Annual Report 2024

The Radius Way

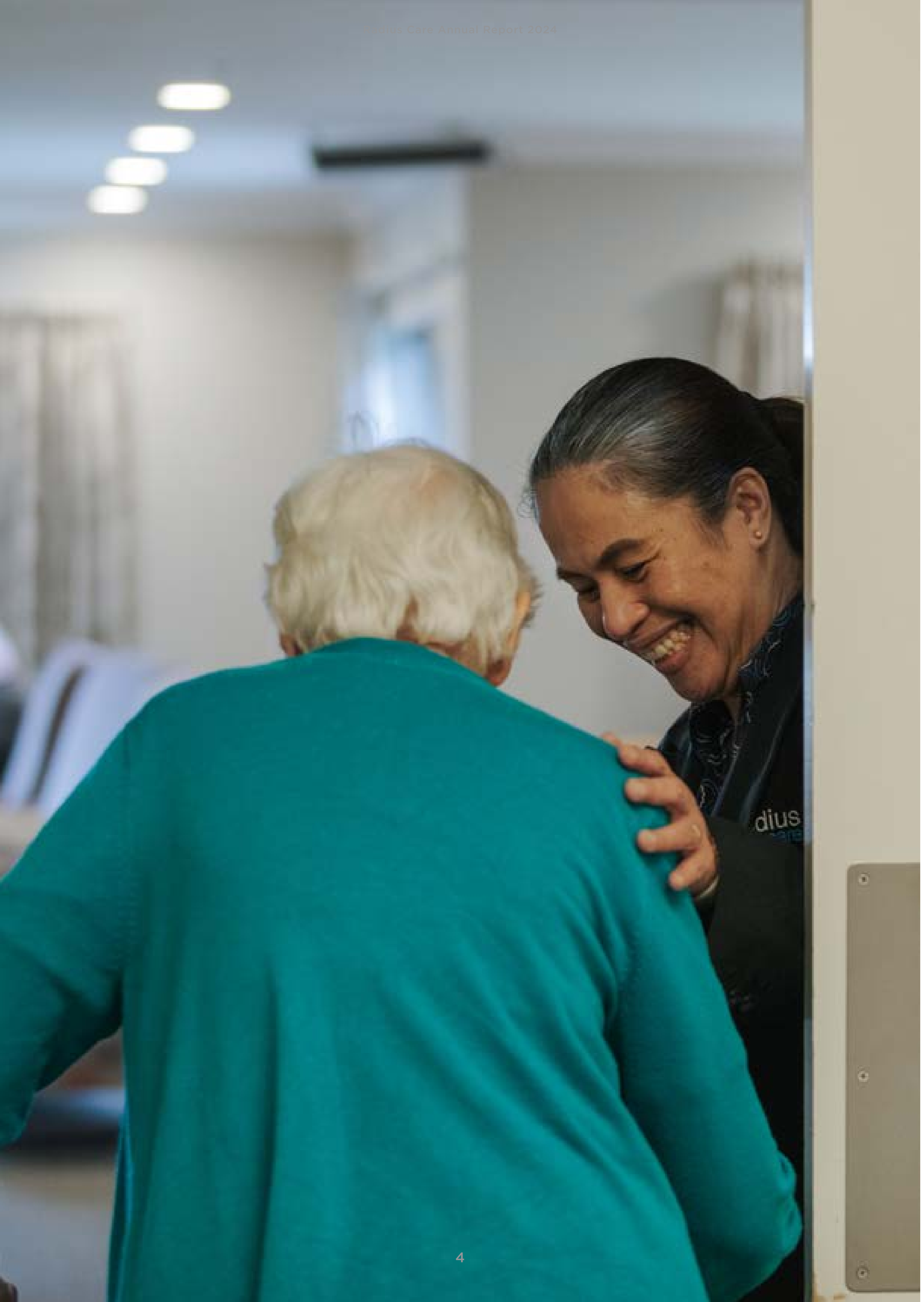
radius care

Jill and Merv enjoying happy hour at Radius Taupaki Gables.

Contents

This report is dated 25 June 2024. The annual report has been approved by the Board and is signed on behalf of Radius Residential Care Limited by Brien Cree, Executive Chair, and Hamish Stevens, Director.

Brien Cree **Hamish Stevens**



The *Radius Way*

Radius Care has been operating aged care homes across New Zealand for more than 20 years. Founder and Executive Chair, Brien Cree, was motivated to enter the aged care sector by personal experience. His mother suffered a major stroke requiring several years of hospital level care.

Brien came to believe that families with loved ones in aged care should be confident and comfortable that their loved ones were safe, had a good quality of life and were receiving the highest standard of care.

Out of Brien's experience, a unique approach and ethos evolved into what we now term, 'The Radius Way'. We believe this distinguishes Radius Care from all other aged care operators. It's our people, our processes, our systems and our culture. It's the way you feel when you enter one of our facilities and are greeted by an engaged, warm and welcoming staff member. It's the way you feel when you leave, knowing your loved one is in good hands, receiving exceptional care.

And it's no longer just our Radius care homes that are benefiting from The Radius Way. We're also branching out beyond aged care into private home care and complementary health services. With the growth of RConnect, we have expanded our clinical services into the wider aged care industry and in-home care contracts have further diversified our service offering.

At Radius, we have a laser focus on delivering exceptional care, but with a commercial lens. We look to drive efficiencies in everything we do, to reduce waste and to constantly strive for increased productivity. Getting more done and being efficient about it is baked into our operational model. We know how to deliver quality care and we put our resources in the right places.

The results speak for themselves. Our high acuity bed mix, coupled with our bespoke operating model, has enabled us to produce an underlying EBITDAR per bed of $25k, significantly ahead of our competitors. Achieving the highest possible certification in our last five audits is similarly exceptional.

As our momentum with The Radius Way continues to grow, in future years we're looking to expand both domestically and offshore to capitalise on our unique product and service. As we pave the way for significant expansion in this area, we know that it's our highly engaged, exceptional people with a focus on our purpose, that will guide us to our future successes.

We hope you join us for the ride.

Above *Brien with his mother.*

Opposite Page *Maricar giving Joyce a helping hand at Radius Millstream.*

This is Radius Care

At Radius Care we believe in the power of individualised care, providing support for people that meets their own specific needs. Whether they are a resident in one of our 23 care homes or four villages across New Zealand, or perhaps use products from our online Radius Shop to help them get out and about or to live independently in their own homes, we have a deep understanding of what quality care entails. Our belief is that it should always focus on the individual, their experiences, their loved ones, and our exceptional staff who genuinely care.

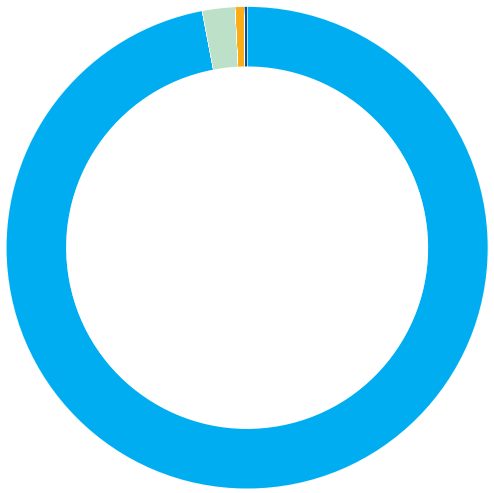
In 2016, we introduced our online store, Radius Shop, which offers products that encourage and support people to live as independently as they wish, and to provide relief and reassurance.

Our dedication to providing quality care led us to create RConnect, our own aged care Nursing Bureau, in 2023. Because we are experts in aged care, we know what staff need to know. All our nurses are given comprehensive training, ensuring they are fully equipped to work and care The Radius Way.

Our residents, customers and their whānau and friends are at the core of everything we do, as we foster a unique culture of care that supports them to live with dignity and in comfort.

Four business areas

Percentage of net revenue



- Care Homes 97%
- Villages 2.2%
- Radius Shop 0.6%
- RConnect 0.2%

Our strategies

Radius Care has operated profitably in the aged care sector primarily due to The Radius Way. Looking to the future, our strategy is now evolving to include the following strategic pillars:

Grow Scale

- Targeted Mergers and Acquisitions
- Brownfield Developments
- Greenfield Developments

Revenue Diversification

- Grow RConnect
- Expand Radius Shop
- Expand into complementary Health Services

The Radius Way

- Develop The Radius Way as a template for aged care services

Strong Aged Care Market Position

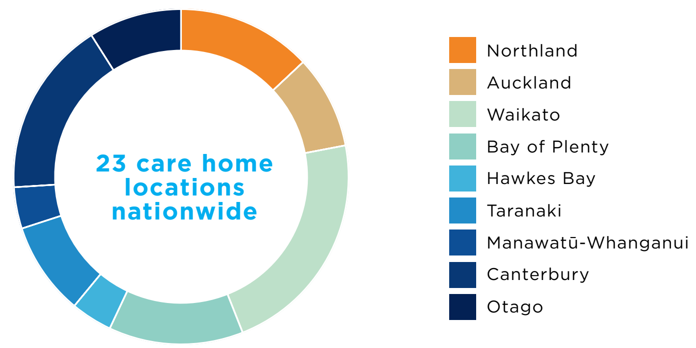
Radius Care is a leading New Zealand owned and operated aged care provider.

1,700+ employees

1,789 care beds

$166M care home net revenue

87% beds are high acuity



$3.7M village net revenue

148 village villas

Radius Shop

Our online store provides products to help people live independently in comfort and with dignity.

1.2K customers

$1M net revenue

RConnect

To ensure we are always able to provide exceptional care to our residents, we have established our own Nursing Bureau specialising in aged care.

150 personnel

$385K net revenue

Staff Values

The people at Radius Care are key to our success. They embody our values and are Exceptional People providing Exceptional Care (EPEC).

OUR YEAR: THIS IS RADIUS CARE

How We *Performed*

Total Revenue

$171.2M

17% FROM $146.3M

Available Funds from Operations (AFFO[1])

$7.4M

87% FROM $4.0M

Net Profit Before Tax

$3.6M

221% FROM $(3.0)M

Underlying EBITDA[1]

$20.9M

47% FROM $14.2M

Operating Cash Flow

$14.1M

249% FROM $4.0M

Accommodation Supplements

$9.8M

24% FROM $7.9M

Underlying EBITDAR[2] Per Care Bed

$24.7K

24% FROM $19.9K

Net Assets

$64.4M

12% FROM $72.9M

Total Assets

$334.7M

6% FROM $356.6M

1. Earnings before interest, tax, depreciation and amortisation. Underlying EBITDA and AFFO are non-GAAP[1] (unaudited) financial measures and were reconciled to GAAP measures in the Investor Presentation dated 29 May 2024.

2. Earnings before interest, tax, depreciation, amortisation and rent. Underlying EBITDAR is a non-GAAP (unaudited) financial measure and was reconciled to a GAAP measure in the Investor Presentation dated 29 May 2024.

Jill with Molly at Radius Taupaki Gables

Exceptional People
Record Result

Brien Cree, Executive Chair, and Andrew Peskett, Chief Executive Officer

We are proud to deliver the Radius Care Annual Report for the year ended 31 March 2024. Our record results follow another year of industry-leading performance across the business, with the company ending the year in a strong position.

The Radius Way continues to guide our teams as they prioritise better health outcomes for our residents while efficiently delivering essential health services. As always, we owe enormous thanks to our residents and their families for their continued support and to our exceptional people for their resilience and delivery of exceptional care.

We have delivered another record year in our key metric, underlying EBITDA. EBITDAR per bed, our measure of the financial performance of our core business of care, was an industry-leading $24.7k per bed, also a record for Radius Care.

This performance reflects the strength of our offering and our team. Double digit revenue growth was the result of accelerated admissions in the higher revenue hospital and specialised care segments, with an increased contribution from accommodation supplements. Costs were carefully managed everywhere in the business and the introduction of our clinical staffing bureau, RConnect, has enhanced our labour flexibility and generated an additional revenue stream by addressing staffing needs

Stella, Flo and Joan at Radius Althorp.

for other providers. Our retirement village portfolio is also performing well.

We significantly strengthened our balance sheet over the year. Strong operating cash flow and the sale of one care home allowed a 26.5% reduction in debt, the refinancing of short-term borrowings and the resumption of dividends.

Exceptional People

Our care homes are fully staffed by people with a passion for providing exceptional care. Supported by our regional managers and national support office, they are committed to giving our residents the best possible quality of life. Many of our facility and regional managers have been promoted from within and are long-serving Radius Care team members. It is also pleasing to note from our annual employee engagement survey that our facility managers have returned a record high Net Promoter Score of 74%.

There has been notable progress throughout 2023-2024 in mitigating the labour shortages that have historically challenged New Zealand's healthcare sector. This improvement was helped by a combination of governmental, educational, and organisational initiatives. For Radius Care, we credit this to our new nursing bureau service, RConnect, which provides aged-care trained nurses to our care homes and the wider industry. RConnect contributes both continuity and stability to our workforce.

The aged care sector has benefited from the Government's recently implemented favourable immigration policies specifically designed to attract healthcare professionals. Enhanced visa processing procedures and the establishment of residency pathways for healthcare workers, particularly nurses and aged care staff, have significantly increased the influx of internationally qualified professionals.

Concurrently, educational institutions have expanded their healthcare programmes, supported by government subsidies, leading to a substantial increase in enrolment and graduation rates from nursing and allied health programmes.

In addition to these measures, Radius Care has intensified efforts to retain existing staff by investing in professional development and improving workplace

Left Radius Matamata Country Lodge.

Below Andrew Peskett visiting the team at Radius St Helenas in Christchurch.

programmes. Providing enhanced remuneration packages, flexible working arrangements, and expanded career development opportunities have been instrumental in reducing staff turnover and retaining our workforce.

These efforts have collectively alleviated labour shortages for Radius Care. While challenges persist, the current improvements and our innovative approach to staffing represent a significant step in addressing one of the sector's most critical issues.

Strategy Update

SCALE

With economies of scale increasingly important in the sector, Radius Care is proactively identifying opportunities to bring our industry-leading operational model to new and existing sites. Where the economics make sense, we expect our portfolio of care homes to grow further as a result of carefully targeted acquisitions.

The acquisition of Matamata Country Lodge has been a notable success in this strategy, bringing a high-quality care home and village into Radius Care and implementing the Radius Way to maximise returns at this lovely site in the centre of Matamata township.

While development has slowed across the industry, we continue to make prudent advances, boosting the value of key brownfield and greenfield developments by securing building consents, and progressing to design phase for villas at two locations. Future development plans are subject to feasibility and business cases.

Alongside new developments, we are investing in our existing care homes, enhancing value through a new interior design plan which will be implemented room by room across all sites. This takes into account the specific needs of our residents to create safe, comfortable and inviting spaces.

DIVERSIFICATION AND INNOVATION

RConnect has made an enormous contribution to the operational success of Radius Care over the past year, underscoring our commitment to excellence and innovation as well as improving our staffing solutions and care services. It has successfully maintained a

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staff of 150 personnel throughout the year, enhancing continuity and stability within our operations and those of our clients in the wider aged care sector.

