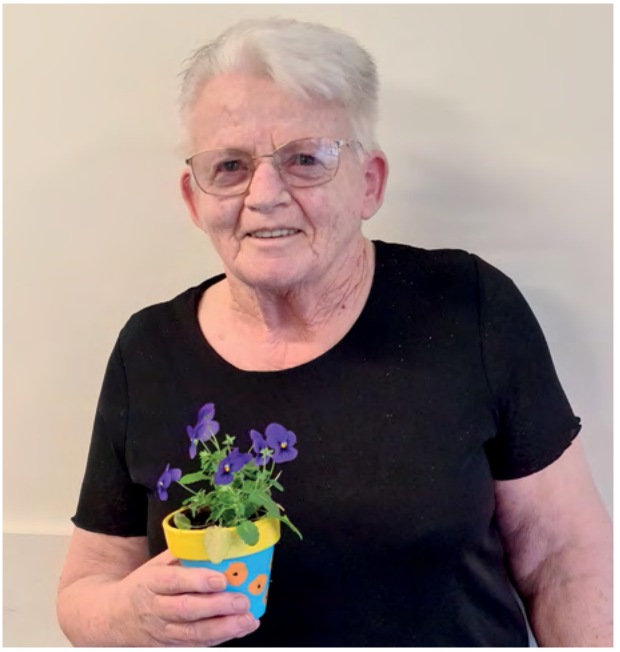
- Residents, their families/whānau, our staff and our investors together form the Promisia community
- We work together to set a market-leading standard of care in locations that suit what we offer

ALWAYS NEARBY

- Residents feel valued and looked after
- Our staff are warm, positive and respectful
- Residents and staff see each other regularly
- We build relationships
- We notice the little things that people value
- Residents feel close to the neighbourhoods and communities they are part of

SUPPORTIVE & PERSONAL

- We take the wellbeing of each person who is with us very seriously
- We want residents to make the best of every day and to feel empowered and respected



For the last year, a group of 15 residents at Ranfurly Manor have gathered on a Monday to work on different creative projects which then become part of their visual diaries. Photos are taken each week to remind residents of the projects they have worked on and are included in a diary which they can share with their family/whānau and friends.

As well as being a mother and grandmother with a love of gardening and interior decorating, Annette Carter has also been a Care Giver at Ranfurly Manor for the past ten years.

She initially worked in the rest home and then the hospital unit and, in 2015, moved to the new dementia unit when it opened. She has a thirst for knowledge and after completing her dementia papers, went on to complete her Level 2, 3 and 4 Careerforce qualifications and other specialist courses.

Annette has a personal connection to those residents in the unit, as her own mother passed away with dementia. She says she loves the close contact with residents and their whānau.

"Working in a close-knit unit such as ours and seeing the interactions of residents, staff and families/whānau gives me pleasure, pride and satisfaction in the job I do each day. I love working where I am and hope to continue for many years."

Annette Carter, Ranfurly Manor Care Giver

Our Board & Leadership

STEPHEN UNDERWOOD
Independent Chairman
Appointed 8 June 2005

Stephen is a Wellington based business and management consultant. He is an experienced company director with an extensive background in venture capital investment and supporting the growth of emerging companies.

BCA LLB

THOMAS BRANKIN
Executive Director
Appointed 7 May 2013

Tom joined the Promisia Board in May 2013. He has been involved in building and operating aged care facilities and retirement villages for the last 30 years. Tom is currently the majority shareholder and executive director of Promisia. His other interests include commercial and residential property and farm management software.

Dip Agriculture & Dip Farm Management

DUNCAN PRIEST
Independent Director
Appointed 16 October 2012

Duncan has a long association with the New Zealand capital markets, equity financing and investment banking. He has considerable experience in raising capital from both the retail and wholesale markets.

Duncan is retiring as a director on conclusion of the 2021 Annual General Meeting.

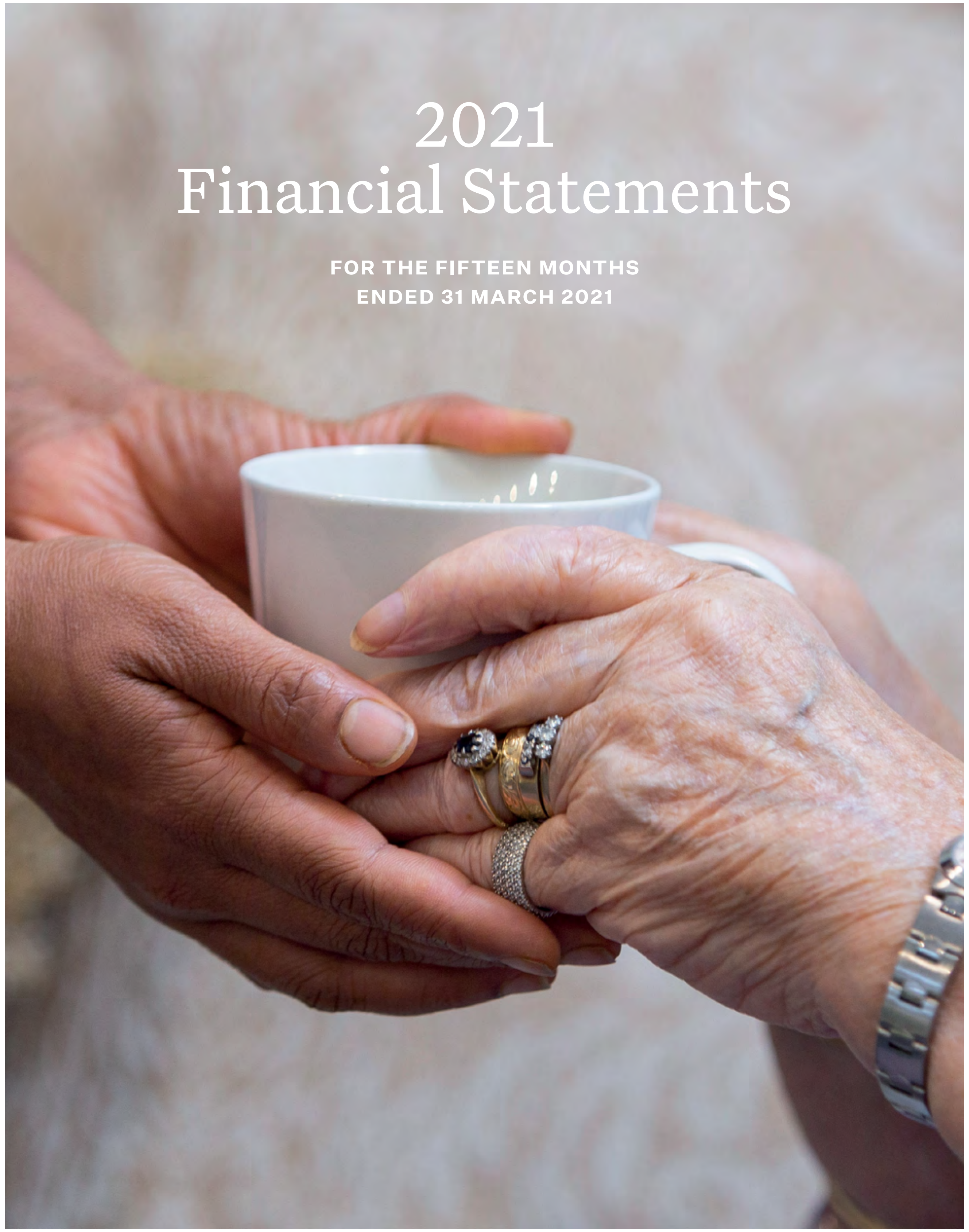
HELEN DOWN
Independent Director
Appointed 30 May 2017

Helen is a well-known Wellington based expert in both marketing and governance. Helen is recognised for being instrumental in the growth of innovative and exciting small and medium-sized businesses, especially across the STEMM sectors. Helen is Chief Executive of the Hutt Valley Chamber of Commerce.

BCA, FCIM

VIRGINIA DYALL-KALLIDAS
General Manager Group Facilities

Virginia has a long history in health having started her career as an Enrolled Nurse and going on to become an RN and then got her Master of Nursing with Honours. Virginia is a qualified auditor and has held a number of senior management roles in the private sector including aged care. Virginia has held Facility Manager posts previously and has most recently been the Clinical Quality & Risk Manager – Lower North Island, for another listed aged care business.



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the 15 months ended 31 March 2021

	NOTES	15 MONTHS ENDED 31 MARCH 2021 $000	12 MONTHS ENDED 31 DECEMBER 2019 $000
Revenue	4	6,060	-
Fair-value movement of investment properties	11	1,250	-
Total Income		**7,310**	**-**
Administration expenses	5	(1,739)	(294)
Operating expenses	6	(4,555)	-
Depreciation and amortisation expense	10	(377)	-
Finance costs		(894)	-
Total Expenses		**(7,565)**	**(294)**
Net gain/(loss) before income tax		**(255)**	**(294)**
Income tax credit	8	281	-
Net gain/(loss) for the period from continuing operations		**26**	**(294)**
Discontinued operations			
Profit/(Loss) for year after tax from discontinued operations	7	30	(2,107)
Other comprehensive income			
Items that may be later reclassified to profit or loss			
Gain/(Loss) on translation of foreign currency		(7)	1
Total other comprehensive income		**(7)**	**1**
Total comprehensive income gain/(loss)		**49**	**(2,400)**
Earnings Per Share (cents per share)			
Basic & diluted earnings per share from continuing operations	18	0.0004	(0.0151)
Basic & diluted earnings per share from discontinued operations	18	0.0004	(0.1085)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the 15 months ended 31 March 2021

	ISSUED CAPITAL $000	FOREIGN CURRENCY RESERVE $000	POOLING OF INTERESTS RESERVE $000	ACCUMULATED LOSSES $000	TOTAL $000
Year ended 31 December 2019 audited					
Opening balance	**58,278**	**182**	**-**	**(57,662)**	**798**
Net loss for period	-	-	-	(2,401)	(2,401)
Other comprehensive income/(loss)	-	1	-	-	1
Share issue	248	-	-	-	248
Closing balance at 31 December 2019	**58,526**	**183**	**-**	**(60,063)**	**(1,354)**
15 months ended 31 March 2021 audited					
Opening balance	**58,526**	**183**	**-**	**(60,063)**	**(1,354)**
Net gain/(loss) for period	-	-	-	56	56
Other comprehensive income/(loss)	-	(7)	-	-	(7)
Pooling of interest reserve	-	-	(717)	-	(717)
Share issue (Note 17)	18,869	-	-	-	18,869
Less share issue costs	(335)	-	-	-	(335)
Closing balance at 31 March 2021	**77,060**	**176**	**(717)**	**(60,007)**	**16,512**

The accompanying notes form part of these financial statements.

CONSOLIDATED BALANCE SHEET

As at 31 March 2021

	NOTES	31 MARCH 2021 $000	31 DECEMBER 2019 $000
Equity			
Share capital	17	77,060	58,526
Accumulated losses		(60,007)	(60,063)
Pooling of Interest Reserve		(717)	-
Foreign currency translation reserve		176	183
Equity		**16,512**	**(1,354)**
Represented by:			
Assets			
Cash and cash equivalents		1,219	21
Trade and other receivables	9	2,034	55
Taxation Receivable		-	6
Related Party Advances	16	953	-
Property, Plant & Equipment	10	4,756	3
Right-of-use asset	10	9,285	-
Investment Property	11	40,677	-
Deferred Taxation	8	303	-
Total assets		**59,227**	**85**
Less:			
Liabilities			
Trade and other payables	12	2,837	584
Taxation Payable		472	-
Related Party Loans	16	1,000	855
Interest Bearing Loans & Borrowings	13	17,833	-
Lease Liability	14	10,040	-
Occupancy rights agreements	15	10,533	-
Total liabilities		**42,715**	**1,439**
Net assets/(liabilities)		**16,512**	**(1,354)**

Authorised on behalf of the Board

Stephen Underwood
Chairman

Thomas Brankin
Director

Wellington
22 June 2021

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the 15 months ended 31 March 2021

	NOTES	15 MONTHS ENDED 31 MARCH 2021 $000	12 MONTHS ENDED 31 DECEMBER 2019 $000
Operating Activities			
Receipts from residents for care fees and services		4,247	-
Receipts of residents' loans from new sales		1,590	-
Payments to suppliers and employees		(4,314)	(294)
Repayments of residents' loans		(434)	-
Interest paid		(1,009)	-
Income tax		444	-
Net operating cash flows from discontinued operations		42	(574)
Net operating cash flows		**566**	**(868)**
Investing activities			
Acquisition of aged care assets		(21,586)	-
Purchase of property, plant & equipment	10	(4,852)	-
Net investing cash flows from discontinued operations		-	73
Net investing cash flows		**(26,438)**	**73**
Financing activities			
Drawdown of loans		19,000	57
Issue of share capital, net		8,665	247
Payments for lease liabilities		(441)	-
Repayment of borrowings		(154)	-
Net cash flow from financing activities		**27,070**	**304**
Net increase/(decrease) in cash and cash equivalents		**1,198**	**(491)**
Cash and cash equivalents and beginning of period		**21**	**512**
Cash and cash equivalents at end of period		**1,219**	**21**

The accompanying notes form part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the 15 months ended 31 March 2021

Statement of Compliance

The financial statements presented are those of Promisia Healthcare Limited (the Company) [formally Promisia Integrative Limited], and its subsidiaries (the Group). Promisia Healthcare Limited is a profit-oriented entity incorporated in New Zealand. Promisia Healthcare Limited's principal activities are transitioning from developing and marketing research based natural dietary supplements to the ownership and operation of retirement villages, rest homes, and hospitals for the elderly within New Zealand.

Promisia Healthcare Limited is a Financial Markets Conduct Act reporting entity under the Financial Reporting Act 2013 and the Financial Markets Conduct Act 2013.

The Company's registered office is 22 Panama Street, Wellington.

These financial statements have been approved for issue by the Board of Directors on 22 June 2021.

The financial statements been prepared in accordance with Generally Accepted Accounting Principles in New Zealand (NZ GAAP). These financial statements comply with International Financial Reporting Standards (NZ IFRS) and International Financial Reporting Standards (IFRS).

Basis of Preparation

Accounting policies are selected and applied to ensure the resulting financial information satisfies the concepts of relevance and reliability, and the substance of the underlying transactions or other events is reported.

The financial statements are for the 15 months ended 31 March 2021.

The comparative figures are for the 12 months ended 31 December 2019. These comparative figures have limited relevance as the principal activities of the Group have transitioned from developing and marketing research based natural dietary supplements to the ownership and operation of retirement villages, rest homes, and hospitals for the elderly within New Zealand. The financial periods shown in these financial statements capture this transition. The Group changed its parent reporting date to align with the aged care subsidiary entities reporting dates that now make up the continuing operations.

The information is presented in New Zealand dollars, the Group's functional and presentation currency and rounded to the nearest thousand dollars unless stated otherwise.

The financial statements include the results of trading of the aged care facilities from the date of acquisition 30 October 2020 to 31 March 2021, being five months of operations only.

There is no seasonality or cyclicality of the operations.

Measurement basis

These consolidated financial statements have been prepared on a historical cost basis, as modified by the revaluation of certain assets and liabilities, including investment properties, certain classes of property, plant, and equipment and right of use assets.

Critical judgements in applying accounting policies

In applying the groups accounting policies, management must make judgements, estimates, and assumptions. The application of NZ IFRS also requires the use of certain critical accounting estimates.

The estimates and associated assumptions are based on historical experience and various other factors that are reasonable under the circumstances. These estimates and assumptions concern projections of the future and will seldom equal the related actual results.

The estimates and assumptions are reviewed and evaluated continuously. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period.

The areas requiring a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in the following notes:

- Valuation of property, plant and equipment – summary of accounting policies and note 10.
- Valuation of investment property – summary of accounting policies and note 11.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the 15 months ended 31 March 2021

- Revenue recognition – note 4.
- Value of right of use assets at commencement – note 14.

1. SUMMARY OF ACCOUNTING POLICIES

The following significant accounting policies have been adopted to prepare and present the financial statements of the Group.

Principles of consolidation

The consolidated financial statements are prepared by combining the financial statements of all entities that comprise the Group, being the Company (the parent entity) and its subsidiaries as defined in NZ IFRS 10 Consolidated Financial Statements. A full list of subsidiaries appears in note 25 to the financial statements.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group.

All inter-company transactions and balances are eliminated in full on consolidation.

Pooling of interest method

Promisia Healthcare Limited has applied the pooling of interest method when measuring the value of the acquired aged care facilities. The pooling of interest method was elected as the acquisition was from a related party, giving a common controlling interest. The pooling of interest method requires acquisition assets and liabilities to be recorded at the net book value as at 30 October 2020, the date of the transaction The property acquired was revalued to fair value by the vendor immediately prior to acquisition.

Revenue recognition

Revenue is recognised in accordance with NZ IFRS 15. Deferred management fees and rental income are considered leases under NZ IFRS16, and therefore excluded from the scope of NZ IFRS 15. None of the Group's revenue, as defined by NZIFRS 15, contains significant financing components.

A contract for care fees is in place with all care residents by means of an admission agreement. The resident receives the benefit as the care is administered and each resident incurs a contracted daily care fee set each year by the Government. Rest home and hospital service fees are recognised at the point in time the services are rendered.

Deferred management fees are for the right to occupation and share in the use of community facilities and are payable by residents of the Group's units and apartments under the terms of their Occupancy Rights Agreement (ORA). Management fees are typically payable on termination of the ORA up to a maximum percentage of a resident's occupation licence for the right to share in the use and enjoyment of common facilities. The timing of the recognition of deferred management fees is a critical accounting estimate and judgement. The deferred management fees are recognised on a straight-line basis over the average expected occupancy for the relevant accommodation being:

- Internal Apartments 3.7 - 4.0 years
- External Villas 6.8 - 7.0 years

Estimates of expected occupancy are reviewed periodically. Where a change is made, it is the Group's policy to recognise the aggregate impact of this change in the period in which the change in estimate occurs.

The Group has a contractual right to management fees in the first two years of occupancy. The timing difference in the contractual right to receive the management fees and the accounting recognition of the revenue over the estimated expected occupancy gives rise to a liability for revenue in advance. As at 31 March 2021 revenue in advance of $0.881m was recorded, not yet released to the profit or loss. See note 12.

Village service fees are charged to residents to recover a portion of village operating costs associated with services provided including staff wages, rates, and electricity. Village service fees are recognised as services are rendered.

Other income includes other services to residents, training income for students, and administration income on the settlement of ORAs. This is recognised as services are provided.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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Investment property

Promisia Healthcare Limited is applying the accounting policies under NZ IAS40 for Investment Property.

Investment property has been valued at fair value by an independent registered valuer on acquisition. Investment property is subsequently valued at each reporting period with any gains or losses resulting from the revaluation recorded in profit or loss. Fair value is determined using discounted cash-flow methodology.

Leasing – right-of-use asset

The operating lease on Aldwins House has been recognised on the balance sheet as a right-of-use asset and a corresponding lease liability, based on the present value of the lease payments. The right-of-use assets are depreciated on a straight-line basis over the term of the lease.

Lease liability

The lease liability is measured at the present value of the contracted unpaid lease payments, discounted using the Group's incremental borrowing rate. The accounting treatment for the lease is in accordance with NZ IFRS-16, refer to note 14 for details

Property, plant, and equipment

The Nelson Street rest home property in Feilding is measured at fair value, including furniture and fittings, as it is an owner operated facility and is not subject to any Occupancy Rights Agreements. Subsequent to acquisition revaluations are undertaken every three years unless there is sustained market evidence of a significant change in market value.

Other fixed assets are recorded at historical cost and depreciated. Property is revalued from time to time with the resulting gain or loss in value recognised in other comprehensive income. If losses exceed previous revaluation gains, the loss will be recognised in the profit or loss. This policy has no impact on prior periods as the Group only acquired the rest home on 30 October 2020. There were no such assets in the past.

Impairment of property, plant, and equipment

At each reporting date the Group reviews the carrying amounts of its property, plant, and equipment to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is greater than the related revaluation surplus, the excess impairment loss is recognised in the profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss to the extent that it eliminates the impairment loss which has been recognised for the asset in prior years. Any increase in excess of this amount is treated as a revaluation increase.

Foreign currencies

Transactions in foreign currencies are initially recognised in the functional currency of the foreign operation. At balance date, foreign monetary assets and liabilities are translated at the closing rate, and exchange variations arising from these translations are recognised in the income statement. The assets and liabilities of foreign operations, whose functional currency is not the New Zealand dollar, are translated at the closing rate. Revenue and expense items

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For the 15 months ended 31 March 2021

are translated at the spot rate at the transaction date or a rate approximating that rate. Foreign currency exchange differences are recognised in the foreign currency translation reserve.

Goods and services tax (GST)

The Statement of Comprehensive Income has been prepared exclusive of GST. All items in the statement of financial position are stated net of GST, except for receivables and payables which include GST. Operating cash flows are presented on a GST exclusive basis.

Receivables and impairment

Trade and other receivables are recognised at fair value less an allowance for expected credit losses. Loss allowances relate solely to expected credit losses arising from contracts with customers. The amount of credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. An expected credit loss is determined based on the historic credit loss rates, adjusted for other current observable data that may materially impact the Company's future credit risk, including customer specific factors, current conditions, and forecasts of future economic conditions.

Trade receivables are written off when there is no reasonable expectation of recovery.

Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

Employee entitlements

A liability is recognised for benefits accruing to employees in respect of wages and salaries and annual leave in the period the related service is rendered. All employee entitlements at 31 March 2021 are short-term and are measured at the undiscounted amount of the benefits expected to be paid in exchange for that service. See note 12.

Borrowings

Borrowings are initially recognised at fair value and are subsequently measured at amortised cost. Any difference between the proceeds and the redemption amount is recognised in the Consolidated Statement of Comprehensive Income. Borrowing costs are recognised in the Consolidated Statement of Comprehensive Income over the period of the loan agreements to which they relate.

Income tax

Income tax expense / (credit) comprises both current and deferred tax and is recognised in the consolidated Statement of Comprehensive Income. Current tax is the expected tax payable on the taxable income for the year subject to adjustment by tax payable in respect of previous years and is calculated using tax rates that have been enacted or substantively enacted by balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying income, amount of assets and liabilities in the financial statements and corresponding tax bases. Deferred tax liabilities are generally recognised for all temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Current tax and deferred tax is charged or credited to the profit or loss, except where it relates to items charged or credited directly to equity, in which case the tax is dealt with in equity.