Since inception, RConnect has generated significant revenue for Radius Care. Beyond providing one of our most valuable resources, nurses, the initiative facilitated 17 direct placements of registered nurses to other providers. The programme also identified opportunities for expansion into home care services, and we recently successfully onboarded our first private clients. Accreditation for our recruitment services, and now certification for home care services, further reinforce our adherence to industry best practices and standards, ensuring the delivery of high-quality care and support.

Looking ahead, we plan further expansion of our offerings in complementary health services. Our care homes in communities across New Zealand, supported by RConnect, provide a strong base to deliver both Government-funded and premium, privately funded in-home care that fosters maximum independence for New Zealanders. We anticipate these initiatives will benefit both our residents and the broader Radius Care community, providing new opportunities for our team.

Above Registered Nurse, Nilima with resident, Jill.

Left Residents enjoying the deck outside at Radius Taupaki Gables.

Left *Radius Matua residents out with Wish4Fish.*

Below *Stan with Simranjeet at Radius Althorp in Tauranga.*

Our online Radius Shop further supports independence and dignity in ageing, providing daily living aids. In the past year, the focus of the Radius Shop has been on refining the operating model, streamlining the supply chain and product range, and transforming the marketing approach. These developments have resonated with customers, with the Radius Shop showing growth in both order value and return customers, demonstrating its future revenue potential.

THE RADIUS WAY DELIVERS

At Radius Care, our highly engaged team has a laser focus on delivering an exceptional standard of care, ensuring residents' families always feel safe leaving their loved ones with us.

With our many long-serving, dedicated employees, together with our bespoke operational model centred on productivity and efficiency, our team delivers care 'The Radius Way'. This sets us apart from other operators in the market and its success shows in our industry-leading performance and high certification audit levels.

Our unique set of processes, systems, culture and people have been so successful we plan on leveraging The Radius Way both domestically and offshore in the years to come, all the while, never losing focus on contributing to better health outcomes for our residents.

Capital Management

We started the year with very clear goals of reducing debt and refinancing short term borrowings. The important decision to sell one care home, as well as the record operating performance that delivered strong operating cash flow, allowed a significant reduction in borrowings. Net debt reduced by $26.5m during the year.

Radius Care also recently confirmed the successful refinancing of all remaining short-term debt, effective 28 March 2024. Following the refinancing, 100 percent of Group borrowings are held with the ASB Bank, with an average term of 2.8 years.

As a result of the successful execution of these debt management initiatives, Radius Care ended the year with no short-term borrowings, no overdraft, $3.5m headroom in debt facilities and reduced financing costs moving into FY25.

A final dividend of 0.70 cents per share was declared for the FY24 year, carrying full imputation credits which resulted in a gross dividend of 0.97 cents per share. The dividend was paid on 16 May 2024.

The payout ratio for the dividend was 27 percent of FY24 full year AFFO, below the target payout ratio of 50 percent to 70 percent of AFFO, due to the prioritisation earlier in FY24 of repaying debt and strengthening the balance sheet.

Sustainability

In FY24, Radius Care developed and began to implement a sustainability plan and framework with a long-term, group-wide focus. Our approach aims to integrate sustainability into our strategy, growth initiatives and supply chain practices, reducing our environmental footprint and creating regeneration opportunities across the entire organisation.

At certain locations there are various excellent initiatives already underway, such as recycling, rainwater tanks and food waste reduction programmes, and over the next three years, we will look to roll out successful projects to all care homes in the group. Inside our care homes, we are introducing energy efficient technologies, such as LED lighting and high-efficiency heating systems, and we continue to look for ways to decrease our carbon footprint in any future development/construction projects.

In July this year, we are submitting our first climate-related risk disclosures under the XRB's new climate standards, following a comprehensive risk assessment.

Looking ahead, we are committed to enhancing our sustainability capabilities, recognising it as a moral and strategic imperative for long-term success.

Peter and Neville tending the gardens at Radius Taupaki Gables.

Left to Right
Tom Wilson, Director, Jeremy Edmonds, Chief Financial Officer and Shereen Singh, General Manager, RConnect.

Appointments

At the Annual Shareholder Meeting in August, Tom Wilson was elected to the Board of Radius Care. Tom brings a wealth of experience and a proven track record of strategic leadership. Tom's expertise is paired with his contributions to and understanding of the aged care sector, where he has held several leading executive roles. Tom was also a partner at KPMG for ten years, and was previously Managing Director of NZX-listed Satara. Currently, he serves as the Chair of Genera Holdings, CurraNZ, Pelco NZ, and Tauranga Bridge Marinas, and holds a directorship at Builtin Insurance Group.

Jeremy Edmonds joined the Radius Care team as Chief Financial Officer in August 2023, initially as interim CFO before agreeing to become permanent in December 2023. Jeremy has more than a decade of experience at CFO level in large and complex New Zealand companies, primarily in the consumer goods and logistics sectors. Most recently, Jeremy was Interim CFO at My Food Bag. He brings a track record of strategic, commercial and change leadership, and extensive international experience gained in roles of increasing responsibility in the UK, Asia and the USA prior to returning to New Zealand.

Shereen Singh is an excellent example of Radius Care's approach to promoting from within. Having joined the company as a regional manager in 2021, she now leads RConnect and joined the Executive Team in March 2024.

Looking to the Future

Having successfully thrived through the turbulent industry conditions of recent times, including COVID-19, industry-wide staffing shortages and a volatile building and property sector, Radius Care is positioned for future growth and expansion.

Now with diversified revenue streams, including RConnect, Radius Shop, in-home services, a pipeline of development opportunities, a strong balance sheet and a well-honed operating model, we are set to continue to deliver on our promise of industry-leading care and strong returns.

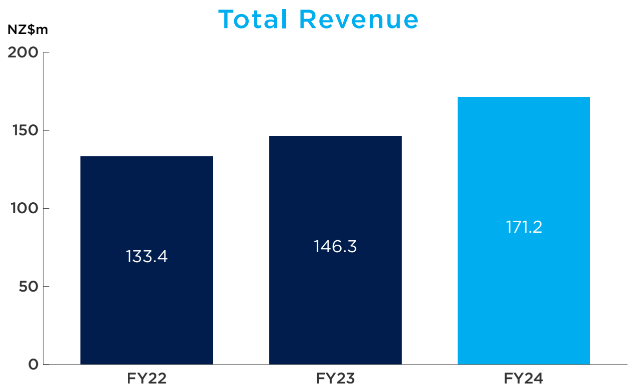
Left *Eleanor with Ronita at Radius Millstream.*

Opposite Page *Flo relaxing in her room at Radius Althorp.*

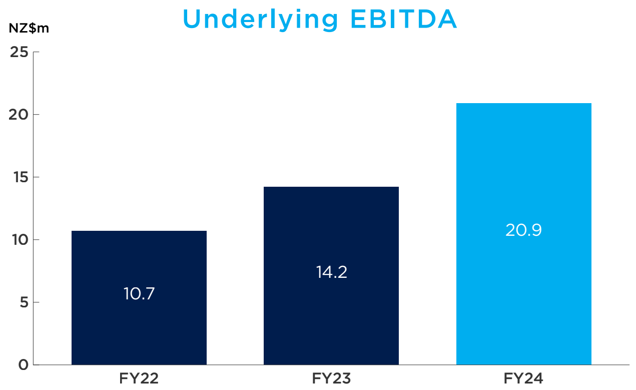
Record *performance*, *reduced debt* and *dividends* resumed

Financial Performance

We continue to regard underlying EBITDA and underlying EBITDAR per bed as the most important performance metrics for our business. For FY24, we reported record results for both these metrics. Underlying EBITDA grew 47% to $20.9m. Underlying EBITDAR per care bed grew 24% to $24.7k (from $19.9k in the prior year) and continues to be market-leading relative to key listed peers and industry competition.



Revenue increased by 17% to $171.2m as a result of an increase in government funding levels that was effective on 1 July 2023 and



strong demand for premium service offerings and high acuity hospital and specialised care, Accommodation Supplement revenue increased 24% to $9.8m.

The Village portfolio performed well, with settled Unit resales up 20 to 28, and record resale gains of $1.8m.

EBITDA

Underlying EBITDAR per care bed grew to $24.7k (from $19.9k in the prior year) and continues to be market-leading.

Profit Before Tax was $3.6m, representing a return to profitability following last year's Loss Before Tax of $(3.0m). Reported Net Profit After Tax was impacted by the government's decision to remove tax deductibility of depreciation on commercial buildings, passed into law on 28 March 2024. This required a one-off, non-cash adjustment of $11.3m to deferred tax to comply with IFRS. Without this adjustment, Underlying Net Profit After Tax is $2.9m, compared to last year's Net Loss after Tax of $(2.1m).

Balance Sheet

Total assets reduced by $21.9m to $334.7m, following the sale of one care home. With proceeds from this sale applied to repay debt, Net Tangible Assets increased 6% to $55.1m.

Net Debt reduced by 26.5% to $73.5m.

Cash Flow

Cash flow from operating activities was $14.1m, up $10.1m compared with FY23's $4.0m.

Cash provided by investing activities was $15.2m, as a result of the sale of a care home settled during FY24. Cash used in financing activities was $24.5m, representing a significant reduction in borrowings during the year.

Available Funds From Operations (AFFO) was $7.4m, up $3.4m compared to FY23's $4.0m.

Right Joan and Colin playing bingo.

Opposite Page Resident Irene, with Tony the Gardener enjoying the herb garden at Radius Althorp.

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Our *people*

Left Flower decorating with Diamond and Sybil.

At Radius Care, 'caring is our calling'. We prioritise the individuals we care for and those that care for our residents.

We do this by actively engaging with our residents to understand their perspectives and investing in our staff through learning and development. Over the past 12 months, Radius Care has achieved full nursing staffing which has enabled us to improve occupancy, resident satisfaction and commercial outcomes. In our latest resident survey, 85% expressed satisfaction with Radius Care's overall performance – a huge endorsement of our exceptional people and the high standard of care they consistently deliver to our residents.

Lifting up our people

Having tackled labour shortages over 2023-2024, our People Team has been able to shift its focus from recruitment to retention of staff. Our employee net promoter scores (e-NPS) are significantly higher than we've ever achieved. The latest e-NPS for our Facility Managers was 74%, a metric which we're very proud of. In addition, 60% of our Regional and Facility Managers have been promoted from within the business. Both are strong indications of high employee engagement. We continue to look for ways to improve as we understand that an engaged workforce leads to better health outcomes for our residents.

We have a strong programme in place to identify future leaders and support their training and development into future roles. Radius Care is committed to fostering an organisational culture which encourages strong leadership to develop and emerge. In the past year, all our Facility Managers and Clinical Managers took part in a training series to reinforce skills in effectively leading, inspiring and engaging teams and, where possible, we actively support Healthcare Assistants into Team Lead positions.

In August 2023, we launched "Unleash EPEC: RN Programme Core Concepts of Aged Care Nursing" to empower new Internationally Qualified Registered Nurses (IQNs). Over the course of an intensive 10-week programme, we provided tools and techniques to help them address the clinical needs of our residents and effectively lead others while on shift. Since the programme launched, we have trained 100 Registered Nurses and will continue to offer the programme to future RNs. The RN EPEC leadership programme has been extremely well-received and sets our nurses up for success in an aged care setting.

Care Homes with 3-year Certification

63%

Care Homes with 4-year Certification

33%

Care Home Certification Audits

Our latest audit results demonstrate the dedication of our care homes to quality and compliance. In our last five audits, we achieved maximum certification. In the next year, many more of our care homes will have certification audits - we are confident that most will similarly obtain the maximum four-year certification, recognising their performance against the Ngā Paerewa Health and Disability Services Standard NZS 8134: 2021.

Wellness and Holistic Care

In line with our focus on wellness and holistic care, we have several impactful initiatives underway. These include projects aimed at reducing falls and preventing pressure injuries, building engagement with Māori communities, implementing new palliative care training for staff and providing support for families with residents in end-of-life care.

Our major new project, 'Project Wow', aims to alleviate stress for new residents and their families by simplifying and enhancing the entire resident onboarding process, ensuring the smooth transition of residents into our care homes.

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We value our migrant workers and aspire for industry best practice in recruitment and employment. We provide extensive pastoral care to our IQNs, commencing from when they arrive at the airport where they are greeted, through to providing support in finding accommodation and settling in.

The feedback from these IQNs is exceptional. 86% report satisfaction with the training that they have received and 89% report being satisfied with the support that they received in progressing to become a RN in New Zealand. This has contributed to a 27% reduction in nursing turnover in the past 12 months, which is now below industry average.

In addition, Radius's company-wide staff turnover has decreased by 16%.

We have also convened a cultural advisory group to provide guidance to the Board. The advisory group comprises members from diverse ethnic groups. We are initiating projects aimed at improving health outcomes for Māori and other minority groups.

We continuously challenge ourselves by asking, "Would I entrust my own parents to this facility?"

Over the next year, we will be focusing on Mental Health first aid training for staff and managers, introducing more wellbeing evidence-based apps and rolling out resiliency programmes.

We continuously challenge ourselves by asking, "Would I entrust my own parents to this facility?" In fact, many of our team members do have loved ones in our care homes, the highest possible endorsement of our approach. This, along with our resident satisfaction survey results, reaffirms the effectiveness of The Radius Way.

Employees who Support Radius Care's Mission and Purpose

95%

Overall Resident Satisfaction Survey Result

85%

Employee Job Satisfaction

80%

RN EPEC Leadership Programmes Completed

100

Left Arthur, who has played the accordion for over 75 years, with Nancy.

COMMUNITY HIGHLIGHTS

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Community and Inclusivity

At Radius Care, we believe in our responsibility to positively impact the communities within our care homes and the broader regions where we operate. Our commitment to this mission is evident through various initiatives and strategies that foster community engagement, diversity, and inclusion.

Community Engagement

- Cultural Events and Experiences: We offer a diverse array of cultural events and experiences to enrich the lives of our residents. These activities celebrate and share the various traditions and cultures of our staff, ensuring our community is vibrant and inclusive.
- Local Relationships: We actively build and nurture relationships with local schools, community groups, and organizations. These connections enhance the social fabric of our communities and provide meaningful interactions for our residents.
- Community Sponsorships and Events: Our engagement extends to sponsoring local events and participating in community activities. This involvement helps us support and grow healthy, interconnected communities.

Opposite Page *Residents Noleen and Stella with HCA, Kulwinder.*

Diversity and Inclusion

- Workforce Diversity: We take pride in our multicultural workforce, which includes over 60 different nationalities. This diversity enriches our organizational culture and brings a wealth of perspectives and experiences.
- Inclusive Workplace: Our inclusive policies ensure that everyone, regardless of their background, feels valued and supported. This approach has positively influenced our Net Promoter Score (NPS) and significantly reduced employee turnover.
- Celebrating Multiculturalism: We actively celebrate the diverse backgrounds of our staff, recognizing that this diversity strengthens our community and enhances the care we provide.

At Radius Care, our dedication to creating an inclusive and equitable environment is unwavering. We are committed to growing healthy relationships and communities by embracing diversity, fostering inclusivity, and engaging actively with the communities we serve.