Deferred tax on investment property

Deferred tax on investment property is assessed on the basis that the asset value will be realised through use ("Held for Use").

The Group's ORAs comprise two distinct cash flows, being an ORA deposit upon entering the unit and the refund of this deposit on exit. The Group considers it appropriate to recognise and measure the tax base and associated deferred tax based on the contractual entitlements over the ORA periods as this best represents the Group's liabilities to residents as at the reporting date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the 15 months ended 31 March 2021

Depreciation

Depreciation is provided on all property, plant, and equipment, other than freehold land. Depreciation is calculated to allocate the asset's cost less estimated residual value, over the estimated useful life, starting from when the assets are ready for use, as follows:

- Buildings 2% DV
- Leasehold improvements 10% SL
- Plant and equipment 20% DV
- Office equipment 16% DV

The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effect of any changes in estimations accounted for on a prospective basis.

No depreciation is provided for investment properties.

Right-of-use assets relating to leases are depreciated on a straight-line basis over the term of the lease.

Discontinued operations

The operation of developing and marketing natural dietary supplements ceased effective 19 December 2019. The net operating profit/(loss) after tax of the discontinued operation is reclassified within the Statement of Comprehensive Income and disclosed separately as are the comparative figures relating to the discontinued operations. Any assets identified as solely used within the ceased operations are recorded at fair value less cost of sale and classified as held for sale in the financial statements..

Adoption of new and revised standards and interpretations

In the current period, the Group adopted all mandatory new and amended standards and interpretations which had no material impact on the company.

Standards and interpretations on issue but not yet adopted

We do not consider that any NZ IFRS standards or interpretations that have been issued or amended recently that have not yet been adopted by the Group would materially impact the Group in future periods.

2. ACQUISITION OF AGED CARE FACILITIES

The Group completed the purchase of three aged care facilities for $31.385m on 30 October 2020. These aged care facilities are Ranfurly Residential Care Centre in Feilding, Nelson Street Residential Care Centre in Feilding, and Eileen Mary Residential Care Centre in Dannevirke.

The acquisition involved the purchase of assets and the assumption of certain liabilities. It has been financed via debt of $18m, new equity issued of $14m, of which $8m has been issued to the vendor and $6m to various private placement participants. All shares have been issued at a price of $0.001 per share.

The agreed price for the aged care facilities was $31.385m, however the fair value of all property acquired has been determined as at 30 October 2020 by independent valuer CBRE immediately prior to the transaction, at a value of $33.015m. The difference between the agreed purchase price and the fair value of the property and other net assets acquired at 30 October 2020 comes to $0.717m and is shown as a reserve in equity.

As part of this acquisition, the development land surrounding Ranfurly Residential Care Centre has been purchased under a fixed price agreement with the vendor to complete the development within seven years, for a fixed price of $14.18m, payable from occupancy rights agreement (ORA) sale proceeds from the developed units.

A long-term lease has been signed for the property at 62 Aldwins Road, Christchurch (Aldwins House) for the operation of a rest home and hospital, which opened in mid-December 2020. As part of the lease, the landlord has provided a loan of up to $1m interest free for the fit-out of Aldwins House. An option to purchase Aldwins House has been signed and is available until 1 August 2021. The purchase price under the option is the sum of $10m plus the unpaid balance of the loan provided by the landlord for the fit-out (up to a maximum of $1m).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the 15 months ended 31 March 2021

Aldwins House has capacity of 145 beds. Commencing with nil residents on opening Aldwins House had 17 residents at 31 March 2021. The operations are currently loss making as it is in an occupancy building phase.

Promisia Healthcare Limited purchased the shares of Ranfurly Manor No: 1 Limited and Eileen Mary Age Care Property Limited. These companies own the investment property. The aged care business and assets were acquired from the trading entities of the vendor.

The pooling of interest method has been used for the acquisition of the aged care businesses. Pooling of interest requires the existing balances from the acquired entities to be combined with the balances of Promisia Healthcare Limited.

Property was valued at fair value based on an independent valuation from CBRE Limited at acquisition date. Any differences between the book values of the acquired entities and the purchase price are recorded as an equity reserve.

3. GOING CONCERN

The acquisition of the aged care facilities recapitalised the Company. This provided tangible assets to the group with the expectation of both profits and positive cash flows from operations. The acquisition has allowed shareholders to retain their shares, providing them with an interest in an established business in the aged care sector with strong growth prospects.

The Directors are comfortable that based on the historic performance, detailed cash flow projections, and the support provided by Directors, the Group will be able to meet their cash flow requirements as they fall due.

The Group has reported a net loss before tax of ($0.255m) for the fifteen months ending 31 March 2021. This loss includes significant costs relating to the acquisition of the aged care facilities totalling $0.865m.

These costs include legal fees and NZX listing fees. The three fully operational facilities achieved a net profit before tax of $2.383m for the five months ending 31 March 2021. However, the Aldwins House facility, which opened in December 2020 made a loss of ($0.909m). It is expected that the profitability of the Aldwins House facility will increase significantly as the occupancy increases.

4. REVENUE

	15 MONTHS ENDED 31 MARCH 2021	12 MONTHS ENDED 31 DECEMBER 2019
	$000	$000
Rest home, hospital & dementia fees	5,741	-
Deferred management fees	268	-
Village service fees	15	-
Other revenue	36	-
Total Revenue	**6,060**	**-**

Other revenue

Other income includes other services to residents, training income for students, and administration income on the settlement of ORAs. This revenue is recognised as services are provided.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the 15 months ended 31 March 2021

5. ADMINISTRATION EXPENSES

Administration expenses are recognised on an accrual basis.

	15 MONTHS ENDED 31 MARCH 2021	12 MONTHS ENDED 31 DECEMBER 2019
	$000	$000
Legal expenses	645	294
NZX Listing & regulatory Expenses	253	-
Insurance	135	-
Other administration costs	706	-
Total operating expenses	**1,739**	**294**

Legal expenses and NZX listing and regulatory fees incurred are associated with the acquisition and entry into the aged care business and are largely considered to be one-off costs.

6. OPERATING EXPENSES

All operating expenses are recognised on an accrual basis.

	15 MONTHS ENDED 31 MARCH 2021	12 MONTHS ENDED 31 DECEMBER 2019
	$000	$000
Employee benefits and other staff costs	3,733	-
Property-related expenses	77	-
Other operating costs	745	-
Total operating expenses	**4,555**	**-**

Employment expenses relate to wages and salaries to employees, which includes holiday pay and employee incentives. These employment expenses are recognised as the benefit accrues to the employee.

Property related expenses and other operating costs relate to costs associated with running a retirement village such as consumables, electricity, insurance, rates, and repairs and maintenance. These expenses are recognised as they occur.

7. DISCONTINUED OPERATIONS

The Group has transitioned from developing and marketing research based natural dietary supplements to the ownership and operation of retirement villages, rest homes, and hospitals for the elderly within New Zealand.

The operation of development and marketing research based natural dietary supplements ceased effective 19 December 2019, with an announcement made on 14 February 2020 to cease all Arthrem sales. The natural dietary supplements business has therefore been classified as discontinued operations in the Statement of Comprehensive Income. The comparative figures relating to this discontinued operation have also been reclassified under

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the 15 months ended 31 March 2021

discontinued operations in the Statement of Comprehensive Income. Any assets disposed from discontinued operations had nil book value.

The operation of retirement villages, rest homes, and hospitals for elderly within New Zealand, has been classified as continuing operations.

Discontinued operations results:

	15 MONTHS ENDED 31 MARCH 2021	12 MONTHS ENDED 31 DECEMBER 2019
	$000	$000
Revenue	96	190
Cost of Goods Sold	(1)	(53)
Impairment of inventory	-	(1,107)
	95	(970)
Other Income	-	1
Expenses		
Administration expenses	14	(757)
Operating expenses	(67)	(319)
Depreciation and amortisation expense	-	(11)
Total Expenses	**(53)**	**(1,087)**
Operating gain/(loss)	**42**	**(2,056)**
Finance costs	-	(51)
Net gain/(loss) before tax	**42**	**(2,107)**
Taxation expense	(12)	-
Net gain/(loss) from discontinued operations	**30**	**(2,107)**

	15 MONTHS ENDED 31 MARCH 2021	12 MONTHS ENDED 31 DECEMBER 2019
	$000	$000
Operating Activities		
Receipts from customers	96	202
Payments to suppliers and employees	(54)	(776)
Interest paid	-	-
Net operating cash flows from discontinued operations	**42**	**(574)**
Investing activities		
Sale of property, plant and equipment	-	18
Refund of NZX deposit	-	55
Purchase of property, plant & equipment	-	-
Net investing cash flows from discontinued operations	**-**	**73**
Net cash provided from discontinued operations	**42**	**(501)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the 15 months ended 31 March 2021

8. INCOME TAX EXPENSE

Income tax comprises current and deferred tax and is recognised in the Statement of Comprehensive Income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted by the reporting date, and any adjustment to tax payable in respect of previous years. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable). The applicable tax rate is 28% (2019: 28%).

	15 MONTHS ENDED 31 MARCH 2021	12 MONTHS ENDED 31 DECEMBER 2019
	$000	$000
Income tax expense		
Current tax	120	-
Deferred Tax	(389)	-
Total income tax expense/(credit)	**(269)**	**-**
Reconciliation to net profit before tax		
Profit/(loss) from continuing activities	(255)	(294)
Profit/(loss) from discontinued activities	42	(2,107)
Other comprehensive income gain/(loss)	(7)	1
Net profit/(loss) before tax	(220)	(2,400)
Income Tax Expense calculated at 28%	(62)	-
Tax effect of:		
Changes in fair value	(350)	-
Non-deductible expenses	182	-
Deferred tax temporary differences	(39)	-
Total income tax expense/(credit)	**(269)**	**-**
Current tax attributable to continuing operations	(281)	-
Tax attributable to discontinued operations	12	-
Total income tax expense/(credit)	**(269)**	**-**

There are no imputation credits available to shareholders, (2019 $nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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Deferred tax

Deferred tax arises as a result of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amount used for taxation purposes.

Deferred tax assets and liabilities have been offset in accordance with NZ IAS 12 Income Tax. The deferred tax has been calculated on the assumption that there will be no change to tax law or circumstances.

The Group recognises tax losses in the balance sheet to the extent that tax losses offset deferred income tax liabilities arising from temporary differences and the requirements of income tax legislation can be satisfied. Significant judgement is required in determining whether shareholder continuity and other tax legislation requirements will continue to be met in the future in order for tax losses to be recognised. The 2019 tax losses of $2,401,000 are subject to IRD approval and as such a tax asset has not been recorded in the accounts. A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

	15 MONTHS ENDED 31 MARCH 2021	12 MONTHS ENDED 31 DECEMBER 2019
	$000	$000
Deferred tax movements		
Balances acquired	423	-
Lease and RoU asset under IFRS 16	24	-
Recognised tax losses	269	-
Fair value movement	(350)	-
Temporary difference in income statement		
Property, plant and equipment	(50)	-
Deferred management Fees	11	-
Other temporary differences	(24)	-
	303	-
Balance at end of year		
Right-of-use asset	(2,600)	-
Lease liability	2,811	-
Recognised tax losses	269	-
Investment property movement	(350)	-
Property, plant and equipment	(50)	-
Deferred management fees	247	-
Other temporary differences	(24)	-
Deferred tax asset/(liability)	**303**	**-**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the 15 months ended 31 March 2021

9. TRADE AND OTHER RECEIVABLES

	15 MONTHS ENDED 31 MARCH 2021	12 MONTHS ENDED 31 DECEMBER 2019
	$000	$000
Trade receivables	745	34
ORA settlements owing	995	-
Other debtors	25	-
Prepayments	249	1
NZX Deposit	20	20
Total trade and other receivables	**2,034**	**55**

Debtors are non-interest bearing, although the Group has the right to charge interest on overdue settlements of occupancy advances or overdue care fees. Trade receivables principally comprise amounts due for care fees.