Number of Nationalities

60

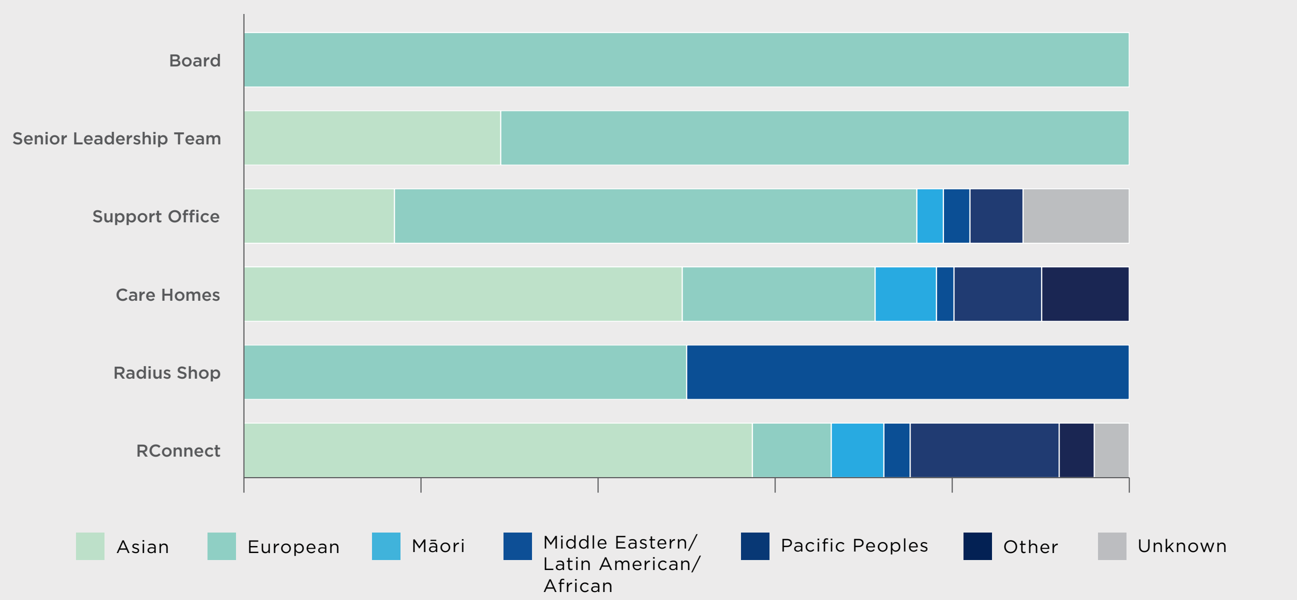
Improvement in NPS Score

36.3%

Reduction in Overall Turnover

16%

Radius Care Teams Ethnicity Breakdown



Nurturing *Community*

What started as a few seedlings have extended into a wonderful friendship between the tangata whenua of Hakatere Marae and the residents of Radius Millstream.

Millstream's journey began with an invitation, as is customary, for the residents to visit the Marae during the King's coronation. This was after Millstream's activities team contacted the Marae to offer to come and plant some vegetables in their garden. The Marae is a buzzing community hub located just north of Ashburton in Canterbury.

For their first visit in May last year, the Millstream residents planted feijoa trees, tomato plants, lettuce, silver beet, carrots and spinach in planter boxes. After their hard work, residents shared a cup of tea with tangata whenua. Besides being a day of new connections and insights into life at the Marae, this trip allowed Radius Care's residents to reconnect with Māori culture. For some it was also an introduction to a part of their community that they hadn't visited or met before.

Since the planting day, whanau and visitors have been harvesting the kai of Radius Millstream's labour.

On the residents' most recent visit, they were welcomed with a pōwhiri involving karanga (call), whaikōrero (speech), waiata (song) and shared kai (food). It was incredibly special to receive a traditional welcome, and Millstream's Facility Manager Vicki Hyndman and resident Sister Annette both gave a whaikōrero to express their gratitude for the experience and invitation. The residents brought with them a gift of biscuits and a mix of vegetable seeds to plant in the community garden.

Recently, Henry from Hakatere Marae visited Radius Millstream to bless the facility and gave a beautiful speech about the value of our relationship and gardening efforts. The tangata whenua of Hakatere Marae have treated the staff and residents so well and Radius Millstream has thanked them for their hospitality.

Elyse and her keen gardening team are looking forward to making a trip back soon to see how their trees are doing. Nothing is more rewarding than knowing you've contributed to feeding your community.

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"...it gives purpose to the lives of Radius Care's residents – something she wholeheartedly believes is essential for their wellbeing."

Random Acts of *Kindness*

Some years ago, Activities Coordinator Helen Baverstock at Radius Thornleigh Park and Heatherlea read about a young mum who wanted her children to learn that there was more to Christmas than getting gifts, setting up a series of Random Acts of Kindness (RAK) for her children to learn to give as well as receive.

This was the spark for Radius Care's RAK in Taranaki. The first Act of Kindness was a Christmas candy bomb where the residents attached a positive message to a candy cane and handed them out to strangers on the street.

From there on they continued 'water bombing' in summer – giving away bottles of cold water on the coastal walkway and to road workers – baking slices, knitting bears, and making 'survival kits' (activity packs) for hospital patients.

Although some residents could not go on the distribution runs, they could do other things to contribute on-site, in groups, or in their rooms, giving many residents a real purpose each day.

Fast forward seven years, it is now a monthly project that Radius staff, residents, management, volunteers and family members are a part of. Over time their distribution areas have expanded and they've learnt support to other community groups in Taranaki.

Helen says the residents love every aspect of it and there is never a shortage of volunteers. Residents always attach tags with a message or stickers to their goodies - to let people know they have received a RAK from the residents at Heatherlea and Thornleigh Park.

One RAK inspired a high-profile local businessman who received a bottle of water on his daily walk along the walkway. He and now runs a project where his speciality item is recycled and given away free.

Random Acts of Kindness have been one of the most rewarding activities for Radius Care's residents. Staying actively involved in the community and generally feeling good about themselves is a bonus too!



Sharing the *Festive Spirit*

The Radius Peppertree team geared up for the holiday hustle hosting a Christmas Market in the care home's beautiful garden on 18 November 2023.

Ankia van de Berg, Radius Peppertree's Activities Coordinator, organised the market alongside the Residents Event Planning Team (REP Team) – Margaret, Maria, Louise, Moira and Bruce. For them, the Peppertree Christmas Market is one of the many things that makes Radius Peppertree more than just a care home.

"Our goal was to encourage community involvement for the residents and bring the Christmas spirit to those who can't go out. The market raises funds for initiative that benefit both residents and staff. Most importantly, it was our way of expressing love to the broader Manawatu community," explained Ankia.

The market was a truly festive day, with support from many local businesses. The entire Manawatu community was invited to gather, laugh and shop together. Stalls were filled with homemade goodies and handcrafted treasures. With categories ranging from home, art, health and beauty, knitwear, unique handmade gifts, e-bikes, Christmas baked goods, jams and jellies, lucky dips for the kids and more – there was something for everyone. Even Radius Peppertree staff stepped into the limelight – Katrina's handmade wonders, Tottera's essential oils, Eileen's cozy knitwear, and Gill's handmade cards, each adding a touch of Radius Peppertree charm.

Margaret from the REP Team mentioned: "I really enjoyed the market and thought it was so much fun! I will for sure do it again this year."

Bea, a resident, chimed in and specifically praised the stalls: "The layout of the stalls was really good, and there were lots of things to buy."

The care home hosted a sausage sizzle and sold fresh honey from its own gardens. Barbara Stewart, the Facility Manager, was busy with her trolley of refreshments, spreading smiles over cups of coffee, tea and milo. Furry friends joined the festivities too.

"It was such a wonderful and successful day, we got great compliments from the public, residents, their families and staff," said Ankia.

"I learned what a great community we have, and love, kindness and camaraderie are very much alive. The key is to take chances because you won't know what works until you try, and don't hesitate to ask for help from people around you."

Young and Old
All Under One Roof

"...as we know, most of our elder people love connection with tamariki, as do many tamariki."

On 27th October 2023, Radius Matua celebrated Grandparents Day, bringing together the elderly residents and the lively tamariki from Maungatapu Kindergarten.

The idea of celebrating Grandparents Day emerged during Radius Matua's annual activities planning day. The decision to invite Maungatapu Kindergarten turned out to be a stroke of genius.

Maungatapu Kindergarten, located about a 20-minute drive away, is no stranger to Radius Matua, as they have previously visited the care home's Lavender wing. On the big day 8-10 kids and their teachers visited.

The tamariki showed up with a batch of homemade shortbread and ginger crunch. They discovered that these were favourite treats among the residents.

Then, in the main hall, everyone sang a mix of English and te reo songs together. Residents had practiced songs weeks in advance, with the help of the activities coordinator team. The shared experience of music served as a bridge between generations.

Residents expressed their joy, with many feeling 'spoiled' by the thoughtful celebration. One resident shared that it was lovely 'to be around children so young' as they 'don't get to see that age much anymore'.

Pipi, an activities assistant at Radius Matua, said "We thought it was a special way to show our appreciation to Radius Matua residents by welcoming Maungatapu Kindergarten to our care home, connecting with them through waiata and reminiscing about their childhood."

Sam Gush, a kindergarten teacher and a resident's daughter, described the visit as "a lot of fun" and an "experience of value to tamariki". "We see our visits with our tamariki to Radius Matua as valuable opportunities to develop our relationships with our wider community. Our tamariki are building self-confidence and awareness. It allows us to show manaakitanga, or kindness, and although our tamariki may not understand yet, we as teachers see the value and happiness received by the residents, for some they may have grandchildren they do not get to see. As we know, most of our elder people love connection with tamariki, as do many tamariki."

20 Years of Residents' Radio

Residents rule the airwaves at Dunedin's Radius Fulton Home. Their entertaining radio show has made the announcers famous within the care home; they're known for taking the 'rest' out of rest home!

The fortnightly Radius Fulton Residents' Show provides an hour of music selected by residents, and a topical talk that interests and engages the "elderly gang" at the rest home. It is broadcast through OAR FM every second Thursday at 1:30pm. Listeners tune in from far and wide, including all the way over in Europe.

All residents are encouraged to participate in the preparation of each show, they're asked what they want to listen to in the fortnight leading up to each broadcast and themes are discussed over afternoon tea and other activities. Residents look forward to listening and, for those who get to be a part of the programme, it's given them a whole new take on life.

Presenters, Jimmy Sprague and Kelvin Rooke, have been hosting the radio show for five years, with other residents participating along the way.

Kelvin Rooke dreamt about working in the radio all his life, a wish that was exacerbated when he went blind. Now he gets to produce and present the radio show every fortnight, proving it is never too late to achieve your dreams.

Not even COVID nor major floods could stop the show. When it could not be recorded in the studio, the OAR FM team recorded onsite at Radius Fulton. The anniversary show in November 2023 featured clips from the past 20 years, including a tribute to alumnus, Lloyd Martin, who at 99 years old was recognised as New Zealand's oldest radio presenter in 2019.

The 20th Anniversary Radius Fulton Resident's Show featured on the front page of Otago Daily Times, and Radius Fulton manager, Lisa Genge, discussed the behind-the-scenes on OAR FM's OARsome Morning Show.

Radius Millstream's Assisted Living Apartments

Reimagining spaces

Radius Care has continued to make good on our commitment to enhance living spaces for our residents, guided by a well thought out property strategy and a keen eye on market conditions.

The three pillars of our property strategy remain unchanged. The strategic acquisition of facilities operated by Radius Care, planned acquisitions from third parties, and the development and expansion of new and existing care homes, have collectively guided our efforts.

Our roadmap for the future remains firmly aligned with our development pipeline, constructing villages, care suites, and extended offerings that resonate with current market conditions. This strategic focus ensures that we are driving smart, sustainable growth.

A balanced approach

Our current approach is one of careful progression. This year, we've secured building consents for key sites, boosting our property portfolio's value and ensuring we can continue to scale our developments.

The sale of Arran Court reflects our adaptability and focus on sustaining our key business functions while addressing capital needs. Due to its significant value relative to size and EBITDA, the sale ensured we could continue to focus on and invest in our core business functions.

Radius Millstream Assisted Living Apartments

A unique approach to retirement living. The pay-as-you-stay model offers flexibility without long-term commitment. Residents enjoy a variety of services and oversight from a registered nurse. Additional services such as medication management and personal assistance further tailor the level of care.

A new take on spaces

At Radius Care, we're not just building spaces – we're envisioning resident-centric environments where life can be lived to the fullest.

A key aspect of our development strategy is the modernisation of interior design. Our goal is to move away from the traditional, institutional stereotypes of rest homes, towards creating more homely, welcoming environments. This means we're considering every detail to ensure dementia-friendly environments, and modern, comfortable living spaces.

The selection of materials, from floor to ceiling curtains to dimmable lights and contrasting colours, has been made with consideration for the needs and comforts of our residents. These refurbishments conducted room by room, will transform our existing care homes into spaces that are visually appealing, safe, navigable, and in tune with the needs of those we serve.

Confident outlook

Radius Care is fully committed to its development pipeline, aligned with market conditions, and focused on delivering exceptional living spaces. Our achievements in the past year, marked by strategic progress and careful planning, lay a solid foundation for the future.

Radius Care Annual Report 2024

RConnect

Support is just a call away.

Specialist Aged care clinical staff

The creation of RConnect is a key step in our approach to staffing, combining our industry expertise with innovative solutions.

In the past year, RConnect has continued to utilise leading nursing recruitment processes to manage our own clinical staffing bureau, supplying aged care nurses to Radius Care homes and the wider industry. RConnect is a key innovation in our approach to staffing, drawing on our industry expertise and establishing a new revenue stream.

RConnect has a team of 150 personnel available to support smooth operations across various healthcare facilities. It has improved both continuity and stability within Radius Care and among our clients' workforces.

Our nurses and health professionals are skilled in all aspects of aged care, including work in rest homes, hospitals, and specialised areas like dementia, palliative, and hospice care. All of our nurses have completed comprehensive background checks and are aged care trained (with some having also completed interRAI training).

Accreditation and quality assurance

This year, we

- received provisional certification from the Ministry of Health for Radius Home Support, our newly expanded home care services;
- earned the Triangular Employer Accreditation granted by Immigration NZ, ensuring compliance and integrity in our staffing processes; and
- onboarded our first private home care client, a response to the increasing demand for quality private care.

Future growth plans

By providing a steady flow of qualified staff, we've increased opportunities for Radius employees to pick up additional shifts, boosting job satisfaction and loyalty. This has led to better teamwork and collaboration, ensuring residents receive the care they deserve.

We plan to further develop our services in private home care and supporting independence for ACC clients receiving in-home care.

Reduction in external nursing spend	Internal bureau utilisation
80%	$780K

Radius Shop

Get on with living

Helping you live independently

POPULAR PRODUCTS

This year has been one of preparation for Radius Shop, the retail arm of Radius Care, setting the stage for future sales growth driven by improved products, smarter process and empathy. In 2023, our total sales reached $1.2m, highlighting Radius Shop's potential financial contribution ahead.