Care fees are received from residents (payable monthly in advance) and various government agencies. Government agency payment terms vary but are typically paid fortnightly in arrears for care services provided to residents.

Long term occupancy settlements owing are amounts due from incoming residents who have entered into an Occupation Rights Agreement on one of the Group's units or serviced apartments.

There is no significant concentration of credit risk as trade debtors are either individual residents or government agencies. There is no provision for expected credit losses. (2019: nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the 15 months ended 31 March 2021

10. PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSET

	LAND & BUILDING VALUATION	OTHER	PP&E TOTAL	RIGHT OF USE ASSETS
	$000	$000	$000	$000
12 months ended 31 December 2019				
Opening gross carrying amount	-	48	48	-
Additions	-	-	-	-
Revaluation	-	-	-	-
Disposals	-	(33)	(33)	-
Closing net carrying amount	**-**	**15**	**15**	**-**
Accumulated depreciation				
Opening accumulated depreciation	-	(13)	(13)	-
Disposals	-	10	10	-
Depreciation	-	(9)	(9)	-
Closing accumulated depreciation	-	(12)	(12)	-
Net book value at 31 December 2019	**-**	**3**	**3**	**-**
15 months ending 31 March 2021				
Opening gross carrying amount	-	15	15	-
Additions	3,250	1,602	4,852	10,007
Revaluation	-	-	-	-
Disposals	-	(15)	(15)	-
Closing net book value	**3,250**	**1,602**	**4,852**	**10,007**
Accumulated depreciation				
Opening accumulated depreciation	-	(12)	(12)	-
Additions	-	-	-	(445)
Disposals	-	15	15	-
Depreciation	(26)	(73)	(99)	(278)
Closing accumulated depreciation	**(26)**	**(70)**	**(96)**	**(723)**
Net book value at 31 March 2021	**3,224**	**1,532**	**4,756**	**9,285**

All completed rest homes included within the definition of freehold land and buildings were at fair value on acquisition at 30 October 2020 based on an independent valuation report prepared by registered valuers, CBRE Limited. They were not revalued at 31 March 2021.

The valuers use multiple valuation techniques to estimate and determine fair value. The valuer made key assumptions that include capitalisation of earnings (using a capitalisation rate of 13.5%), together with observed transactional evidence of the market value per care bed (at $65,000 per care bed).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the 15 months ended 31 March 2021

As the fair value of 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 line with NZ IFRS 13 Fair Value Measurements.

The significant unobservable inputs used in the fair value measurement of the Group's freehold land and buildings are the capitalisation rate and the market value per care bed.

As the valuer uses several valuation techniques a significant decrease in the capitalisation rate could, but may not necessarily, result in a significantly higher fair value measurement. Conversely, a significant increase in the capitalisation rate could, but may not necessarily, result in a significantly lower fair value measurement.

A significant increase in the market value per care bed could, but may not necessarily, result in a significantly higher fair value measurement. Conversely, a significant decrease in the market value per care bed could, but may not necessarily, result in a significantly lower fair value measurement.

The completed rest homes were last valued at 30 October 2020. The Group has considered the fair value of these assets and determined that there is no indication that the carrying value of the assets is materially different from the fair value as at 31 March 2021.

Right-of-use assets

Included within property, plant and equipment are right-of-use assets relating to leases, see note 13.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the 15 months ended 31 March 2021

11. INVESTMENT PROPERTIES

Investment properties are not depreciated and are fair valued. As the fair value of investment property is determined using inputs that are unobservable, the Group has categorised investment property as Level 3 under the fair value hierarchy in line with NZ IFRS 13 Fair Value Measurements.

The carrying value of investment property is the fair value as determined by an independent valuation report prepared by registered valuers CBRE Limited, as at 31 March 2021. This report combines discounted future cash flows and occupancy advances received from residents for retirement village units, for which there is a licence to occupy.

	15 MONTHS ENDED 31 MARCH 2021	12 MONTHS ENDED 31 DECEMBER 2019
	$000	$000
Balance at beginning of period	-	-
Acquisition of villages	29,775	-
Additions	-	-
Reclassification from/(to) property, plant and equipment	-	-
Fair value movement - unrealised	1,250	-
Net fair value of investment property	**31,025**	**-**
Add		
Investment property under construction	-	-
Liability for residents' loans	10,533	-
Net (revenue in advance) / accrued income	(881)	-
Investment property	**40,677**	**-**
Gross market value of investment facilities	38,077	-
Development land	2,600	-
Investment property	**40,677**	**-**

Uncertainty due to COVID-19 pandemic

The valuation of investment properties at 31 March 2021 is based on the information available to CBRE Limited at the time of the valuation and relies on several key inputs and assumptions.

The valuations are sensitive to changes in key inputs. The valuer has elected a value at a point between valuation on a capitalisation approach (based on forecast EBITDAR) and a direct comparison approach. This is summarised as:

	$000
Estimated Value by capitalisation approch	30,225
Estimated value by direct comparison	31,625
Valuation adopted	31,025

Given the COVID-19 pandemic there is an increase in the uncertainty in determining the fair value of investment property. CBRE Limited has commented on the New Zealand market uncertainty in the valuation report.

Given this heightened uncertainty surrounding the impact COVID-19 may have on real estate markets in the future, a high degree of caution should be exercised when relying upon the valuation. Values may change more rapidly and significantly than during standard market conditions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the 15 months ended 31 March 2021

Key assumptions

The fair values were based on a discounted cash flow model applied to expected future cash flows generated by the investment properties and by a direct comparison approach based on value per bed. The major assumptions used are as follows:

Key assumptions of invesment properties

Growth rates	2.21% to 3.02%
Target IRR	16.5% to 18.0%
Average occupancy	85.0% to 91.3%
Discounted cash flow period	20 years

Sensitivity

A 0.5 percent decrease in the discount rate would result in a $0.20 million higher fair value measurement. Conversely, a 0.5 percent increase in the discount rate would result in a $0.19 million lower fair value measurement.

Other inputs used in the fair value measurement of the Group's investment property portfolio include the average age of residents and the occupancy period.

A significant increase in the average age of entry of residents or the long-term nominal house price inflation rate would result in a significantly higher fair value measurement. Conversely, a significant decrease in the average age of entry of residents or the long-term nominal house-price inflation rate would result in a significantly lower fair value measurement.

Security

Residents make interest-free advances (occupancy advances) to the retirement villages in exchange for the right to occupy retirement-village units, see note 15. Under the terms of the occupancy agreement, the resident receives a first mortgage held over the individual title by the statutory supervisor.

12. TRADE & OTHER PAYABLES

	15 MONTHS ENDED 31 MARCH 2021	12 MONTHS ENDED 31 DECEMBER 2019
	$000	$000
Trade payables	1,083	565
Employee entitlements	873	19
Revenue received in advance	881	-
Total trade and other payables	**2,837**	**584**

Revenue received in advance $0.881m represents the contractual deferred management fees received not yet released to the profit and loss on the accounting basis of estimated expected occupancy periods of between 3.7 and 7.0 years. Based on current estimated expected occupancy periods $0.341m of the revenue in advance balance will be recognised as income within 1 year, $0.499m in 2 to 4 years, and $0.041m in 5 to 7 years.

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For the 15 months ended 31 March 2021

13. INTEREST BEARING LOANS

Bank loans (secured)

Acquisition of the aged care facilities resulted in the drawdown of $18m of debt, of which $13m was provided by Bank of New Zealand Limited. These term loans are secured by a first mortgage security over the aged care facilities, at interest rates of 2.29%-4.21% at balance date. One loan of $3.5m is repayable in 60 equal instalments. All other BNZ loans fall due for repayment on 20 October 2023. A further $5m was provided by Senior Trust Retirement Village Income Generator Limited holding a second mortgage security over the aged care facilities. This loan is interest only with a fixed interest rate of 10.75%p.a. Repayment is required in full on 30 October 2024.

Funding was provided by Monument Finance Limited for the payment of insurance premiums. At balance date $0.111m remained payable to Monument Finance Limited.

	31 MARCH 2021	31 DECEMBER 2019
	$000	$000
Interest bearing loans		
Current portion	788	-
Term portion	17,045	-
Total interest bearing loans	**17,833**	**-**
Comprised of:		
Monument Finance - Insurance Funding	111	-
BNZ - Eileen Mary Age Care Property Limited	2,900	-
BNZ - Ranfurly Manor No: 1 Limited	5,430	-
BNZ - Ranfurly Manor No: 1 Limited	3,222	-
BNZ - Nelson Street Reshome Limited	1,170	-
Senior Trust - Ranfurly Manor No: 1 Limited	5,000	-
Total interest bearing loans	**17,833**	**-**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the 15 months ended 31 March 2021

14. LEASE LIABILITIES

The Group leases a rest home and hospital facility at 62 Aldwins Road, Christchurch.

NZ IFRS16 requires the initial recognition of a right-of-use asset valued at the present value of future lease payments, along with the recognition of a lease liability.

Subsequent measurement of the lease liability is made to reflect the interest on the lease liability and the lease payments made. The right-of-use asset relating to this lease is included within property, plant, and equipment (note 10).

	15 MONTHS ENDED 31 MARCH 2021	12 MONTHS ENDED 31 DECEMBER 2019
	$000	$000
Opening net book value	-	-
Additions	10,231	-
Interest	250	-
Lease payments made	(441)	-
Closing Lease Liability	**10,040**	**-**
Interest on lease liability	250	-
Depreciation on right of use asset	278	-
Amounts recognised in profit & loss	**528**	**-**
Total lease payments in the period	**442**	**-**

15. OCCUPANCY ADVANCES (NON-INTEREST BEARING)

	15 MONTHS ENDED 31 MARCH 2021	12 MONTHS ENDED 31 DECEMBER 2019
	$000	$000
Balance at beginning of financial period	**-**	**-**
Amounts from acquired villages	9,685	-
Amounts received on issue of new ORAs	1,590	-
Amounts repaid on termination of ORAs	(434)	-
Deferred Management Fees (per contract)	(308)	-
Balance at end of financial period	**10,533**	**-**

Occupancy advances are amounts paid to Promisia Healthcare Limited by a resident on being issued the right to occupy one of the Group's units or serviced apartments under an occupation right agreement ("ORA"). The ORA confers a right of occupancy until such time as the right is terminated.