A shift in the way we talk about aging

A key highlight has been transforming our marketing message to embrace a new narrative: celebrating the journey of ageing. This shift toward "celebrating worn-in bodies" resonated deeply with our customers as well as their loved ones. More than a change in tone, it's been a change in perspective, and the feedback has been encouraging.

Product excellence and operational efficiency

We've taken charge of importing our top-selling daily living aids directly for better prices and decreased reliance on drop-shipping. At the same time, we're streamlining our operations by moving our sought-after incontinence products to a new dispatch centre.

Repeat customer rate increased by

21%

Online conversion up

17%

Total Orders

5,242

Incontinence subscription sales increased by

60%

Average order value increased by

21%

Building connections through marketing and engagement

This year also saw a refresh in our marketing efforts, leading to a notable improvement in engagement rate. Our mailing list grew by 600 new subscribers and our repeat customer rate reached 24.06% (an increase of 21% from last year).

Looking ahead

Our concept of merging care and commerce allows us to develop a close relationship built on trust and respect with many of our customers. We look forward to enhancing our website with features like sign-up discounts and reminders for incomplete purchases to both support sales and connect with our customer's needs.

In future, our blog will offer more tailored support for those navigating the complexities of care, empowering our customers with confidence, dignity and respect.

Our Board

Brien Cree
Founder and Executive Chair

Duncan Cook
Executive Director
R ●

Bret Jackson
Independent Director
A R

Mary Gardiner
Independent Director
A

Hamish Stevens
Independent Director
A ●

Tom Wilson
Independent Director
R

R Remuneration and People Committee

A Audit and Risk Committee

● Denotes Chair of a Committee

Brien Cree

Executive Chair

Appointed: August 2003

External Appointments: Board Member of New Zealand Aged Care Association

Experience: Brien Cree is a founding shareholder of Radius Care and was CEO from the Company's inception in 2003 and the Managing Director from 2010. Brien has built Radius Care's portfolio from nothing to its current 23 aged care homes and four retirement villages. As Executive Chair, Brien is focused on the formulation and execution of Radius Care's strategic growth objectives.

Brien has more than 30 years' experience in the aged care sector, is a longstanding Board member of the NZACA and a past Board member of the Retirement Villages Association.

Bret Jackson

Independent Director *BCom (Honours), MBA (Harvard Business School)*

Appointed: September 2014

Experience: Bret Jackson is an experienced business professional spanning all facets of business including entrepreneurship, leadership, private equity investment and governance (both private and public boards).

Bret held corporate roles at Mobil Oil New Zealand, a management consulting role at Boston Consulting Group (Sydney and London) and has founded and successfully operated his own private businesses.

Hamish Stevens

Independent Director *MCom (Honours), MBA, CA, CFInstD*

Appointed: December 2020

External Appointments: Chair of Embark Education Group, East Health Services and Pharmaco and a Director of Marsden Maritime Holdings, Northport and Counties Energy.

Experience: Prior to his governance career, Hamish held senior finance positions with Heinz Watties, Tip Top Ice Cream and DB Breweries.

Hamish is a qualified Chartered Accountant and a Chartered Fellow of the Institute of Directors.

Duncan Cook

Executive Director *LLB*

Appointed: July 2010

Experience: Duncan Cook supported Radius Care's founders to establish, structure and grow the business. Duncan is a consultant at Sharp Tudhope Lawyers having been a partner in the firm for 31 years. His key practice areas are mergers and acquisitions with a focus on consolidating primary and secondary health services. Duncan is a member of the New Zealand Law Society, Institute of Directors New Zealand (Inc) and Restructuring Insolvency & Turnaround Association New Zealand Incorporated.

Duncan has governance experience across a range of industry sectors, and has volunteered on the Boards of the Tauranga Chamber of Commerce and agencies associated with economic development in the Tauranga region.

Mary Gardiner

Independent Director *BCom, FCA, FCG, CMInstD*

Appointed: December 2020

External Appointments: Chair of the Audit and Risk Committee of Southern Cross Pet Insurance, Chair of the Audit and Risk Committee of Unity Credit Union, Chair of Netball Northern Zone, Trustee of Mangere Mountain Education Trust, and Director of Women in Sport Aotearoa.

Experience: Mary's commercial experience includes roles as CFO of Instant Finance and Radius Health Group, and Governance Risk Manager at Air New Zealand, following a career focused primarily in financial services with KPMG in New Zealand.

Tom Wilson

Independent Director *BBS, CA*

Appointed: August 2023

External Appointments: Chair of Genera Holdings, CurraNZ, Pelco NZ and Tauranga Bridge Marina. He is also a director of Builtin Insurance Group.

Experience: Tom was previously the Chair of Barrett Homes Group, Regal Haulage Group, Hopkins Farming Group and Managing Director of Satara (NZX Listed). Tom was involved in several leading management positions in the Aged Care sector during his career and was a partner at KPMG for 10 years.

Our *Management*

Jeremy Edmonds, Richard Callander, Andrew Peskett, Shereen Singh, Sam Carey, Trish Evers and Gared Thomas

Radius Care Annual Report 2024

Andrew Peskett

Chief Executive Officer

Andrew has been Chief Executive Officer of Radius Care since February 2022. He brought with him extensive experience in the retirement village industry, having previously held senior executive roles at Metlifecare, including Acting Chief Executive Officer and GM Corporate Services. Andrew has a commitment to regularly connecting with all the exceptional people at Radius Care and a strong focus on commercial intensity.

Richard Callander

Chief Operations Officer

After senior executive level experience at Metlifecare and executive roles in the gaming industry in New Zealand and Australia, Richard joined the Radius Care team in August 2022. In his role as Chief Operations Officer, his extensive experience managing people and passion for improving customer service is of great value.

Gared Thomas

General Manager, Property & Development

Gared Thomas joined Radius Care in 2019 and is responsible for our property portfolio and development pipeline. Gared has a Bachelor of Business, majoring in Management and extensive experience in the construction sector. He is passionate about delivering our village and care home residents with high-quality, well designed and well-maintained places to live

Shereen Singh

General Manager, RConnect

Shereen joined Radius Care in November 2021 and successfully transitioned from being a high-performing Regional Manager to leading our Nursing Bureau, RConnect, in March 2023. Shereen's invaluable expertise in workforce planning and her significant contribution to our new business opportunities have been instrumental in our growth and success and she joined the Executive team in March 2024.

Jeremy Edmonds

Chief Financial Officer

Jeremy joined the Radius Care team as Chief Financial Officer in August 2023, initially as interim CFO before becoming permanent in December 2023. Jeremy has more than a decade of experience at CFO level in large and complex New Zealand companies, primarily in the consumer goods and logistics sectors. Most recently, Jeremy was Interim CFO at My Food Bag. He brings a track record of strategic, commercial and change leadership, and extensive international experience gained in roles of increasing responsibility in the UK, Asia and the USA prior to returning to New Zealand.

Trish Evers

General Manager, People

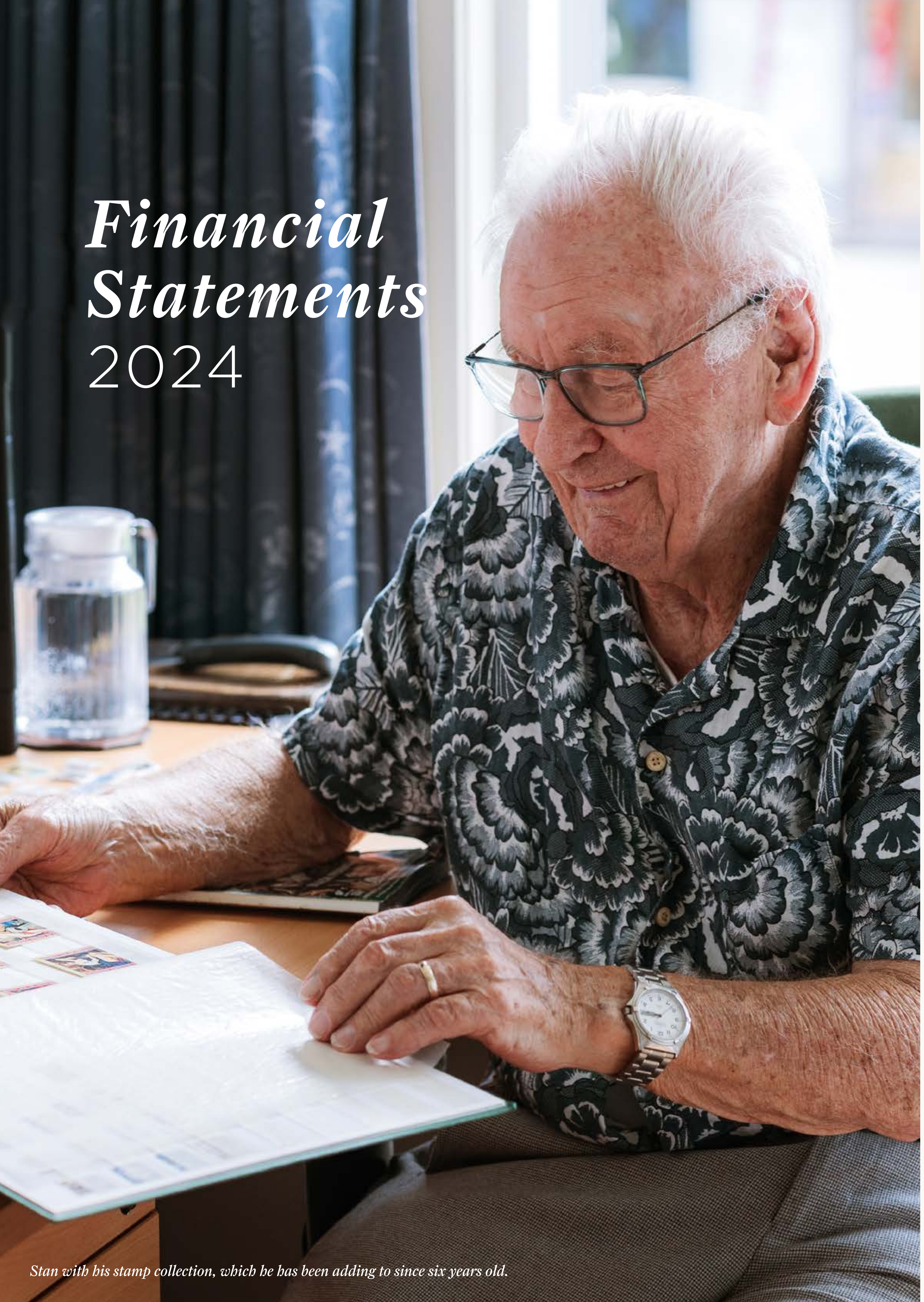
Trish has over 15 years' experience in the HR sector and has worked in various fields, in both government and listed companies, including government agencies, health and transportation. She joined Radius Care in 2017. Trish has a strong background in employee and industrial relations, and is particularly interested in building highly effective teams.

Sam Carey

General Manager, Marketing Retail & Sales

Sam has headed marketing since he started with Radius Care in 2011. He has been instrumental in developing the Radius Care brand and communicating the company's vision internally and externally. His innovative approach has resulted in several new key revenue drivers for Radius Care, most notably the development and implementation of the Radius retail arm, Radius Shop. Since 2022, Sam also manages the villa sales of our four retirement villages nationwide.

Financial Statements 2024



Stan with his stamp collection, which he has been adding to since six years old.

CONSOLIDATED

Statement of Comprehensive Income

For the year ended *In thousands of New Zealand dollars*	NOTE	31 March 2024	31 March 2023
REVENUE			
Revenue	2.1	168,739	144,467
Deferred management fees	2.1	2,495	1,801
Total revenue		**171,234**	**146,268**
Change in fair value of investment property	3.1	2,703	765
Government subsidy received		–	189
Interest income		136	67
Gain on acquisition of previously leased property assets		–	1,781
Gain on business acquisition		–	927
Total revenue and other income		**174,073**	**149,997**
EXPENSES			
Employee costs		(105,744)	(93,097)
Depreciation expense	2.2	(9,942)	(9,979)
Finance costs	2.2	(15,637)	(12,479)
Loss on revaluation of land and buildings		–	(3,028)
Other expenses	2.2	(39,151)	(34,398)
Total expenses		**(170,474)**	**(152,981)**
Profit/(Loss) before income tax		**3,599**	**(2,984)**
Income tax refund/(expense)	5.1	(12,087)	878
Profit/(Loss) for the year		**(8,488)**	**(2,106)**
OTHER COMPREHENSIVE INCOME FOR THE YEAR			
Items that will not be reclassified subsequently to profit and loss			
Revaluation of land and buildings, net of tax	3.2	–	3,558
Income tax on other comprehensive income		–	(874)
Other comprehensive income for the year		–	**2,684**
Total comprehensive income/(loss)		**(8,488)**	**578**
EARNINGS PER SHARE			
Basic and diluted earnings/(loss) per share (cents per share)	4.2	(2.98)	(0.76)

The Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED
Statement of Changes in Equity

For the year ended 31 March 2024 *In thousands of New Zealand dollars*	NOTE	Contributed Equity	Asset Revaluation Reserve	Other Reserve	Retained Earnings	Total
BALANCE AS AT 1 APRIL 2023		56,813	9,496	33	6,522	72,864
Profit/(Loss) for the year		–	–	–	(8,488)	(8,488)
Share based payments		7	–	49	–	55
Other comprehensive income for the year	3.2	–	–	–	–	–
Total comprehensive income for the year		**7**	**–**	**49**	**(8,488)**	**(8,432)**
Transactions with owners						
Dividends paid	4.1	–	–	–	–	–
Total transactions with owners		–	–	–	–	–
BALANCE AS AT 31 MARCH 2024		**56,820**	**9,496**	**82**	**(1,966)**	**64,432**
BALANCE AS AT 1 APRIL 2022		51,732	6,812	–	11,544	70,088
Profit/(Loss) for the year		–	–	–	(2,106)	(2,106)
Share based payments		–	–	33	–	33
Other comprehensive income for the year	3.2	–	2,684	–	–	2,684
Total comprehensive income for the year		**–**	**2,684**	**33**	**(2,106)**	**611**
Transactions with owners						
Issue of share capital (net of transaction costs and tax)	4.1	5,057	–	–	–	5,057
Dividends paid	4.1	24	–	–	(2,916)	(2,892)
Total transactions with owners		**5,081**	**–**	**–**	**(2,916)**	**2,165**
BALANCE AS AT 31 MARCH 2023		**56,813**	**9,496**	**33**	**6,522**	**72,864**

The Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CONSOLIDATED
Statement of Financial Position

As at *In thousands of New Zealand dollars*	NOTE	31 March 2024	31 March 2023
ASSETS			
Cash and cash equivalents		2,350	515
Trade and other receivables	5.3	15,002	13,071
Held for sale assets		–	891
Inventories		554	753
Current tax assets		–	1,321
Investment properties	3.1	73,528	70,143
Property, plant and equipment	3.2	117,310	133,870
Right-of-use assets	3.4	109,906	112,464
Intangible assets	5.2	16,063	19,797
Deferred tax assets	5.1	–	3,770
Total assets		**334,713**	**356,595**
LIABILITIES			
Cash and cash equivalents (overdraft)		–	2,894
Trade and other payables	5.4	19,990	20,543
Current tax liabilities		1,621	–
Borrowings	4.3	75,869	97,687
Deferred management fees	3.3	7,608	6,973
Refundable occupation right agreements	3.3	37,425	34,104
Lease liabilities	3.4	121,086	121,530
Deferred tax liabilities	5.1	6,682	–
Total liabilities		**270,281**	**283,731**
NET ASSETS		**64,432**	**72,864**
EQUITY			
Share capital	4.1	56,820	56,813
Reserves	4.1	9,578	9,529
Retained earnings		(1,966)	6,522
Total equity		**64,432**	**72,864**

The Board of Directors of the Company authorised these consolidated financial statements for issue on 29 May 2024.