Occupancy advances are non-interest bearing and are repayable to the exiting resident, net of any amount owing to the Group, whereby a new ORA for the unit or serviced apartment may then be issued to an incoming resident.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the 15 months ended 31 March 2021

16. RELATED PARTY TRANSACTIONS

		NOTES	15 MONTHS ENDED 31 MARCH 2021 $000	12 MONTHS ENDED 31 DECEMBER 2019 $000
Transactions with related parties				
Directors fees paid:	T D Brankin		21	14
	S Underwood		61	41
	M D Priest		21	14
	H Down		20	15
		i	**123**	**84**
Payments:				
Lease payments to Teltower Ltd		v	442	-
Interest paid to Brankin Family Interest Trust		ii	219	53
Funds advanced to Brankin Family Interest Trust		ii	1,085	-
Purchase of assets from Brankin Family Interest Trust		iii	31,385	-
Receipts:				
Funds advanced by D Priest		iv	20	-
Funds advanced by Teltower for fit-out		v	1,000	-
Funds advanced by Brankin Family Interest Trust		ii	1,000	821
New equity from Brankin Family Interest Trust		iii	8,000	-
Balances with related parties				
Brankin Family Interest Trust - (receivable)		ii	(953)	-
Related party advance balances outstanding at end of period			**(953)**	**-**
Teltower Ltd - payable		v	1,000	-
Brankin Family Interest Trust - payable		ii	-	855
Related party loan balances outstanding at end of period			**1,000**	**855**

i. The 2019 Directors fees were accrued only and were settled in the 2021 reporting period in addition to the $0.123m Directors fees. A share issue was approved on 4 March 2021 to capitalise part of the directors' fees owing, with the issue of 92,683,333 shares at $0.001 per share, the balance of fees being paid in cash.

ii. The Brankin Family Interest Trust is a related party to TD Brankin, a shareholder, and a director of the Group. The Brankin Family Interest Trust had advanced $0.855m as at December 2019 to the Group. At acquisition date, 30 October 2020, this balance (including interest) came to $0.558m. A further advance of $1 million was made from the Brankin Family Interest Trust as part of the acquisition of the aged care facilities to assist with working capital. These advances from the Brankin Family Interest Trust formed a vendor loan totalling $1.558m, interest free until 31 March 2022. On 24 March 2021 at a special meeting of shareholders it was resolved that 1,557,683,100 shares be issued capitalising the loan from Brankin Family Interest Trust at a price of $0.001 per share. Post the acquisition, settlements have been made by the Group to, or on behalf of, the vendor netting to $0.997m.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the 15 months ended 31 March 2021

iii. The Group completed the purchase of three aged care facilities for $31.385m on 30 October 2020 from Brankin Family Interest Trust. The acquisition involves the purchase of assets and the assumption of certain liabilities. Financing the purchase included issuing $8m of shares at $0.001 per share to the vendor.

iv. D Priest is a shareholder and a director of the Group. D Priest lent the Company $0.020m during the reporting period, at balance date the full $0.020m has been repaid, leaving $nil owing.

v. Teltower Limited is the landlord of Aldwins House and is a related party of The Wellington Company Limited. Under the lease for Aldwins House, Teltower Limited made available a loan of up to $1.0m interest free for the fit-out of Aldwins House. At the balance date, $1.0m of this facility had been utilised. If the option to purchase Aldwins House is exercised by 1 August 2021, the unpaid balance of the loan will become payable as part of the purchase price. Lease payments totalling $0.442m were made in the five months trading to Teltower Limited.

vi. Design Care Group Ltd is a related party as it is owned by the Brankin Family Interest Trust. The Promisia Group has entered into a fixed price agreement with Design Care Group Ltd for the development of land surrounding the Ranfurly Residential Care Centre. The agreement provides a period of seven years for the development of ten internal units, two 1-bedroom villas and thirty 2-bedroom villas to be completed at a fixed price of up to $14.18m. This price will be paid from the ORA sale proceeds from individual units once complete. If the ORA sale proceeds per unit fall below specified values, then the loss is borne by Design Care Group Ltd. If the ORA sale proceeds per unit exceed the pre-determined values, the amount in excess becomes a gain to the Group. This development will not require any capital cash commitments from the Promisia Group as the ORA sale proceeds will fully fund the development. There was no financial impact on the Group in the current financial year from this agreement.

vii. No balances with related parties were written off or forgiven in the period.

17. SHARE CAPITAL

	15 MONTHS ENDED 31 MARCH 2021	12 MONTHS ENDED 31 DECEMBER 2019
	SHARES 000	SHARES 000
Balance at beginning of financial period	2,151,797	1,901,797
Shares issued	18,869,411	250,000
Balance at end of financial period	**21,021,209**	**2,151,797**

Fully paid ordinary shares

At the shareholders' meeting held on 11 June 2020, shareholders approved the issue of $8m of new equity for cash at a price of $0.001 per share to finance the acquisition of the aged care facilities from the Brankin Family Interest Trust and to provide working capital. This equated to an additional 8 billion shares issued. A further 6 billion shares were issued to equity subscribers to assist with the purchase of the aged care facilities at a price of $0.001 per share, equating to a value of $6m.

Also approved on 11 June was a Share Purchase Plan (SPP) enabling existing shareholders on 03 March 2021 to invest up to $15,000 each in new equity at a price of $0.001 per share, subject to a maximum issue of 5 billion shares. As at 31 March 2021, SPP Funds of $1.701m had been received resulting in the issue of 1.7 billion shares.

In December 2020, a further 750 million shares were issued at a price of $0.001 per share to provide additional capital with another 250 million shares issued in March 2021.

On 24 March 2021 at a special meeting of shareholders it was resolved:

- 1,557,683,100 Shares be issued at a price of $0.001 per share to the Brankin Family Interest Trust to capitalise a loan.
- 300,000,000 Shares be issued at a price of $0.001 to the Brankin Family Interest Trust to raise additional capital.
- 92,683,333 Shares be issued at a price of $0.001 to the Directors to capitalise part of the unpaid Directors' fees.
- Capitalisation of Brankin loan within the Creep Limit, $0.218m at a price of $0.001

To summarise, the opening balance of share capital for the period was $58.5m, a further $18.9m of shares were issued during the period, with associated costs of $0.335m. This results in a closing share capital balance of $77.1m.

Unpaid ordinary shares – treasury shares

The Group previously operated an Employee Share Ownership Scheme for eligible staff, being employees or contractors, to purchase shares. There were nil unpaid shares (2019: 16,595,856) available for issue at balance date as part of the Employee Share Scheme as the scheme and all unpaid shares were cancelled in February 2020. The unallocated and unpaid ordinary shares were previously held by Promisia Trustee Limited.

18. EARNINGS PER SHARE

	15 MONTHS ENDED 31 MARCH 2021	12 MONTHS ENDED 31 DECEMBER 2019
	$000	$000
Net Gain/(Loss) from continuing operations	26	(294)
	CENTS PER SHARE	CENTS PER SHARE
Basic and diluted earnings per share	0.00037	(0.01514)
	NUMBER OF SHARES 000'S	NUMBER OF SHARES 000'S
Weighted average number of shares for basic and diluted EPS	7,077,555	1,941,523

The calculation of basic earnings per share is based on the loss from continuing operations attributable to ordinary shareholders and the weighted average of total ordinary shares on issue during the year. The calculation of diluted earnings per share is the same calculation as basic earnings per share as there were no share options to be exercised (2019: nil).

19. FINANCIAL INSTRUMENTS

The financial instruments consist of cash and cash equivalents, trade and other receivables, trade and other payables, occupancy advances, loans, and lease liabilities.

Credit risk management

Credit risk is the risk of failure of a debtor or counterparty to honour its contractual obligation resulting in financial loss to the Group.

Financial assets which potentially subject the Group to credit risk, consist principally of cash and cash equivalents, and trade and other receivables. The maximum credit risk at 31 March 2021 is the fair value of these assets. The Group does not require collateral from its debtors.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the 15 months ended 31 March 2021

The Directors consider the Group's exposure to any concentration of credit risk to be minimal, given that (typically):

- The occupation of a retirement unit does not occur until a deposit has been received from the incoming resident.
- Care fees are payable monthly in advance from residents.
- Care fees not due from residents are paid by government agencies.

The total credit risk to the Group at 31 March 2021 was $1,743k (2019: $0.034m) and there were no material overdue debtors at 31 March 2021 (2019: $nil).

Interest-rate risk

The interest rates applicable to the bank loans are a mixture of fixed and variable and are reviewed at maturity of each fixed term loan. There is $9.5m of bank debt that is floating interest rate. A 1% increase in interest rates would cost the Group an additional $0.095m in interest expense annually.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due without incurring unacceptable losses or risking reputational damage. The Group manages liquidity to ensure it has sufficient liquidity to meet its liabilities when they fall due..

The Group manages liquidity risk on occupancy advances through the contractual requirements in the occupancy rights agreement. Following a termination of the agreement, the occupancy advance is repaid on receipt of the new occupancy advance from the incoming resident.

Ultimate responsibility for liquidity risk management rests with the Directors, who have built an appropriate liquidity risk management framework for the management of the Group's short, medium, and long-term funding.

The group manages liquidity risk by maintaining adequate reserves, banking facilities, and reserve borrowing facilities, and by regularly monitoring forecast and actual cash flows and maturity profiles of financial assets and liabilities.

Maturity profile

The following table details the exposure to liquidity risk (including contractual interest obligations for bank loans and other loans).

	CONTRACTUAL MATURITY DATES								
	2021					2019			
	CURRENT	NON-CURRENT				CURRENT		NON CURRENT	
	Less Than 1 Year $000	1-2 Years $000	2-4 Years $000	5+ Years $000	TOTAL $000	Within 6 Months $000	6-12 Months $000	Greater Than 1 Year $000	TOTAL $000
Financial Liabilities:									
Payables and accruals	1,083	-	-	-	1,083	565	-	-	565
Bank loans (secured)	677	692	10,933	420	12,722	-	-	-	-
Other loans	172	73	5,146	720	6,111	57	-	798	855
Interest obligations	1,101	1,097	1,329	436	3,963	-	-	-	-
Occupancy advances	2,406	2,406	4,662	1,058	10,533	-	-	-	-
Lease liabilities	479	509	1,112	7,940	10,040	-	-	-	-
	5,918	**4,777**	**23,182**	**10,574**	**44,452**	**622**	**-**	**798**	**1,420**

Occupancy advance repayment figures above have been calculated based on average occupancy years formulated by the valuer in determining investment property fair values at 31 March 2021.

The Group renews its facilities annually to ensure an appropriate portion matures on a regular basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the 15 months ended 31 March 2021

Market risk

The Group is primarily exposed to interest rate risk.

Based on the level of interest-bearing variable rate debt the Group's profit and total comprehensive income would decrease/increase by $0.064m from an increase/decrease in the interest rate by 50 basis points.

Foreign currency risk

The overseas subsidiaries of the Group have minimal to no activity, and it is expected that these entities will be deregistered within the next 12 months.

Capital management

The Group's capital includes share capital, reserves and retained earnings. The objective of the Group's capital management is to ensure a strong credit rating to support business growth and maximise shareholder value

The Group's capital is managed at parent company level. The Group is subject to capital requirements imposed by its lenders through covenants agreed as part of the lending facility arrangements. The Group has met all externally imposed capital requirements for the period ending 31 March 2021.

20. AUDIT

The financial statements for the 15 months ending 31 March 2021 have been audited. The comparative period for 31 December 2019 has been audited.

Audit fees of $50,000 (2019 $25,000) are provided for the audit of the 2021 financial statements only. A one-off interim audit to 30 October 2020 with fees of $32,960 was undertaken during the year to assist with the purchase treatment of the aged care assets. There were no other fees paid to the Auditor.