For and on behalf of the Board.

Brien Cree
Chair, Board of Directors

Hamish Stevens
Chair, Audit and Risk Committee

The Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

CONSOLIDATED
Statement of Cash Flows

For the year ended *In thousands of New Zealand dollars*	**31 March 2024**	**31 March 2023**
Receipts from residents for care fees and village fees	168,430	140,699
Receipts of Government subsidy	—	1,269
Payments to suppliers and employees	(147,285)	(124,697)
Proceeds from the sale of Refundable Occupation Right Agreements	10,938	3,715
Payments for the repurchase of Refundable Occupation Right Agreements	(4,072)	(2,847)
Interest received	136	67
Interest paid - borrowings	(9,388)	(6,506)
Interest paid - lease liabilities	(5,962)	(5,934)
Income tax benefit/(expense)	1,303	(1,729)
Net cash provided by operating activities	**14,100**	**4,037**
Proceeds from the sale of care home	18,300	—
Proceeds from the sale of property, plant and equipment	989	7
Acquisition of subsidiaries, net of cash acquired	—	(500)
Payments for the purchase of property, plant and equipment	(3,451)	(58,681)
Payments for village developments	(682)	(53)
Net cash provided by/(used in) investing activities	**15,156**	**(59,227)**
Proceeds from borrowings	18,500	—
Repayments of borrowings	(40,318)	56,169
Principal payments of lease liabilities	(2,709)	(2,554)
Dividends paid	—	(2,892)
Net cash provided by/(used in) financing activities	**(24,527)**	**50,723**
Cash and cash equivalents at beginning of the year	(2,379)	2,088
Net (decrease)/increase in cash and cash equivalents held	4,729	(4,467)
Cash and cash equivalents at end of year	2,350	(2,379)
COMPRISING OF		
Cash and cash equivalents	*2,350*	*515*
Cash and cash equivalents (overdraft)	*—*	*(2,894)*
Cash and cash equivalents at end of year	**2,350**	**(2,379)**

The Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Radius Care Annual Report 2024

CONSOLIDATED
Statement of Cash Flows (continued)

For the year ended *In thousands of New Zealand dollars*	**31 March 2024**	**31 March 2023**
RECONCILIATION OF PROFIT/(LOSS) FOR THE YEAR TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Profit/(Loss) for the year	(8,488)	(2,106)
ADJUSTMENTS FOR NON-CASH ITEMS		
Depreciation	9,942	9,979
Share based payments	55	88
Net loss/(gain) on disposal of property, plant and equipment	227	(1)
Gain on acquisition of previously leased property assets	—	(1,781)
Fair value adjustment to investment properties	(2,703)	(765)
Movement in deferred tax	10,452	(860)
Gain on business acquisition	—	(927)
Loss on revaluation of land and buildings	—	3,028
CHANGES IN OPERATING ASSETS AND LIABILITIES		
- Trade and other receivables and other assets	(1,970)	(3,157)
- Inventories	201	15
- Trade and other payables and other liabilities	125	7,132
- Current tax liabilities	2,938	(1,759)
- Refundable Occupation Right Agreements	3,321	(4,849)
Net cash provided by operating activities	**14,100**	**4,037**

The Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

CONSOLIDATED
Statement of Cash Flows (continued)

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Changes in the carrying amount of such liabilities, which comprise bank borrowings and lease liabilities, are summarised below.

In thousands of New Zealand dollars	Borrowings	Lease Liabilities	Total
BALANCE AS AT 1 APRIL 2023	97,687	121,530	219,217
- Proceeds from borrowings	18,500	—	18,500
- Repayment of borrowings and lease liabilities	(40,318)	(2,709)	(43,027)
Total changes from financing cash flows	**(21,818)**	**(2,709)**	**(24,527)**
Non-cash changes			
- Remeasurements	—	2,265	2,265
Balance as at 31 March 2024	**75,869**	**121,086**	**196,955**
BALANCE AS AT 1 APRIL 2022	30,000	142,543	172,543
- Proceeds from borrowings	56,169	—	56,169
- Repayment of borrowings and lease liabilities	—	(2,554)	(2,554)
Total changes from financing cash flows	**56,169**	**(2,554)**	**53,615**
Non-cash changes			
- Financing of the Matamata Business acquisition	11,518	—	11,518
- Remeasurements	—	18,685	18,685
- Disposals	—	(37,144)	(37,144)
Balance as at 31 March 2023	**97,687**	**121,530**	**219,217**

The Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes

TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

1.1. Basis of Preparation

Reporting Entity

The consolidated financial statements are for Radius Residential Care Limited ('the Company') and its subsidiaries (together 'the Group').

The Group provides rest home and hospital care for the elderly along with development and operation of integrated retirement villages in New Zealand.

Statutory Basis and Statement of Compliance

Radius Residential Care Limited is a limited liability company, incorporated and domiciled in New Zealand. It is registered under the Companies Act 1993 and is a FMC Reporting Entity in terms of Part 7 of the Financial Markets Conduct Act 2013. The Company is listed on the NZX Main Board ("NZX"). The consolidated financial statements have been prepared in accordance with the requirements of the NZX, and Part 7 of the Financial Markets Conduct Act 2013.

These consolidated financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ('NZ GAAP'). They comply with New Zealand equivalents to International Financial Reporting Standards ('NZ IFRS'), International Financial Reporting Standards ('IFRS') and other applicable New Zealand Financial Reporting Standards, as appropriate for for-profit entities. The Group is a Tier 1 for-profit entity in accordance with XRB A1 Application of the Accounting Standards Framework.

The consolidated financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

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

Functional and Presentation Currency

The consolidated financial statements are presented in New Zealand dollars which is the Group's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

Measurement Basis

These consolidated financial statements have been prepared under the historical cost convention, with the exception of investment properties (note 3.1) and land and buildings included within property, plant and equipment (note 3.2)

Legislative Changes Impacting the Consolidated Financial Statements

On 26 March 2024, the Government substantively enacted legislation which removes the deductibility of depreciation on commercial and industrial buildings for tax purposes. Effective from 1 April 2024, the tax depreciation rate will revert to 0%. The change in tax legislation effective from 1 April 2024 eliminates the tax base for these assets, thereby creating a temporary difference that leads to a deferred tax liability. The impact of this change has been recognised in the Group's consolidated financial statements for the year ended 31 March 2024, which includes a one-off non-cash deferred tax liability of $11.3m with a corresponding tax expense within the Statement of Comprehensive Income.

Key Estimates and Judgements

The Board of Directors and Management are required to make judgements, estimates and assumptions in applying the accounting policies. The assumptions, estimates and judgements applied are based on experience and relevant information the Board and Management believe are reasonable. Actual results may differ from the estimates, judgements and assumptions made by the Board of Directors and Management.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

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

- Valuation of investment properties (note 3.1)
- Valuation of land and buildings (note 3.2)
- Impairment testing of right-of-use assets (note 3.4)
- Recognition of deferred tax assets and liabilities (note 5.1)
- Impairment testing of goodwill (note 5.2)

New and Amended Accounting Standards and Interpretations

All mandatory new and amended standards and interpretations have been adopted in the current year. The new and amended standards and interpretations that have had an impact on the Group have been described below. The Group has not early adopted any new standards, amendments or interpretations to existing standards that are not yet effective.

Climate-Related Disclosures

The XRB issued its first climate disclosure standards in December 2022. The standards are effective for annual reporting periods beginning on or after 1 January 2023. These disclosures do not form part of the financial statements but are rather contained in a separate standalone climate statement.

These standards affect entities known as Climate Reporting Entities (CREs), including:

- Large, listed companies with a market capitalisation of more than $60 million
- Listed issuers of quoted debt securities with a combined face value of quoted debt exceeding $60 million
- Large, licensed insurers, registered banks, credit unions, building societies and managers of investment schemes with more than $1 billion in assets
- Some Crown financial institutions (via letters of expectation).

CREs will be required to prepare an annual climate statement that discloses information about the effects of climate change on their business or any fund they manage. They will need to obtain independent assurance about the part of the climate statement that relates to the disclosure of greenhouse gas (GHG) emissions, generally in the second year of reporting.

The new Climate Standards issued are:

- **Aotearoa New Zealand Climate Standard 1: Climate-related Disclosures (NZ CS 1)**
  This standard requires disclosures explaining how the entity manages its climate-related risks and opportunities. The disclosure requirements cover four key areas (Governance, Strategy, Risk Management and Metrics and Targets). Entities must obtain assurance over the GHG emissions disclosures.
- **Aotearoa New Zealand Climate Standard 2: Adoption of Aotearoa New Zealand Climate Standards (NZ CS 2)**
  This standard provides optional disclosure exemptions that entities may apply during the first few periods of climate reporting.
- **Aotearoa New Zealand Climate Standard 3: General Requirements for Climate-related Disclosures (NZ CS 3)**
  This standard includes the principles for climate-related disclosures (such as relevance, accuracy, and verifiability), general requirements for how the information is disclosed, and guidance on topics such as materiality and estimation uncertainty.

The Group does not meet the requirements of being a CRE due to the fact that in the two accounting periods immediately preceding the accounting period for which the Group is currently reporting (i.e. the year ended 31 March 2024), the Group did not have either quoted debt securities at any time with a total face value that exceeded $60 million; or equity securities (whether quoted or not) of more than $60 million as implied by its market price or fair value as at the 31 March 2024 balance date.

The Group has however decided to voluntarily prepare a climate statement as at 31 March 2024, which will be released prior to the end of July 2024. Independent assurance about the part of the climate statement that relates to the disclosure of GHG emissions will not be obtained in the first year in line with the assurance requirements of NZ CS 1.

Disclosure of Accounting Policies (Amendments to NZ IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2)

Entities are now required to disclose their 'material' accounting policies instead of 'significant' accounting policies.

The Group has adopted this new standard for the financial reporting period beginning 1 April 2023. The adoption of this new standard did not have a financial impact on the Group's financial statements but has resulted in the update of accounting policies disclosed in the Group's financial statements.

Definition of Accounting Estimates (Amendments to NZ IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors)

The Group has adopted this new standard for the financial reporting period beginning 1 April 2023. The adoption of this new standard did not have a financial impact on the Group's financial statements or the accounting estimates disclosed in the Group's financial statements.

Segment Reporting

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 as a whole. The nature of the services provided and the type and class of residents have similar characteristics within the operating segment. The Ministry of Health is a significant customer of the Group as disclosed in note 2.1, as the Group derives care fee revenue in respect of eligible Government subsidised aged care residents. No other customers individually contribute a significant proportion of the Group's revenue. All revenue earned and assets held are in New Zealand.

1.2. Accounting Policies

Material accounting policies which are relevant to understanding the consolidated financial statements are disclosed in each of the applicable notes. They have been applied on a consistent basis across all periods presented in these consolidated financial statements.

One other relevant policy is provided as follows:

Measurement of Fair Value

For financial reporting purposes, 'fair value' is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants (under current market conditions)

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at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

When estimating the fair value of an asset or liability, the Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Inputs to valuation techniques used to measure fair value are categorised into three levels according to the extent to which the inputs are observable:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

Further information about the assumptions made in measuring fair values is included in notes 3.1, 3.2, 4.1 and 5.6.

1.3. Climate Change Risk

As an aged care and retirement village operator, the Group recognises that climate change poses potential risks to its operations and financial performance. The Group operates 23 residential care facilities and homes (12 owned and 11 leased) and four retirement villages across New Zealand. The Group acknowledges that extreme weather events, such as flooding and storms, can occur in other areas and could impact the value and condition of its owned and leased properties. The Group has appropriate material damage and business interruption insurance coverage in place to mitigate potential risks. Additionally, the effects of climate change, including rising temperatures and increased precipitation, may lead to changes in zoning regulations or building codes, potentially affecting the Company's ability to develop or renovate its properties.

The Group is also aware of the potential for climate change to impact its supply chain and increase the costs of essential goods and services, such as medical supplies, food, and energy, which could have an adverse effect on its financial performance. The Group is proactively identifying and managing these risks by monitoring climate-related developments and assessing their potential impacts on its operations and financial performance.

Furthermore, the Group recognises the potential impact of climate change on its assets, including goodwill, property, plant and equipment, investment properties, and right-of-use assets. Climate-related factors, such as changes in market conditions or regulatory requirements, could result in impairment charges or adjustments to the carrying amount of these assets.

The Group is committed to monitoring and reporting on climate-related risks and opportunities in its financial statements and other public disclosures. The Group acknowledges that climate change is an ongoing and evolving issue and will continue to take appropriate steps to identify and manage potential impacts on its operations, financial performance, and financial assets.

1.4. Market Capitalisation

At balance date the market capitalisation of the Group (being the 31 March 2024 closing share price, as quoted on the NZX Main Board, multiplied by the number of shares on issue) was below the carrying amount of the Group's net assets and shareholders' funds. In considering the difference, the Group notes that over 86% (2023: 85%) of total assets at 31 March 2024 are either non-financial property assets carried at fair value 51% (2023: 52%) as assessed by the Group's independent external property valuers or nonfinancial assets subject to annual impairment assessment 35% (2023: 33%). The Group has undertaken an assessment of the recoverable amount of its assets/cash generating units. Management believes that no reasonably possible changes in any of the above key assumptions would cause the carrying value of the non-financial assets to be materially lower than their recoverable amount.

2. OPERATING PERFORMANCE

2.1. Revenue

Revenue from Contracts with Customers

Revenue from care and village fees and recoveries income is recognised in accordance with NZ IFRS 15 Revenue from Contracts with Customers ("NZ IFRS 15"). Deferred management fees and rental income are considered leases under NZ IFRS 16 *Leases* ("NZ IFRS 16"), and are therefore excluded from the scope of NZ IFRS 15.

Care and Village Fees

The Group derives revenue from the provision of residential care and related services. Rest home, hospital and service fee charges (including accommodation supplements) are governed by the individual care admission agreement with each care resident. The resident incurs a daily care fee charged per the agreement, as set by the Government each year. Care fees are recognised net of any rebates to residents.

The Group derives care fee revenue in respect of eligible Government subsidised aged care residents who receive rest home, dementia or hospital level care. Government aged care subsidies received from the Ministry of Health/ Te Whatu Ora included in care fees and village services amounted to $101.7m (2023: $89.7m).

There are no elements of variable consideration or significant financing component associated with care and village fees and recoveries income.

Village fees are detailed within each resident's Occupation Right Agreement (ORA) and relate to the operating costs of the village. Revenue is recognised based on the daily or weekly fees charged, reflecting the period a resident has occupied a unit.