21. OPERATING SEGMENTS

The Group acquired and will be operating several rest homes and retirement villages. These facilities all provide a similar product to a similar customer in the same regulatory environment.

The group operates in one operating segment being the provision of aged care in New Zealand. 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.

Therefore, it is appropriate to report solely on the Group performance.

During the period reporting period the Group has transitioned from developing and marketing research based natural dietary supplements to the ownership and operation of retirement villages, rest homes, and hospitals for the elderly within New Zealand. Assets and liabilities at the end of the period relate to the aged care business activity.

22. CAPITAL COMMITMENTS

There is a signed option to purchase Aldwins House at an agreed price of $10m plus an amount equal to the unpaid balance of the loan amount provided by the landlord for the fit-out (up to a maximum of $1m). The option must be exercised by 1 August 2021.

Fit out of Aldwins House has exceeded $1m and will require additional funding from the Group to complete. $1.6m has been capitalised to 31 March 2021 and it is expected a further $0.4m is required for completion.

If the option to purchase Aldwins House is exercised, the unpaid balance of the loan from the landlord becomes immediately payable. This would increase the cost of acquisition to $10m plus the balance of the landlord's loan.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the 15 months ended 31 March 2021

The Group has entered into a fixed price agreement for the development land surrounding the Ranfurly Residential Care Centre. The agreement provides a period of seven years for the development of ten internal units, two 1-bedroom villas and thirty 2-bedroom villas to be completed at a fixed price of $14.18m to be paid from the ORA sale proceeds from individual units.

23. CONTINGENT LIABILITIES

There are no contingent liabilities at the reporting date. (2019: $nil).

24. RECONCILIATION OF NET PROFIT AFTER TAX WITH NET CASH FLOW FROM OPERATING ACTIVITIES

	15 MONTHS ENDED 31 MARCH 2021	12 MONTHS ENDED 31 DECEMBER 2019
	$000	$000
Net gain/(loss) from continuing operations	**26**	**(294)**
Adjusted for:		
Movements in balance-sheet items		
Occupancy advances	1,156	-
Trade and other payables	1,979	294
Trade and other receivables	(1,927)	51
Inventories	-	48
Income Tax	478	-
Non-cash items:		
Depreciation and amortisation	99	11
Depreciation of right-of-use-assets	278	-
Deferred tax	(303)	-
Fair-value movement of investment properties	(1,250)	-
Impairment of debtors & inventory	-	1,114
Loss on sale plant & equipment	-	15
Discontinued operations net of tax	30	(2,107)
Net operating cash flows	**566**	**(868)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the 15 months ended 31 March 2021

25. SUBSIDIARY COMPANIES

The subsidiaries (controlled entities) held by the parent company were as follows:

	PRINCIPAL ACTIVITIES	COUNTRY OF INCORPORATION	31 MARCH 2021 INTEREST HELD BY PARENT (%)	31 DECEMBER 2019 INTEREST HELD BY PARENT (%)
Eileen Mary Age Care Limited	Rest home operation	New Zealand	100	-
Eileen Mary Age Care Property Limited	Village ownership	New Zealand	100	-
Ranfurly Manor Limited	Rest home operation	New Zealand	100	-
Ranfurly Manor No: 1 Limited	Village ownership	New Zealand	100	-
Nelson Street Rest Home Limited	Rest home operation	New Zealand	100	-
Aldwins House Limited	Rest home operation	New Zealand	100	-
Aged Care Holdings Limited	Holding company	New Zealand	100	-
Promisia Limited	Inactive	New Zealand	100	100
Benefit Arthritis Limited	Inactive	New Zealand	100	100
Promisia Trustee Limited	Trustee	New Zealand	100	100
Promisia Australia Pty Limited	Inactive	Australia	100	100
Promisia (USA) LLC	Inactive	United States	100	100

26. KEY MANAGEMENT PERSONNEL COMPENSATION

The compensation of the directors and executives, being the key management personnel of the Company, is set out below.

	15 MONTHS ENDED 31 MARCH 2021	12 MONTHS ENDED 31 DECEMBER 2019
	$000	$000
Salaries and short term employee benefits including termination benefits	359	283

27. SUBSEQUENT EVENTS

There are no other matters or circumstances since the end of the reporting period that have significantly or may significantly affect the Group's operations.

Promisia Healthcare Limited

Independent auditor's report to the Shareholders

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements Promisia Healthcare Limited (previously Promisia Integrative Limited) and its subsidiaries (the Group), which comprise the consolidated Balance Sheet as at 31 March 2021, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the 15 months then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2021, and of its consolidated financial performance and its consolidated cash flows for the fifteen months then ended in accordance with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) and International Financial Reporting Standards.

Basis for Opinion

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

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

Key Audit Matters

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

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ACQUISITION OF AGED CARE FACILITIES	
Area of focus - Refer also to Notes 1 & 2	**How our audit addressed it**
On 30 October 2020 the Group completed the purchase of three aged care facilities for $31.4m. This has been accounted for by the Pooling of Interests Method with effect from 30 October 2020.	Our audit procedures included: — Reviewing and analysing the contracts underlying the transaction — Analysing the Group's treatment of the acquisition as a Pooling of Interest Method — Completing substantive audit procedures over the transaction ensuring all balances were appropriately transferred at book value from the businesses acquired — Ensure appropriate disclosure has been included in the financial statements

INVESTMENT PROPERTY	
Area of focus - Refer also to Notes 4 & 5	**How our audit addressed it**
The Group has acquired significant Investment Property of $40.7m which has been recorded at fair value at 31 March 2021. The valuation of the Group's retirement village portfolio is inherently subjective and is based on unobservable inputs. A small variation of certain assumptions could result in a material adjustment to the carrying values. The property valuations were performed by an independent third party and registered valuer, CBRE Limited. The valuer is well known with extensive experience in the sector in which the Group operates.	Our audit procedures included: — We reviewed the independent valuations reports and tested their calculations to ensure that the valuation methodology was in compliance with relevant accounting standards — Holding separate discussions with the Directors to gain an understanding of the assumptions applied and estimates used — Engaging an independent third-party expert to review the valuation methodologies and the key assumptions — We completed a benchmark analysis on other valuations reported in the sector the Group operates — We assessed the Valuers qualifications, expertise and their objectivity, and we found no evidence to suggest that was impaired — We considered the impact of COVID-19 on the valuation and current market conditions in the residential real estate market — Ensuring appropriate disclosure has been included in the financial statements

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

The directors are responsible for the Annual Report which includes information other than the consolidation financial statements and the audit report. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

William Buck

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

Directors' Responsibilities

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

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

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

Restriction on Distribution and Use

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

William Buck

William Buck Audit (NZ) Limited
Auckland

22 June 2021

CORPORATE GOVERNANCE

GOVERNANCE

Strong governance is fundamental to the performance of Promisia Healthcare Limited and Promisia's Board is ultimately responsible for ensuring that the Company and its subsidiaries maintain high ethical standards and corporate governance practices.

Promisia is committed to enhancing investor confidence through good corporate governance practice and accountability in accordance with the Promisia Group Corporate Governance Code – refer to www.promisia.co.nz for the full document.

For the 15 months ended 31 March 2021 (FY21), the Board believes that Promisia's corporate governance practices are appropriately aligned with the NZX Code. Any exceptions are identified where appropriate under Principles 1 to 8 below.

The key corporate governance documents referred to in this report are available on Promisia's website www.promisia.co.nz.

PRINCIPLE 1: CODE OF ETHICAL BEHAVIOUR

"Directors should set high standards of ethical behaviour, model this behaviour and hold management accountable for these standards being followed throughout the organisation."

Promisia maintains high standards of ethical behaviour and has a Code of Conduct (Appendix B in Promisia's Corporate Governance Code) by which the directors, employees, contractors for personal services and advisers of Promisia are expected to conduct their professional lives.

General principles within the Code of Conduct and Group Corporate Governance Code include (but are not limited to) requiring all directors and employees to:

- Act honestly and with personal integrity in all actions;
- In the case of directors, give proper attention to the matters before them and exercise their powers and duties with a due degree of care and diligence;
- Not make improper use of information acquired as a Director or employee, or of assets or resources of the Company;
- Comply with Company Codes at all times.

Processes are being put in place to ensure that all employees are aware of and understand these Codes. A review of the Code of Ethics was completed in May 2021.

Promisia encourages employees to speak out if they have concerns. The avenues for doing so are detailed in the company's Protected Disclosures (Whistleblowers) Policy.

Promisia also has a Securities Trading Policy, with additional trading restrictions applying to directors and senior managers. There have been no dealings in the companies securities other than as disclosed in notes 16 and 17.

Details of matters entered into the Interests Register by individual directors during FY20/21 are outlined on pages 61 of this report.

PRINCIPLE 2: BOARD COMPOSITION & PERFORMANCE

"To ensure an effective Board, there should be a balance of independence, skills, knowledge, experience and perspectives."

Promisia's Corporate Governance Code sets out the roles and responsibilities of the Board (and clearly distinguishes and discloses the respective roles and responsibilities of the Board and management). The focus of the Board is the creation of company and shareholder value and ensuring that the Company is committed to best practice.

A key responsibility of the Board is to formulate the Company's strategic direction. In addition, the Board has oversight of the financial and operational controls of the business including its risk management policies and strategies.

CORPORATE GOVERNANCE

The Board also has responsibility for fostering corporate culture, the appointment and remuneration of its senior executives, the adoption of corporate policies and plans and the approval of major transactions.

Board composition

As at 31 March 2021, the Board was comprised of three independent directors and one non-independent Executive Director. Their selection has been based on the value they bring to the Board table including their skills, commercial experience, strategic thinking and general business acumen.

In order for a director to be independent, the Board has determined that he or she must not be an executive of Promisia Healthcare Limited and must have no disqualifying relationship. The Board follows the guidelines of the NZX Listing Rules. The Chairman is an Independent Director who is elected by the directors. The Chairman and the Executive Director are different people.

As at 31 March 2021, Board members were:

- Stephen Underwood, Independent Chairman
- Duncan Priest, Independent Director
- Thomas Brankin, Non-Independent Executive Director (Thomas Brankin and associated interests hold a 51.3% shareholding in Promisia Healthcare Limited)
- Helen Down, Independent Director

Details of each Director, along with their experience, length of service, independence and ownership interests and attendance at Board meetings are included in this Annual Report. Director profiles are also available on the Company's website.

The nomination process for new Director appointments is the responsibility of the Board as a whole. The Board may engage consultants to assist in the identification, recruitment, and appointment of suitable candidates.

Newly elected directors are expected to familiarise themselves with their obligations under the constitution, Board Charter and the NZX Listing Rules. Training is also provided to new and existing directors where required to enable directors to understand their obligations.

In accordance with the NZX Listing Rules, directors will retire and may stand for re-election by shareholders at least every three years. A Director appointed since the previous Annual Meeting holds office only until the next Annual Shareholders' Meeting but is eligible for re-election at that meeting.

The Board asks for Director nominations each year prior to the Annual Shareholders' Meeting, in accordance with the constitution of the Company and the NZX Listing Rules.

The Company encourages all directors to undertake appropriate training and education so that they may best perform their duties. This includes attending presentations on changes in governance, legal and regulatory frameworks; attending technical and professional development courses; and attending presentations from industry experts and key advisers.