The performance obligation of providing the care and village services is satisfied over time, as the resident simultaneously receives and consumes the benefits of the service as it is provided. Billing and revenue recognition are generally done during the same period that the performance obligation is satisfied. Payments received in advance are recorded on the statement of financial position as a contract liability and subsequently recognised through profit or loss when the services are rendered.

For the year ended *In thousands of New Zealand dollars*	31 March 2024	31 March 2023
Rest home, hospital and dementia fees	142,209	124,364
Accommodation Supplements	9,795	7,931
Village service fees	1,173	793
Rental income	165	116
Other services provided to residents	15,397	11,263
	168,739	**144,467**

Deferred Management Fees

Occupation Right Agreements (ORAs) confer the right to occupy a retirement unit and are considered leases under NZ IFRS 16 *Leases*.

A management fee is payable by the residents of the Group's independent living units for the right to share in the use and enjoyment of common facilities. The management fee is calculated as a percentage of the ORA amount and accrues either daily, monthly or annually for a set period, based on the terms of the individual contracts. The current ORAs accrue management fees at rates ranging from 6.67% to 10% per annum.

The management fee is payable in cash by the resident at the time of repayment (to the resident) of the refundable ORA amount due. The Group has the right to set off of the refundable occupation right agreement amount and the management fee receivable.

At year end, the management fee receivable that has yet to be recognised through profit or loss as management fee revenue is recognised as a deferred management fee liability in the statement of financial position.

Key Accounting Estimates and Judgements

The deferred management fee represents the difference between the management fees receivable under the ORA and the portion of the management fee accrued which is recognised on a straight-line basis over the longer of the term specified in a resident's ORA or the average expected occupancy for the relevant accommodation i.e. eight years for villas and three to four years for serviced apartments and villas (2023: eight years for villas and three to four years for serviced apartments).

2.2. Expenses

For the year ended *In thousands of New Zealand dollars*	NOTE	31 March 2024	31 March 2023
DEPRECIATION OF PROPERTY, PLANT AND EQUIPMENT			
- buildings	3.2	1,424	1,286
- motor vehicles	3.2	115	127
- furniture, fixtures and fittings	3.2	2,704	2,812
- information technology	3.2	718	871
- medical equipment	3.2	159	112
		5,120	**5,208**
DEPRECIATION OF RIGHT-OF-USE ASSETS			
- buildings	3.4	4,822	4,771
		4,822	**4,771**
Total depreciation		**9,942**	**9,979**
FINANCE COSTS			
- interest - bank and vendor financing		9,675	6,505
- interest - lease liabilities	3.4	5,962	5,974
Total finance costs		**15,637**	**12,479**
OTHER EXPENSES			
Fees paid to Auditors			
Audit and review of consolidated financial statements		296	271
Tax compliance services		30	23
Total fees paid to auditor		326	294
Care home operating expenses		27,885	25,012
Operating rental expenses relating to low value and short-term leases		41	2
Directors' fees		579	408
Donations and sponsorships		12	25
Loss/(gain) on sale of property, plant and equipment		243	(1)
Other expenses (no items of individual significance)		10,065	8,658
Total other expenses		**39,151**	**34,398**

3. PROPERTY ASSETS

3.1. Investment Properties

Accounting Policy

Investment properties include completed freehold land and buildings, freehold land and buildings under development comprising retirement villages including common facilities, provided for use by residents under the terms of a Refundable Occupation Right Agreements (ORA). Investment properties are held for long term yields and to generate rental income.

Investment properties are initially recognised at cost. After initial recognition, investment properties are measured at fair value. Gains or losses arising from a change in the fair value of investment properties are recognised in profit or loss.

Deferred management fees, are accounted for as described in note 2.1.

As at *In thousands of New Zealand dollars*	NOTE	31 March 2024	31 March 2023
INVESTMENT PROPERTIES			
Opening carrying amount		70,143	46,014
Acquisition of Matamata Retirement Village		—	23,037
Net fair value gain		2,703	765
Occupation Right Agreements settled		(9,158)	(2,919)
Occupation Right Agreements entered		9,158	2,919
Purchases		662	327
Other adjustments		20	—
Closing carrying amount		**73,528**	**70,143**

A reconciliation between the valuation and the amount recognised on the Consolidated Statement of Financial Position as investment properties is as follows:

Valuation of operator's interest		25,500	22,821
Refundable Occupation Right Agreements	3.3	37,425	34,104
Deferred management fees	3.3	7,608	6,973
Unsold/vacant units		750	3,850
Residential properties		2,245	2,395
		73,528	**70,143**

Valuation Process and Key Inputs

The Group's investment properties are valued on an annual basis. This year the valuations were undertaken by LVC Limited (LVC), an independent valuer. LVC are registered with the Property Institute of New Zealand, employs registered valuers and has appropriate recognised professional qualifications and recent experience in the location and category of properties being valued.

The valuation of investment property are adjusted for cash flows relating to refundable ORA payments and management fees receivable recognised separately on the Consolidated Balance Sheet and also reflected in the valuation model.

Unsold Units

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

Key Accounting Estimates and Judgements

As the fair value of investment properties is determined using inputs that are significant and unobservable, the Group has categorised investment properties as Level 3 under the fair value hierarchy in accordance with NZ IFRS 13 *Fair Value Measurement.*

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Valuation Uncertainty

As at 31 March 2024

The Group's four investment properties were revalued on 31 March 2024 and included a valuation uncertainty clause in their valuation report, noting "The market over the past two years has been softening due to a combination of Government lending controls, global supply issues, abnormally high inflation and rapidly rising interest rates resulting in declining asset values. Sales transaction volumes decreased significantly with a disconnect between vendor expectation and the price purchasers were prepared to pay. The Official Cash Rate (OCR) was held in July, August, October, November 2023 and February 2024 to 5.50%. There are still inflationary pressures in the market while increases in the Banks cost of capital is impacting fixed rates. New Zealand is now in a recessionary state". Given the valuation uncertainty, the valuer has recommended in their reports that the valuations of the properties be reviewed periodically, noting reliance cannot be placed on their report beyond three months.

As at 31 March 2023

Refer to the published consolidated financial statements for the year ended 31 March 2023 for further information on prior year valuation uncertainty.

Significant Unobservable Inputs

The significant unobservable inputs used in the fair value measurement of the Group's portfolio of completed investment properties are the discount rate and the property growth rate.

The following assumptions have been used to determine fair value:

	Significant Input	Description	Inter-relationship Between the Key Inputs and Fair Value Measurement	2024	2023
Discount rate	Villas and serviced apartments	The pre-tax discount rate	A significant increase/(decrease) in the discount rate would result in a significantly (lower)/higher fair value measurement.	15.5% - 19.0%	13.5% - 17.0%
Property price growth rate	Villas	Anticipated annual property price growth over the cash flow period 0 - 4 years	A significant increase/(decrease) in the property price growth rate would result in a significantly higher/(lower) fair value measurement.	0% - 2.5%	0% - 3.0%
	Serviced apartments			0% - 2.5%	0% - 2.5%
	Villas	Anticipated annual property price growth over the cash flow period 5+ years	A significant increase/(decrease) in the property price growth rate would result in a significantly higher/(lower) fair value measurement.	2.25% - 2.50%	2.25% - 2.50%
	Serviced apartments			2.25%	2.25%

Due to the valuation uncertainty disclosed, the range of reasonably possible changes to key assumptions is uncertain and could be significantly greater than the ranges used in the sensitivity analysis.

Sensitivities

	Adopted Value of Operator's Interest	Discount Rate		Property Growth Rates	
AS AT 31 MARCH 2024		+0.5%	-0.5%	+0.25%	-0.25%
Valuation $NZ000's	25,500				
Difference $NZ000's		(800)	850	1,150	(1,000)
Difference %		-3.1%	3.3%	4.5%	-3.9%
AS AT 31 MARCH 2023		+0.5%	-0.5%	+0.25%	-0.25%
Valuation $NZ000's	22,821				
Difference $NZ000's		(900)	1,000	900	(650)
Difference %		-3.3%	3.7%	3.3%	-2.4%

The occupancy period is a significant component of the valuations. LVC consider the demographic profile of the village (age and gender of residents) and the average occupancy period depending on the type of unit and averages within the industry. Subsequent changes in residents are then calculated based on the period of occupancy expected for each resident as at the date of the valuation. An increase in the stabilised departing occupancy period will have a negative impact on the valuation and a decrease in the stabilised departing occupancy will have a positive impact on the valuation. The valuation calculates the expected cash flows with stabilised departing occupancy assumptions set out below.

Significant Input

As at	31 March 2024	31 March 2023
Stabilised occupancy period - villas	8.0 yrs - 9.0 yrs	8.0 yrs - 9.0 yrs
Stabilised occupancy period - serviced apartments	4 yrs	4 yrs

Current ingoing price, for subsequent resales of ORA's, is a key driver of the LVC valuations. A significant increase/(decrease) in the ingoing price (as driven by the property growth rates) would result in a significantly higher/(lower) fair value measurement.

3.2. Property, Plant and Equipment

Accounting Policy

Freehold land and buildings are measured at revalued amounts, less any subsequent accumulated depreciation and any accumulated impairment losses. At each reporting date the carrying amount of each asset is reviewed to ensure that it does not differ materially from the asset's fair value at reporting date. Where necessary, independent valuations are performed and the asset is revalued to reflect its fair value.

Category	Useful Life Range
- Buildings	50 years
- Motor vehicles	5 years
- Furniture, fixtures and fittings	5 - 10 years
- Information technology	4 years
- Medical equipment	7 years

Assets are assessed for impairment whenever events or circumstances arise that indicate the asset may be impaired. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Impairment losses in respect of individual assets are recognised immediately in profit or loss unless the asset is measured at a revalued amount, in which case the impairment loss is treated as a revaluation decrease and is recognised in other comprehensive income to the extent that it does not exceed the amount in the revaluation surplus for the same asset.

Gains and losses on disposals are determined by comparing the net disposal proceeds with the carrying amount of the asset. These are included in the profit or loss.

Carrying Value of Assets at Historical Cost

The carrying amount at which both land and buildings would have been carried had the assets been measured under historical costs is as follows:

As at *In thousands of New Zealand dollars*	31 March 2024	31 March 2023
Land and buildings	91,322	106,399
Accumulated Depreciation	(2,785)	(1,735)
Total	**88,537**	**104,664**

In thousands of New Zealand dollars	Land and Buildings	Motor Vehicles	Furniture, Fixtures and Fittings	Information Technology	Medical Equipment	Work in Progress	Total
YEAR ENDED 31 MARCH 2024							
Opening net book value	112,510	356	12,806	1,746	450	6,002	133,870
Additions	—	113	1,818	202	452	868	3,453
Revaluation	—	—	—	—	—	—	—
Transfers	168	—	25	—	—	(193)	—
Disposals[1]	(13,608)	(7)	(1,146)	(107)	(25)	—	(14,893)
Depreciation	(1,424)	(115)	(2,704)	(718)	(159)	—	(5,120)
Closing net book value	**97,646**	**347**	**10,799**	**1,123**	**718**	**6,677**	**117,310**
AS AT 31 MARCH 2024							
Cost	99,004	1,479	38,306	6,585	1,456	6,677	153,507
Accumulated Depreciation	(1,358)	(1,132)	(27,507)	(5,462)	(738)	—	(36,197)
Net book value	**97,646**	**347**	**10,799**	**1,123**	**718**	**6,677**	**117,310**

In thousands of New Zealand dollars	Land and Buildings	Motor Vehicles	Furniture, Fixtures and Fittings	Information Technology	Medical Equipment	Work in Progress	Total
YEAR ENDED 31 MARCH 2023							
Opening net book value	56,066	293	10,999	2,120	289	4,072	73,839
Additions	53,083	196	3,404	419	259	8,671	66,032
Revaluation	531	—	—	—	—	—	531
Transfers	5,007	—	1,224	78	14	(6,323)	—
Disposals	(891)	(6)	(9)	—	—	(418)	(1,324)
Depreciation	(1,286)	(127)	(2,812)	(871)	(112)	—	(5,208)
Closing net book value	**112,510**	**356**	**12,806**	**1,746**	**450**	**6,002**	**133,870**
AS AT 31 MARCH 2023							
Cost[2]	112,527	1,459	38,024	6,667	1,054	6,002	165,734
Accumulated Depreciation	(17)	(1,103)	(25,218)	(4,921)	(605)	—	(31,864)
Net book value	**112,510**	**356**	**12,806**	**1,746**	**450**	**6,002**	**133,870**

1. On 16 January 2024, the Group disposed of one property for consideration of $19m. The funds from the transaction were subsequently used to repay bank borrowings, refer to note 4.3.

2. The revaluation noted in the Statement of Comprehensive Income differs from the above due to deferred tax.

Valuation Uncertainty

As at 31 March 2024

The Group's twelve properties included in land and buildings were revalued on 31 March 2023 (refer below). Management assessed that these freehold land and buildings have not experienced any significant and volatile changes in fair value necessitating a revaluation as at 31 March 2024. This assessment was informed by advice provided by the Group's land and buildings valuer, LVC Limited (LVC) (who provides valuation services to the Group) who provided a desktop valuation report confirming that the carrying amounts of these freehold land and buildings did not differ materially from that which would be determined using fair value as at 31 March 2023. LVC have noted reliance cannot be placed on their report beyond three months.

As at 31 March 2024 the valuer of all twelve properties has included a valuation uncertainty clause in their desktop valuation report noting "The market over the past two years has been softening due to a combination of Government lending controls, global supply issues, abnormally high inflation and rapidly rising interest rates resulting in declining asset values. Sales transaction volumes decreased significantly with a disconnect between vendor expectation and the price purchasers were prepared to pay. The Official Cash Rate (OCR) was held in July, August, October, November 2023 and February 2024 to 5.50%. There are still inflationary pressures in the market while increases in the Banks cost of capital is impacting fixed rates. New Zealand is now in a recessionary state". Given the valuation uncertainty, the valuer has recommended in their reports that the valuations of the properties be reviewed periodically, noting reliance can not be placed on their report beyond three months.

As at 31 March 2023

Refer to the published consolidated financial statements for the year ended 31 March 2023 for further information on prior year valuation uncertainty.

Key Accounting Estimates and Judgements

Property measurements are categorised as Level 3 (2023: Level 3) of the fair value measurement hierarchy as the fair value is determined using inputs that are unobservable.

Significant Unobservable Inputs

The significant unobservable input used in the fair value measurement of the Group's land and buildings is the capitalisation rate applied to rentals. A significant decrease/(increase) in the capitalisation rate would result in significantly higher/(lower) fair value measurement.

Sensitivities

	Adopted Value	Capitalisation Rate	
As at 31 March 2023			
Valuation $NZ000's	112,510	+0.5%	-0.5%
Difference $NZ000's		(7,900)	9,200
Difference %		(7.1%)	8.2%

3.3. Refundable Occupation Right Agreements

Accounting Policy

Occupation Right Agreements (ORAs) confer the right to occupy a retirement unit and are considered leases under NZ IFRS 16 *Leases*.