The performance of the Board is reviewed periodically to assess the performance of each Director, each Committee and the Board as a whole. The most recent evaluation of Board performance was undertaken in June 2021. The Chair of the Board also regularly engages with individual directors to evaluate and discuss performance and professional development.

Diversity

Promisia is committed to bringing diversity to life in its employment practices and across all aspects of the business.

The Board and Company believe in providing equality of opportunity in employment, irrespective of age, ethnic or national origin, gender, sexual orientation, family circumstances, disability, religious or ethical belief, or economic background.

The Company has recently finalised a Diversity and Inclusion Policy which outlines Promisia's approach towards diversity.

CORPORATE GOVERNANCE

For the 15 months ended 31 March 2021, the Board is comfortable that Promisia's employment practices and HR processes and practices were in line with the intent of its Diversity and Inclusion Policy.

The Officers of the Company (as defined by the NZX Listing Rules) are the CEO and specific direct reports of the CEO having key functional responsibility. As at 31 March 2021, females represented 25% of directors. The Company did not have any Officers as at 31 March 2021. Promisia has 228 employees of which 10% are male and 90% are female.

As at 31 March	FY20/21 Male	FY20/21 Female	FY19 Male	FY19 Female
Directors, including the Executive Director	3	1	3	1
Officers	0	0	1	0

PRINCIPLE 3: BOARD COMMITTEES

"The Board should use Committees where this will enhance its effectiveness in key areas, while still retaining Board responsibility."

Given the size of Promisia's business, the Board as a whole has responsibility for matters relating to the nomination and appointment of directors and remuneration matters.

The Board has established an Audit and Risk Management Committee to assist the Board in carrying out its responsibilities under the Companies Act 1993 as it concerns accounting practices, policies and controls relative to the Company's financial position and to make appropriate enquiry into any audit of the Company's financial statements. This responsibility includes providing the Board with additional assurance about the quality and reliability of any financial information issued publicly by the Company from time to time.

Audit and Risk Management Committee

Members: Duncan Priest (Chair), Stephen Underwood, Helen Down

Promisia's Audit and Risk Management Committee is comprised solely of directors of the Company, with the majority of members being independent directors. There are three members in the Audit and Risk Management Committee and two of these have an accounting or financial background. The Committee's chair is not the Chair of the Board.

The Committee has terms of reference (Charter), which is reviewed and approved by the Board. This is available on the Company's website. The Charter was last reviewed in May 2021.

Directors who are not members of the Audit and Risk Committee are able to attend Audit and Risk Committee meetings as they wish. Employees may only attend those meetings at the invitation of the Audit and Risk Committee.

Ultimately the Board as a whole is responsible for the accuracy and relevance of the Company's financial statements. The Audit Committee provides additional and more specialised oversight. The Audit Committee also reviews the operation of internal controls together with the quality and cost of the external audit undertaken by the Company's auditors.

Other Committees

The Board establishes other Committees as required. In the case of a takeover offer, Promisia will form an Independent Takeover Committee to oversee disclosure and response and engage expert legal and financial advisors to provide advice on procedure.

Director Meeting Attendance

The Board meets as often as it deems appropriate including sessions to consider the strategic direction of Promisia and forward-looking business plans. Video and/or phone conferences are also used as required.

CORPORATE GOVERNANCE

The table below sets out Director attendance at Board and Committee meetings during FY20/21. In addition to the scheduled Board Meetings, the Board held numerous additional virtual meetings and calls during the year in response to COVID-19 or the transaction process.

	Board	Audit and Risk Management Committee
Total number of meetings held	**4**	**1**
Stephen Underwood	4	1
Duncan Priest	4	1
Helen Wood	2	1
Tom Brankin	4	1

PRINCIPLE 4: REPORTING & DISCLOSURE

"The Board should demand integrity in financial and non-financial reporting, and in the timeliness and balance of corporate disclosures."

The Board focuses on providing accurate, adequate and timely information both to its shareholders and to the market generally. This enables all investors to make informed decisions about the Company. All significant announcements made to NZX, and reports issued, are posted on the Company's website.

The Company has procedures in place to ensure that it complies with its continuous disclosure requirements under the NZX Listing Rules, and in particular so that:

- All investors have equal and timely access to material information concerning the Company, including its financial situation, performance, ownership and governance.
- Company announcements are factual and presented in a clear and balanced form.
- Accountability for compliance with disclosure obligations is with the Chairman and the Chief Executive Officer.
- Significant market announcements, including the preliminary announcement of the half year and full year results, the accounts for those periods and any advice of a change in earnings forecast are approved by the Board.

Promisia's Continuous Disclosure Policy governs the release to the market of all material information that may affect the value of the Company.

Copies of the key governance documents, including the Continuous Disclosure Policy, Code of Conduct, Securities Trading Policy and Board and Committee Charters are available on the Company's website.

Financial Reporting

The Board is responsible for ensuring that the financial statements give a true and fair view of the financial position of Promisia and have been prepared using appropriate accounting policies, consistently applied and supported by reasonable judgements, estimates and for ensuring all relevant financial reporting and accounting standards have been followed.

The Board's Audit and Risk Management Committee oversees the quality and integrity of external financial reporting, including the accuracy, completeness, balance and timeliness of financial statements. It reviews Promisia's full and half year financial statements and makes recommendations to the Board concerning accounting policies, areas of judgement, compliance with accounting standards, stock exchange and legal requirements, and the results of the external audit.

All matters required to be addressed, and for which the Committee has responsibility, were addressed during the reporting period.

CORPORATE GOVERNANCE

For the 15 months ended 31 March 2021, the directors believe that proper accounting records have been kept which enable, with reasonable accuracy, the determination of the financial position of Promisia and facilitate compliance with the Financial Markets Conduct Act 1993.

The Executive Director has confirmed in writing to the Board that Promisia's external financial reports present a true and fair view in all material aspects. Promisia's full and half year financial statements are available on the Company's website.

Non-financial Reporting

Given Promisia's size, the Board has elected not to adopt a formal environmental, social and governance framework. Promisia discusses its strategic objectives and its progress against these in the Chair and CEO's commentary in shareholder reports, and at other investor events during the year including investor presentations and the Annual Shareholders' Meeting. Promisia is committed to using its resources responsibly and will look for opportunities to reduce any negative environmental risk or impact from business operations, products and services. The Board will encourage diversity and will not knowingly participate in business situations where Promisia could be complicit in human rights and labour standard abuses.

PRINCIPLE 5: REMUNERATION

"The remuneration of directors and Executives should be transparent, fair and reasonable."

Shareholders fix the total remuneration available for directors. Approval is sought for any increase in the pool available to pay directors' fees, and any recommendations to shareholders regarding Director remuneration are provided for approval in a transparent manner. Board policy is that no sum is paid to a director upon retirement or cessation of office.

External advice is sought on a regular basis to ensure remuneration is benchmarked to the market for senior management positions, directors and Board positions. The last review of Director remuneration was undertaken in May 2020.

The Company has a Remuneration Policy which outlines the processes and framework for remuneration of company employees.

Details of director remuneration is detailed below. Executive remuneration, including entitlements, is set out on pages 58 and 62 of the Annual Report.

Remuneration of directors

The amount payable currently to each non-executive director is $25,000 per annum (other than the Chairman). The Chairman is paid $75,000 per annum. The Executive Director receives $50,000 per annum. The Company's remuneration policy is in line with best practice guidelines from the New Zealand Institute of Directors.

At the Special Meeting on 2 March 2021, shareholders approved the issue of 62,683,333 shares at an issue price of 0.1c to selected directors in lieu of directors' fees for the period from February 2019 to 31 October 2020.

Remuneration of Executives and Employees

Executive remuneration consists of a salary (including Kiwisaver contributions from the business) with the ability to participate in share options being granted from time to time as an additional incentive. The review and approval of the CEO's remuneration is the responsibility of the Board. The previous CEO's remuneration comprised a fixed base salary, and a long term incentive, being participation in the Group's Staff Share Scheme.

CORPORATE GOVERNANCE

Mr Rene de Wit resigned as CEO, effective from 9 December 2020. His remuneration until this date, can be summarised as follows:

	Salary	Benefits	Total Remuneration
FY21	175,422	5,263	180,685
FY19	200,000	6,000	206,000

Tom Brankin assumed the role of Executive Director from 9 December 2020. Tom Brankin received no remuneration other than directors fees.

PRINCIPLE 6: RISK MANAGEMENT

"Directors should have a sound understanding of the material risks faced by the issuer and how to manage them. The Board should regularly verify that the issuer has appropriate processes that identify and manage potential and material risks."

Promisia is committed to proactively managing risk. While this is the responsibility of the whole Board, the Audit and Risk Management Committee assists the Board and provides additional oversight in regards to the risk management framework and monitoring compliance with that framework.

The Board delegates day to date management of the risk to the Chief Executive. The executive team and senior management are required to identify regularly the major risks affecting the business and develop structures, practices and processes to manage and monitor these risks. Individual risks are discussed with the Board in detail as required.

Key financial risks are set out on pages 45 to 47 of the financial statements. Non-financial risks have been summarised as:

- The loss of government funding - The facilities receive residential care subsidy funding from the local DHBs which may be subject to change. Any loss in aged care facility funding will have a material adverse effect on financial performance.
- Changes to legislation – Aged care providers need to meet standards set by the Health and Disability Services Standards (HDSS) and all facilities that provide independent living also need to comply with the Retirement Villages Act 2003. Significant changes to certification standards and requirements of retirement village operators may create additional obligations and costs on aged care operators. Any such additional obligations and cost may have a material adverse effect on financial performance.
- Labour availability, cost and turnover - aged care facilities rely on the staffing of care and non-care positions. These positions are paid at the lower end of pay scales, primarily due to underfunding by the DHBs. Labour availability and cost makes attracting staff to the aged care sector difficult.
- The Aldwins property attracting sufficient residents to reach occupancy rates that will allow Promisia to at least cover the cost of operating the Aldwins facility.

The Board is satisfied that Promisia has in place a risk management process to identify, manage effectively and monitor Promisia's principal risks. Promisia maintains insurance policies that it considers adequate to meet its insurable risks.

Health and Safety

The Board recognises that effective management of health and safety is essential for the operation of a successful business, and its intent is to prevent harm and promote wellbeing for employees, contractors and customers. The Board is responsible for ensuring that the systems used to identify and manage health and safety risks are fit for purpose, being implemented effectively, reviewed regularly and improved continuously.

Health and Safety reports, including incident reports, for all business units are included in the compliance section of Board papers. There were no reportable incidents in the five months following the acquisition of the aged care businesses.

CORPORATE GOVERNANCE

PRINCIPLE 7: AUDITORS

"The Board should ensure the quality and independence of the external audit process."

External Auditors

The Board's relationship with its external auditors is governed by the Audit and Risk Management Committee Charter and ensures that audit independence is maintained, both in fact and appearance, such that Promisia's external financial reporting is viewed as being reliable and credible.

It is the responsibility of the Audit and Risk Committee to maintain free and open communication between the directors and external auditors and to approve any non-audit engagements performed by the audit firm.

For FY20/21, William Buck New Zealand was the external auditor for Promisia Healthcare Limited. William Buck was first appointed as auditor on 31 May 2019 and was re-appointed under the Companies Act 1993 at the May 2020 Annual Shareholders' Meeting.

All audit work at Promisia is separated from non-audit services, to ensure that appropriate independence is maintained. William Buck provided only audit work in FY20/21. The amount of fees paid to William Buck during FY20/21 are identified on page 47.

William Buck has provided the Audit and Risk Management Committee with written confirmation that, in its view, it was able to operate independently during the year.

William Buck is available to attend each Annual Meeting of the Company, and the Audit Director is available to answer questions from shareholders at that Meeting. William Buck did not attend the May 2020 Annual Meeting due to Covid-19 restrictions.

Promisia has several internal controls overseen by the Audit and Risk Management Committee, including controls for computerised information system, security, business continuity management, insurance, health and safety, conflicts of interest, and prevention and identification of fraud. Promisia does not have a dedicated Internal Auditor role.

PRINCIPLE 8: SHAREHOLDER RIGHTS & RELATIONS

"The Board should respect the rights of shareholders and foster constructive relationships with shareholders that encourage them to engage with the issuer."

Promisia is committed to ensuring that its shareholders are kept up to date with key activities and are provided with relevant information about the Company and its performance.

The Company communicates with shareholders during the financial year through annual and half year reports and at the Annual Shareholders Meeting (ASM). Given the COVID-19 environment, the Board took the prudent step to hold the May 2020 ASM online only. The ASM was streamed live and was accessible worldwide.

Promisia maintains an investor relations section on the company's website. This provides access to key corporate governance documents, copies of all major announcements, company reports and presentations. Written communications and reports are available on the Company's website, as well as emailed to shareholders that elect to be emailed. NZX announcements are also available on the NZX website www.nzx.com/companies/PHL/announcements.

In accordance with the NZX Listing Rules, shareholders have the right to vote on major decisions which may change the nature of the Company. Each shareholder has one vote per share and voting is conducted by polls.

The notice of the Annual Shareholders Meeting is announced on the NZX and sent to shareholders at least 20 working days prior to the meeting each year. In 2020, 10 working days' notice was provided, due to disruptions caused by Covid-19 and the transaction.

All shareholders are given the option to elect to receive electronic communications from the Company.

CORPORATE GOVERNANCE

In addition to shareholders, Promisia has a wide range of stakeholders and maintains open channels of communication for all audiences, including brokers, the investing community and the New Zealand Shareholders' Association, as well as its staff, suppliers and customers.

Variance to NZX Corporate Governance Code

NZX Code Principle	NZX Code Recommendation	Key Difference	Status
3. Board Committees	3.3 An Issuer should have a Remuneration Committee	PHL does not have a Remuneration Committee	Remuneration is a matter for the whole of the Board
	3.4 An issuer should have a Nomination Committee	PHL does not have a Nomination Committee	Nomination of directors is a matter for the whole of the Board
4. Reporting and Disclosure	4.3 Non-financial disclosures including environmental, economic and social sustainability risks	PHL does not have a formal sustainability programme	An ESG programme will be assessed in FY22
5. Remuneration	5.2 Remuneration policy for remuneration of directors and officers	PHL does not have a Remuneration Policy	Policy will be prepared in FY22
8. Shareholder Rights and Relations	8.5 Notice of Meeting to be provided at least 20 working days prior to meeting	The May 2020 Notice of Meeting was provided 10 days prior to the Meeting	The notice period was affected by the Covid-19 lockdown

OTHER DISCLOSURES

Section 140(1) of the New Zealand Companies Act 1993 requires a director of a company to disclose certain interests. Under subsection (2) a director can make disclosure by giving a general notice in writing to the company of a position held by a director in another named company or entity. The following particulars were entered in the Company's Interests Register for the year ended 31 March 2021:

Directors Interests

Director	Company/Entity	Nature of Interest
Stephen Underwood	Promisia Healthcare Limited and subsidiaries	Shareholder and Director
(Chairman)	Central Securities Ltd	Shareholder and Director
	Central Nominees Ltd	Shareholder and Director
	Insolvency Associates Ltd	Shareholder and Director
	Normandy Holdings Ltd	Shareholder and Director
	Panama Direct Ltd	Shareholder and Director
	Raurimu Nominees Ltd	Shareholder and Director
	Renouf Corporation Ltd	Shareholder and Director
	Tuff Lite Ltd	Shareholder and Director
Tom Brankin	Promisia Healthcare Limited and subsidiaries	Shareholder and Director
(Executive Director)	iAgri Ltd	Shareholder and Director
	iAgri 2003 Ltd	Shareholder and Director
	Design Care Group Ltd	Shareholder and Director
	OTB Properties Ltd	Shareholder and Director
Helen Down	Promisia Healthcare Limited and subsidiaries	Shareholder and Director
	Hutt Valley chamber of Commerce	Chief Executive
	Advisory Boards NZ Limited	Shareholder and Director
Duncan Priest	Promisia Healthcare Limited and subsidiaries	Shareholder and Director

Directors Holdings

Director	Shares Held
Stephen Underwood	115,492,227
Thomas Brankin	11,237,167,511
Helen Down	500,000
Duncan Priest	60,819,648

OTHER DISCLOSURES

Securities dealings

There have been no dealings in the companies securities other than as disclosed in notes 16 and 17.

Indemnity and Insurance

Promisia maintains Directors' and Officers' liability insurance for its Directors and Officers.

NZX Listing Rule Waivers

On 3 March 2021, the Company was granted a waiver from NZX Listing Rule 7.8.5(b) in connection with its notice of special meeting of shareholders dated 3 March 2021 to consider resolutions approving the issue of shares, where more than 50% of the shares to be issued were intended to be acquired by Directors or Associated Persons of Directors. The Company was granted this waiver to the extent this rule required the Company to prepare an appraisal report to accompany the notice of special meeting.

Credit rating

Promisia has no credit rating.

Employee remuneration

The number of employees or former employees of the company, not being directors of the company, who, during the accounting period, received remuneration and any other benefits in their capacity as employees, the value of which was or exceeded $100,000 per annum.

$	FY21	FY19
$180,001 – $190,000	1	
$200,001 - $210,000		1

Directors Remuneration

Included on page 57 under Principle 5.

Director appointment dates

The date of each Director's first appointment to the position of Director is provided below. Since the date of first appointment, Directors have been re-appointed at annual meetings when retiring by rotation as required.

Director	Date first appointed	Date last re-appointed
Stephen Underwood	8 June 2005	31 May 2019
Tom Brankin	7 May 2013	31 May 2019
Helen Down	30 May 2017	11 June 2020
Duncan Priest	3 October 2012	31 May 2018

Donations

The Group made no donations during the period 1 January 2020 to 31 March 2021.

OTHER DISCLOSURES

Top 20 shareholders as at 11 June 2021

Rank	Holder	Number Held	% Held
1	Thomas David Brankin & Michael John Kirwin Lay	11,237,165,711	52.83
2	Te Whanganui A Tara Limited	1,700,000,000	7.99
3	Jillian Mary O`Brien	1,089,329,066	5.12
4	Donald Hamish Mackintosh	893,789,242	4.2
5	Public Trust Limited	515,000,000	2.42
6	Jarden Custodians Limited	500,000,000	2.35
6	Derek Montgomery Daniel & Aka Trustees Limited	500,000,000	2.35
7	3 J`S Limited	345,245,834	1.62
8	Aeneas Edward O`Sullivan	265,000,000	1.25
9	Turk Holdings Limited	222,417,555	1.05
10	Ian David Penny & Alexander James Mcphail & David Kenneth Brown	200,000,000	0.94
10	Brian John Drake	200,000,000	0.94
11	Douglas John Braithwaite	129,999,999	0.61
12	William Noel Coughlan & Judith Wynne Coughlan	120,000,000	0.56
13	Stephen Underwood	115,492,227	0.54
14	Andrew Alan Bardsley & Jacquiline Anne Bardsley	115,000,000	0.54
15	George Craig Royal	113,508,830	0.53
16	Christchurch Treeman Limited	95,000,000	0.45
17	Stephen Patrick Ward & Julie Patricia Ward & James Michael Ward	74,391,081	0.35
18	Paul Ainsworth	67,388,861	0.32
19	Eoin Malcolm Miller Johnson	65,000,000	0.31
20	Maurice Duncan Priest	60,819,648	0.29
		18,624,548,054	**87.56**

Spread of shareholders

Holding Range	No of Holders	Total Shares	% Issued Capital
1 to 500,000	1,117	70,740,863	0.3%
500,001 to 999,999	88	58,102,341	0.3%
1,000,000 to 1,000,000	33	33,000,000	0.2%
1,000,001 to 10,000,000	278	853,655,768	4.0%
10,000,001 to 50,000,000	75	1,455,127,538	6.8%
50,000,001 to 100,000,000	8	538,633,590	2.5%
100,000,001 to 500,000,000	12	2,826,664,445	13.3%
500,000,001 to 1,000,000,000	2	1,408,789,242	6.6%
Greater than 1,000,000,000	4	14,026,494,777	65.9%
Total	**1,617**	**21,271,208,564**	**100.0%**

OTHER DISCLOSURES

Total shares on issue

	No of Holders	Total Shares	%
Top 20	20	18,624,548,054	87.56
Other Investors	1,597	2,646,660,510	12.44
Total	**1,617**	**21,271,208,564**	**100**

Total shares on issue is 250,000 higher than at 31 March 2021 following the issue of 250,000 shares on 1 April 2021.

Substantial product holders

Name	No of Shares	% Held	Date of Disclosure Notice	Comments
Jillian Mary O'Brien	1,088,929,066	5.12	31/03/21	
Thomas David Brankin and Michael John Kirwin Lay as trustees of the Brankin Family Interest Trust	11,237,165,711	52.83	31/03/21	
Te Whanganui A Tara Limited	1,700,000,000	7.99	No Disclosure notice on NZX	Shares Previously held by "The Wellington Company Ltd" - Disclosure Notice was provided to the NZX dates the 30/10/21

Auditors' fees

These are detailed in note 20 to the financial statements.

DIRECTORY

Registered office and address for service
66 High Street, Leeston
Mail PO Box 66, Leeston, 7656
Mobile: +64 27 499 3387 (Stephen Underwood, Chairman)
Email: info@promisia.co.nz
Website: http://promisia.co.nz/

Directors
Stephen Underwood, Chairman, Independent Director
Thomas Brankin, Executive Director
Duncan Priest, Independent Director
Helen Down, Independent Director

Auditor
William Buck Audit (NZ) Limited
Level 4, 21 Queen Street
Auckland 1010

Share Registrar
Link Market Services
Level 7, Zurich House
21 Queen Street
P O Box 91976
Auckland 1142
Telephone: +64 9 375 5998
Facsimile: +64 9 375 5990
Email: enquiries@linkmarketservices.co.nz

Bankers
Bank of New Zealand
124 Victoria Avenue
Whanganui, 4500

Solicitors
Duncan Cotterill
Chartered Accountants House
Level 2, 50 Customhouse Quay
Wellington 601

Financial Calendar
Half year results announced November
End of financial year 31 March
Annual results announced May
Annual report June

Enquiries
Shareholders with enquiries about transactions, change of address or dividend payments should contact Link Market Services on +64 9 375 5998
or by email on enquiries@linkmarketservices.co.nz
Other questions may be directed to the Company at its registered address.

Stock Exchange
The Company's shares trade on the New Zealand Exchange under the code PHL.

Promisia

HEALTH AND CARE

www.promisia.co.nz