A new resident is charged a refundable security deposit, on being issued the right to occupy one of the Group's units, which is refunded to the resident subject to a new ORA for the unit being issued to an incoming resident, net of any amount owing to the Group. The Group has a legal right to set off any amounts owing to the Group by a resident against that resident's security deposit. Such amounts include management fees, rest home and hospital fees, service fees and village fees. As the refundable occupation right is repayable to the resident upon vacating the unit (subject to a new ORA for the unit being issued to an incoming resident), the fair value is equal to the face value, being the amount that can be refunded.

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

A resident is charged a village contribution fee in consideration for the right to occupy one of the Group's units to a maximum of 30% of the entry payment.

Some residents may be charged an administration fee for the right to occupy one of the Group's units of between 3.45% and 4.0% of the entry payment.

The village contribution is payable by the resident on termination of the ORA. Village contribution is recognised as deferred management fees, note 2.1. The management fee receivable is recognised in accordance with the terms of the resident's ORA.

The deferred management fee represents the difference between the management fees receivable under the ORA and the portion of the management fee accrued which is recognised on a straight-line basis over the longer of the term specified in a resident's ORA or the average expected occupancy for the relevant accommodation i.e. eight years for villas and three to four years for serviced apartments (2023: eight years for villas and three to four years for serviced apartments).

The management fee recognised in the Consolidated Statement of Comprehensive Income represents income earned in line with the average expected occupancy.

As a refundable occupation license payment is repayable to the resident upon termination (subject to a new ORA being issued to an incoming resident), the fair value is equal to the face value, being the amount that can be demanded.

The expected maturity of the refundable obligations to residents is beyond 12 months.

As at *In thousands of New Zealand dollars*	NOTE	31 March 2024	31 March 2023
REFUNDABLE OCCUPATION RIGHT AGREEMENTS			
Refundable occupation right agreements		52,572	47,772
Less: Management fee receivable (per contract)		(15,147)	(13,668)
Refundable Occupation Right Agreements		**37,425**	**34,104**
RECONCILIATION OF MANAGEMENT FEES RECOGNISED UNDER NZ IFRS AND PER ORA			
Management fee receivable (per contract)		(15,147)	(13,668)
Deferred management fees	2.1	7,608	6,973
Management fee receivable (per NZ IFRS)		**(7,539)**	**(6,695)**
COMPRISING OF			
Current deferred management fees		*1,918*	*1,900*
Non-current deferred management fees		*5,690*	*5,073*
Deferred management fees		**7,608**	**6,973**

3.4. Leases

Accounting Policy

Right-of-use Assets

Right-of-use assets are measured at cost (adjusted for any remeasurement of the associated lease liability), less accumulated depreciation and any accumulated impairment loss.

Right-of-use assets are depreciated over the shorter of the lease term and the estimated useful life of the underlying asset, consistent with the estimated consumption of the economic benefits embodied in the underlying asset.

Lease Liabilities

Lease liabilities are initially recognised at the present value of the future lease payments (i.e., the lease payments that are unpaid at the commencement date of the lease). These lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, or otherwise using the Group's incremental borrowing rate.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. Interest expense on lease liabilities is recognised in profit or loss (as a component of finance costs). Lease liabilities are remeasured to reflect changes to lease terms, changes to lease payments and any lease modifications not accounted for as separate leases.

Variable lease payments not included in the measurement of lease liabilities are recognised as an expense when incurred.

Leases of 12 Months or Less and Leases of Low Value Assets

Lease payments made in relation to leases of 12-months or less and leases of low value assets (for which a lease asset and a lease liability has not been recognised) are recognised as an expense on a straight line basis over the lease term.

Key Accounting Estimates and Judgements

Extension and termination options are included in a number of leases across the Group. These terms are used to maximise the operational flexibility of contracts. The majority of extension and termination options are exercisable only by the Group and not by the respective lessor. All extension options have been assumed for the calculations of the Group's lease liabilities.

The weighted average incremental borrowing rates applied by the Group is 5% (2023: 5%). No new leases were entered into during the year (2023: none) and no leases were cancelled or modified during the year (2023: four leases were cancelled and no leases were modified).

As at *In thousands of New Zealand dollars*	31 March 2024	31 March 2023
(A) RIGHT-OF-USE ASSETS		
Land and buildings under lease	132,816	130,552
Accumulated depreciation	(22,910)	(18,088)
Total carrying amount of right-of-use assets	**109,906**	**112,464**
RECONCILIATIONS		
Reconciliation of the carrying amount of right-of-use assets at the beginning and end of the financial year:		
Land and buildings		
Opening carrying amount	112,464	133,912
Depreciation	(4,822)	(4,771)
Remeasurements	2,264	10,428
Disposals	–	(27,105)
Closing carrying amount	**109,906**	**112,464**

On 6 May 2022, the Group acquired four properties that were previously leased. The disposal of the related right-of-use assets and lease liabilities resulted in a gain on modification of $1.8m being recognised upon the cancelling lease and derecognition of the related Lease liability and Right of Use asset.

(B) LEASE LIABILITIES		
Current		
Land and buildings	2,670	2,428
Non-current		
Land and buildings	118,416	119,102
	121,086	**121,530**

For the year ended *In thousands of New Zealand dollars*	31 March 2024	31 March 2023
(C) LEASE EXPENSES AND CASH FLOWS		
Interest expense on lease liabilities	5,962	5,974
Depreciation expense on right-of-use assets	4,822	4,771
Cash outflow in relation to leases	8,671	8,488
(D) MATURITY ANALYSIS - CONTRACTUAL UNDISCOUNTED CASH FLOWS		
- Not later than 1 year	8,702	8,536
- Later than 1 year and not later than 5 years	34,340	34,245
- Later than 5 years	181,677	186,242
	224,719	**229,023**

4. SHAREHOLDER EQUITY AND FUNDING

4.1. Shareholder Equity and Reserves

Accounting Policy

	2024 Shares	2024 $000	2023 Shares	2023 $000
SHARE CAPITAL				
Authorised, issued and fully paid up capital	284,876,742	56,820	284,848,644	56,813
Total contributed equity	**284,876,742**	**56,820**	**284,848,644**	**56,813**
MOVEMENTS				
Opening balance of ordinary shares issued	284,848,644	56,813	269,243,089	51,732
Shares issued for the Matamata business acquisition	–	–	15,328,019	5,000
Shares issued to employees and service providers	28,098	7	188,385	57
Dividend reinvestment plan	–	–	89,151	24
Closing balance of ordinary shares issued	**284,876,742**	**56,820**	**284,848,644**	**56,813**

All ordinary shares are authorised and rank equally with one vote attached to each fully paid ordinary share. The shares have no par value. The Group incurred no transaction costs issuing shares during the year (2023: Nil).

Dividends

Dividend distributions to shareholders are recognised as a liability in the period in which dividends are declared. On 22 April 2024 a final dividend of 0.97 cents per share (fully imputed) was declared in relation to the year ended 31 March 2024 and was paid on 16 May 2024. No dividends were declared during the year ended 31 March 2024.

	2024 Cents per share	2024 Total $000	2023 Cents per share	2023 Total $000
RECOGNISED AMOUNTS:				
Prior year final dividend	–	–	0.76	1,481
Interim dividend	–	–	0.70	1,435
	–	–	–	2,916
Final dividend declared	0.70	1,994	–	–

Asset Revaluation Reserve

The asset revaluation reserve is used to record the revaluation of freehold land and buildings.

Other Reserve

Other reserve is used to record the reserves arising in relation to share based payments by the Group.

4.2. Earnings per share

Basic and Diluted

Basic earnings per share is calculated by dividing the profit after tax of the Group by the weighted average number of ordinary shares outstanding during the year. As at 31 March 2024, there were no shares with a dilutive effect (31 March 2023: none) and therefore basic and diluted earnings per share were the same.

For the year ended *In thousands of New Zealand dollars*	31 March 2024	31 March 2023
Profit/(Loss) after tax	(8,488)	(2,106)
Weighted average number of ordinary shares outstanding ('000s)	284,871	277,045
Cents per share	**(2.98)**	**(0.76)**

4.3. Borrowings

Accounting Policy

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

As at *In thousands of New Zealand dollars*	31 March 2024	31 March 2023
SECURED LIABILITIES		
Current		
Bank Loans	–	23,000
Vendor Loan	–	11,518
Non-current		
Bank Loans	75,869	63,169
	75,869	**97,687**

Terms and Conditions and Assets Pledged as Security

	Current $000	Non-current $000	Facility Limit $000	Effective Interest Rate %	Expiry Date
31 MARCH 2024					
ASB Facility - A	–	16,500	20,000	7.80	1 November 2026
ASB Facility - B	–	9,694	9,700	7.33	1 November 2026
ASB Facility - C	–	14,500	14,500	7.30	1 November 2026
ASB Facility - D	–	23,675	23,675	8.80	6 May 2027
ASB Facility - F	–	11,500	11,500	8.69	28 March 2027
	–	**75,869**	**79,375**		
31 MARCH 2023					
ASB Facility - A	–	20,000	20,000	5.60	1 November 2026
ASB Facility - B	15,000	–	15,000	5.28	6 October 2023
ASB Facility - B	–	4,994	5,000	5.28	1 November 2026
ASB Facility - C	–	14,500	14,500	4.98	1 November 2026
ASB Facility - D	–	23,675	23,675	6.68	6 May 2027
ASB Facility - E	8,000	–	8,000	6.70	6 October 2023
Vendor Loan	11,518	–	11,518	8.00	21 October 2023
	34,518	**63,169**	**97,693**		

ASB Bank Limited Loans

Security

As at 31 March 2024, all group borrowings are held with ASB Bank Limited ("ASB").

The Group's ASB facility loans and the Corporate Banking Overdraft Facility Agreement are guaranteed by Group subsidiaries and secured by mortgages over the Group's care centre freehold land and buildings. When the land and buildings are classified as investment property and investment property under development, these mortgages rank second behind the Statutory Supervisors' interest.

As at 31 March 2024, the balance of the bank loans over which the properties are held as security is $75.9m (31 March 2023: $86.2m). The total facility limit as at 31 March 2024 is $79.4m (31 March 2023: $86.2).

As at 31 March 2024, the Group has a Corporate Banking Overdraft Facility Agreement with ASB for $2m (31 March 2023: $5m). This facility bears interest at an effective interest rate of 8.82% (31 March 2023: 6.28%). As at 31 March 2024, the overdraft was not drawn (31 March 2023: $2.9m drawn).

All facilities are interest bearing and repayable on the expiry date of the loan.

Financing Arrangements

Under the Group's bank loan arrangements with ASB, the Group must comply with banking covenants. These covenants are tested and reported to ASB on a quarterly basis. During the year ended 31 March 2024, the Group complied with all banking covenant requirements to which it is subject (2023: complied with all). For the purposes of the financial covenants, the Group has agreed with ASB that the calculation of Adjusted EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) and Net Interest shall continue to be based on the accounting treatment in use before the introduction and adoption of NZ IFRS 16 Leases (2023: The same definition of adjusted EBITDA applied).

ASB Facility B and Facility E

On 17 January 2024, net proceeds of $18.3m from the sale of a care home were applied to repay $8m of Facility E and $10.3m of Facility B, representing the completion of the debt management programme previously agreed with ASB as previously disclosed in the consolidated financial statements for the year ended 31 March 2023. Following repayment, ASB extended the expiry date of Facility B to 1 November 2026 (previously 31 January 2024). Facilities B and E were originally established to enable settlement of the four previously leased land and buildings property assets, and were subsequently extended on 31 March 2023 and 29 September 2023 with a final expiry date of 31 January 2024.

ASB Facility F

On 28 March 2024, ASB established a new loan facility (Facility F), with a facility limit of $11.5m and an expiry date of 28 March 2027. The facility was fully drawn on the establishment date with funds applied to fully repay the vendor loan of $5m and the MRFT Finance limited loan of $6m which had been secured by assets acquired with the Matamata business acquisition (acquired on 29 September 2022).

Vendor Loan

The vendor loan which related to the Matamata business acquisition was fully repaid on 28 March 2024. On 3 May 2023, $1m was repaid (of the original balance of $11.5m), and the interest rate was increased from 8% to 18% effective until the revised maturity date of 21 October 2023. Interest payments were split between 12% payable monthly and 6% capitalised monthly. Before this loan matured, $5.6m was repaid on 5 October 2023, and the remaining balance of $5m was extended to 30 April 2024 at a reduced rate of 16%, payable monthly.

MRFT Finance Loan

The MRFT Finance Limited Loan was fully repaid on 28 March 2024. On 5 October 2023, a loan facility of $6m was established with MRFT Finance Limited with an expiry date of 30 March 2024, and an option to extend initial expiry for three months. This facility was secured by assets acquired in the Matamata business acquisition with an interest rate of 12%, payable monthly. The facility was fully drawn on 5 October 2023 with funds applied to repay $5.6m of the Vendor loan plus capitalised interest.

Providence Trust Loan

On 15 May 2023, the Providence Trust, a related party of Executive Director Brien Cree, agreed to lend the Company $1m at 18% per annum. This was subsequently repaid in full on 1 November 2023.

5. OTHER DISCLOSURES

5.1. Income Tax

Accounting Policy

Removal of tax depreciation on commercial and industrial buildings

From the 2020/21 tax year, the Group has been depreciating its commercial and industrial buildings on a 2% diminishing value basis or a 1.5% straight-line basis, following the reinstatement of tax depreciation for buildings with a useful life of 50 years or more as part of the government's COVID-19: Economic Response Package. Effective from 1 April 2024, the tax depreciation rate will revert to 0%, impacting the tax value of buildings held from the 2024/25 tax year onwards.

The Group recognises deferred tax on temporary differences at the tax rates expected to apply when these differences reverse, using the tax rates enacted or substantively enacted at the balance sheet date. The change in tax legislation effective from 1 April 2024 eliminates the tax base of commercial and industrial buildings, thereby creating a temporary difference that leads to a deferred tax liability. This liability is recognised unless the initial recognition exemption (IRE) under NZ IAS 12 applies, which precludes the recognition of deferred tax on initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction affects neither accounting nor taxable profit and is a non cash item.

Key Accounting Estimates and Judgements

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").

An initial recognition exemption has been applied to newly developed village sites in accordance with NZ IAS 12 *Income Taxes*.

The Group's ORAs comprise two distinct cash flows (being an ORA deposit upon entering the unit and the refund of this deposit upon exit). In determining the tax base of investment property, the Group considered whether taxable cash flows are received at the end of the ORA period (i.e. upon refund of the ORA deposit by way of set off on exit by a resident) or at the beginning of the ORA period (i.e. at time of the receipt of the ORA deposit). The Group has carefully evaluated all the available information and considers it appropriate to recognise and measure the tax base and associated deferred tax based on the taxable cash flows being receivable at the end of the ORA period as this best represents the Group's contractual entitlement.

In calculating deferred tax under the Held for Use methodology, the Group has made significant judgements to determine taxable temporary differences. The carrying value of the Group's investment property is determined on a discounted cash flow basis and includes cash flows that are both taxable and non-taxable in the future. The Group has recognised deferred tax on the cash flows with a future tax consequence being DMF as provided by LVC, to the extent that it arises from depreciable components (i.e. buildings) of the investment property. The Group uses the valuers valuations to estimate the apportionment of cash flows arising from the depreciable (i.e. buildings) and non-depreciable components (i.e. land).

Deferred Tax on Buildings

The impact of the removal of tax depreciation on commercial and industrial buildings, which reduced the tax base to nil creating a significant taxable temporary difference for all of the Group's care home buildings, classified as Property, Plant and Equipment, irrespective of their date of acquisition. The recognition of this temporary difference as a deferred tax liability depends on whether the buildings were acquired through business combination and whether the initial recognition exception (IRE) in NZ IAS 12 was previously applied.

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For the year ended *In thousands of New Zealand dollars*	31 March 2024	31 March 2023
(A) COMPONENTS OF TAX EXPENSE		
Current tax	1,635	(18)
Deferred tax	10,452	(860)
	12,087	**(878)**
(B) INCOME TAX RECONCILIATION		
The prima facie tax payable on profit before tax is reconciled to the income tax expense as follows:		
Prima facie income tax payable on profit before tax at 28.0%	1,008	(836)
Permanent differences	(264)	(70)
Under provision for income tax in prior year	85	3
Deferred tax impact from reversal of depreciation on buildings[1]	11,339	–
Other	(81)	25
Income tax expense attributable to profit	**12,087**	**(878)**

As at *In thousands of New Zealand dollars*	31 March 2024	31 March 2023
(C) DEFERRED TAX		
Deferred tax relates to the following:		
Deferred tax assets		
The balance comprises:		
Lease liabilities	33,903	34,028
Provisions	2,696	2,091
Deferred management fee income	1,126	1,281
Tax losses	604	539
Total Deferred Tax Asset	**38,329**	**37,939**
Deferred tax liabilities		
The balance comprises:		
Property, plant and equipment	2,898	2,679
Right-of-use assets	30,774	31,490
Deferred tax impact from reversal of depreciation on buildings	11,339	–
Total Deferred Tax Liability	**45,011**	**34,169**
Net deferred tax assets/(liabilities)	**(6,682)**	**3,770**
(D) DEFERRED INCOME TAX REVENUE COMPRISES:		
Through profit included in income tax expense		
Decrease/(Increase) in deferred tax assets	(390)	5,442
Decrease in deferred tax liabilities	10,842	(6,202)
Increase in deferred tax liabilities as a result of acquisition	–	(100)
	10,452	**(860)**
Through other comprehensive income		
Increase in deferred tax liabilities	–	874
	–	**874**

Deferred Tax Impact From Reversal of Depreciation on Buildings

On 26 March 2024, the Government substantively enacted legislation which removes the deductibility of depreciation on commercial and industrial buildings for tax purposes. Effective from 1 April 2024, the tax depreciation rate will revert to 0%. The change in tax legislation effective from 1 April 2024 eliminates the tax base for these assets, thereby creating a temporary difference that leads to a deferred tax liability (DTL). As part of recognising the DTL, a one-off tax expense of $11.3m has been recognised within the year ended 31 March 2024.

Deferred tax assets are recognised for deductible temporary differences as Management considers that it is probable that future taxable profits will be available to utilise those temporary differences.

For the year ended *In thousands of New Zealand dollars*	31 March 2024	31 March 2023
(E) IMPUTATION CREDITS AVAILABLE FOR USE IN SUBSEQUENT PERIODS		
Balance at the beginning of the year	6,016	6,735
Dividends paid	—	(1,134)
New Zealand tax payments, net of refunds	1,012	415
Balance at the end of the year	**7,028**	**6,016**

5.2. Intangible Assets

Goodwill

As at *In thousands of New Zealand dollars*	31 March 2024	31 March 2023
Goodwill at cost	16,063	19,797
Total	**16,063**	**19,797**

On 16 January 2024, the Group sold one care home in West Auckland with associated goodwill of $3.7m. Further information is described in note 3.2.

Key Accounting Estimates and Judgements

Goodwill is allocated to 20 (2023: 21) individual CGUs within the residential care business (which are various individual residential care and village businesses acquired by the Group). Corporate office cash flows incurred by the Group are allocated to each CGU based on bed numbers.

The recoverable amount of CGUs as at reporting date has been determined based on their fair value less costs of disposal, determined using discounted cash flows that includes Management's estimates based on past performance and its expectation for the future performance for up to five years. These estimates are based on budgeted projections of occupancy levels, sales growth and changes to cost structures. Cash flows from performance thereafter are estimated using a standard growth rate deemed to be reasonable by Management.

The key assumptions used for discounted cash flows calculations are as follows:

- The year one through five of the forecast cash flows are based on the budget approved by the Board of Directors for year one, and forecast for subsequent years.
- The cash flow period used in the calculations was 5 years (2023: 5 years).
- The post-tax discount rate applied in the calculations was between 11.0% and 12.6% (2023: post-tax between 11.2% and 12.4%). The pre-tax discount rate applied in the calculations was between 14.3% and 16.6% (2023: pre-tax between 14.8% and 16.5%).
- The terminal growth rate applied in the calculations was 2.0% (2023: 2.0%).
- Occupancy projections vary between CGU based on actual and expected occupancy rates.

Management believes that no reasonably possible changes in any of the above key assumptions would cause the carrying value of the goodwill to be materially lower than its recoverable amount.

Care CGUs Recoverable Amount

The recoverable amount of the individual care sites as at 31 March 2024 has been determined based on fair value less costs of disposal, determined using discounted cash flows. As the recoverable amount of individual care sites was determined using inputs that are significant and unobservable, the Group has categorised these inputs as Level 3 under the fair value hierarchy in accordance with NZ IFRS 13 *Fair Value Measurement*. The significant unobservable inputs used in the fair value measurement of the recoverable amount of the Group's individual care sites were as described above, year 1 to 5 forecast cash flows, a pre-tax discount rate, a terminal growth rate and occupancy projections based on actual and expected occupancy rates.

- A significant increase/(decrease) in the forecast cash flows, terminal growth rate, and occupancy projections and rates, assumptions would result in a significantly higher/(lower) fair value measurement.
- A significant increase/(decrease) in the pre-tax discount rate would result in a significantly (lower)/higher fair value measurement.

5.3. Trade and Other Receivables

As at *In thousands of New Zealand dollars*	31 March 2024	31 March 2023
CURRENT		
Trade receivables	12,335	10,583
Allowance for credit losses	(522)	(489)
	11,813	**10,094**
NZX listing bond	75	75
Prepayments	2,816	2,629
Accrued Income	298	273
	3,189	**2,977**
	15,002	**13,071**

Recognition, Measurement and Judgements in Applying Accounting Policies

When measuring expected credit losses ('ECL') the Group uses reasonable and supportable forward looking information, which is based on assumptions for future movement of different economic drivers and how these drivers will affect each other.

The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtors and an analysis of the debtors' current financial positions, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

The Group has the following financial assets subject to the application of the expected credit loss model:

- Trade receivables from care operations for the provision of care fees revenue for rest home and hospital fees. These are split between private amounts owed by residents and amounts due from agencies such as the Ministry of Health and Accident Compensation Corporation.
- Trade receivables from village operations for the provision of weekly service fees and occupation licence payment receivables. These are receivable from residents.

The following table provides information about the risk profile of trade receivables from contracts with residents and Government agencies using a provision matrix. The information in the below table does not distinguish between resident or product types as the Group's historical credit loss experience does not show different patterns for different resident or product types.

	12-month Expected Credit Losses				
		Days Past Due			
	Not Past Due	31-60	61-90	91 and Over	Total
AS AT 31 MARCH 2024					
Estimated total gross carrying amount at default ($000)	7,862	1,109	716	2,126	11,813
Expected credit loss rate (%)	0.2%	0.3%	1.8%	23.0%	4.4%
Expected credit loss rate ($000)	**16**	**3**	**13**	**490**	**522**
AS AT 31 MARCH 2023					
Estimated total gross carrying amount at default ($000)	7,121	760	631	2,071	10,583
Expected credit loss rate (%)	0.2%	0.3%	1.9%	22.3%	5.2%
Expected credit loss rate ($000)	**13**	**2**	**12**	**462**	**489**

5.4. Trade and Other Payables and Provisions

The Group's obligation with respect to employee's defined contributions entitlements is limited to its obligation for any unpaid superannuation guarantee contributions at the end of the reporting period.

As at *In thousands of New Zealand dollars*	31 March 2024	31 March 2023
CURRENT		
Unsecured trade and other payables		
Trade creditors	4,312	4,281
GST payable	1,184	1,228
Other payables	31	309
Accrued expenses	2,251	2,596
Deferred government grants income	–	1,053
Provisions		
Annual leave	6,400	6,156
Other employee entitlements	5,812	4,920
	19,990	**20,543**

5.5. Related Party Transactions

Subsidiaries

The following are the Group's subsidiaries.

Name of Entity	Principal Activities	Ownership Interests and Voting Rights 2024	2023	Class of Shares
Radius Arran Court Limited	Dormant	100%	100%	Ordinary
Radius Matamata Retirement Village Limited	Operating entity for Matamata Retirement Village	100%	100%	Ordinary
Radius SPV Limited	Property owning entity for Matamata Country Lodge and Matamata Retirement Village.	100%	100%	Ordinary
R Connect Limited	Staff placement company providing short term staffing solutions	100%	100%	Ordinary
Clare House Retirement Village Limited	Operating entity for Clare House Retirement Village and property owning entity for the Clare House care home	100%	100%	Ordinary
Clare House Care Limited	Operating entity for Clare House Care	100%	100%	Ordinary
Windsor Lifestyle Estate Limited	Operating entity for Windsor retirement village	100%	100%	Ordinary
Radius Care Limited (non-trading)	Dormant	100%	100%	Ordinary
Elloughton Grange Village Limited	Operating entity for Elloughton retirement village	100%	100%	Ordinary
Radius Care Holdings Limited	Property owning entity for St Helenas, Thornleigh Park, Lexham Park, Elloughton Gardens, Heatherlea, Windsor Court, Taupaki Gables, Peppertree, St Joans and Fulton care homes	100%	100%	Ordinary

All subsidiaries are incorporated in New Zealand and have a balance date of 31 March.

Key Management Personnel Compensation and Other Related Parties

Key management personnel are all executives and Directors with the authority for the strategic direction and management of the Group.

Related Party	Relationship
Brien Cree	Director and Ultimate Shareholder (via Wave Rider Holdings Limited)
Duncan Cook	Director and Shareholder
Bret Jackson	Director and Ultimate Shareholder (via Takatimu Investments Limited)
Mary Gardiner	Director
Hamish Stevens	Director and Shareholder
Wave Rider Holdings Limited	Shareholder
Takatimu Investments Limited	Shareholder
Cibus Catering Limited	Common Director (Brien Cree)
Valhalla Capital Limited	Common Director (Brien Cree)
Neil Foster	Shareholder
Warehouse Storage Limited	Common Shareholder (Neil Foster)
Main Family Trust	Shareholder
Tom Wilson	Director and Shareholder
Time Capital NZ Limited	Common Shareholder (Tom Wilson)
Providence Trust	Trustee (Brien Cree)

For the year ended *In thousands of New Zealand dollars*	31 March 2024	31 March 2023
Directors' remuneration and expenses	579	416
Dividends to Director related entities	—	990
Key management personnel salaries and other short term employee benefits	3,132	2,806
Key management personnel dividends	—	4
Total Director and key management payments	**3,711**	**4,216**
OTHER RELATED PARTIES		
Catering services		
- Cibus Catering Limited	8,332	7,084
Consulting fees		
- Duncan Cook[1]	237	451
- Time Capital NZ Limited	10	—
Rent paid		
- Warehouse Storage Limited	1,239	1,040
Rent received and utility recharges		
- Cibus Catering Limited	84	67
Personal guarantee fee		
- Brien Cree	171	170
Business acquisition		
- Main Family Trust[2]	—	17,018
Vendor loan interest		
- Main Family Trust[2]	1,312	461
Related party loan interest		
- Providence Trust	109	—

As at *In thousands of New Zealand dollars*	31 March 2024	31 March 2023
Trade creditors		
- Cibus Catering Limited	703	86
Trade debtors		
- Cibus Catering Limited	5	14
Borrowings		
- Main Family Trust[2]	—	11,518

1. Predominately relates to services provided as Legal Counsel (2023: Predominately relates to services provided as Legal Counsel and services in respect of the UCG transaction and Matamata business acquisition).

2. Related to the consideration for the purchase of the Matamata business acquisition during the 2023 financial year.

Assignment of an Agreement for the Purchase of Land From a Director

Brien Cree (Director) and the Group are party to an agreement ('the Assignment Agreement'), whereby Mr Cree agreed to assign to the Group his rights under an agreement for sale and purchase of real estate ('Land SPA'), to acquire a circa 4.3 hectare development property at Main North Road, Belfast, Christchurch ('the development property') from an unrelated third party.

The purchase price under the Land SPA is $5.8m, of which a non-refundable deposit of $300k was paid by Mr Cree during the 2021 financial year. On the date of settlement, being 16 April 2021, the Group paid Mr Cree $700k of which $400k was for the assignment of the agreement to purchase the land and $300k for the reimbursement of the deposit.

A condition of the Assignment Agreement was approval of the transaction by the Board of the Group by 2 April 2021. On 2 April 2021 the Board (excluding Mr Cree as an interested director) exercised its right to approve the Assignment Agreement and the Group now holds the rights to acquire the development property.

The Board approved the Assignment Agreement on 2 April 2021 on the basis the Group had obtained:

- resource consent and funding for the development of an integrated aged care home and retirement village on the property; and
- an independent valuation had confirmed that the property's fair value after resource consent exceeded the purchase price of the property (including the additional $400k consideration paid to Mr Cree).

The balance of the purchase price under the Land SPA (amounting to $5.5m) is payable to the third party vendor on settlement, which will be completed when the title of the property is issued. It is currently expected that title will be issued in early 2025 (2023: mid 2024). The balance of the purchase price will be funded from unused debt facilities and operating cash flow.

5.6. Long Term Incentive Plan (LTIP)

On 18 July 2022, the Board approved a new Long Term Incentive Plan for its senior executives.

Performance Hurdles

All Performance Share Rights (PSRs) will vest into ordinary shares in Radius if the 10-day Value Weighted Average Price (VWAP), for the 10 trading days immediately prior to (and not including) 18 July 2025, is equal to or greater than $1.081. This is three times the 10-day VWAP of 18 July 2022 ("Base Price").

If the 10-day VWAP is between $1.027 and $1.081 (being 95% and 100% of three times the Base Price), the Radius Board has discretion to scale the number of a participant's PSRs that will vest.

Recognition and Measurement

- On 18 July 2022, 4,164,844 share rights were issued for nil consideration and a nil exercise price in relation to the LTIP.
- On 15 August 2022, 1,109,824 share rights were issued for nil consideration and a nil exercise price in relation to the LTIP.

During the period, 1,387,281 share rights were forfeited and replaced by a new participant with the same number of share rights on the same terms and conditions. No share rights were exercised or expired during the period. The fair value of the share rights were determined using the Monte Carlo valuation approach.

5.7. Financial Risk Management

The Group is exposed to the following financial risks in the normal course of business:

a. Credit risk
b. Liquidity risk
c. Interest rate risk

The Board of Directors reviews and agrees on policies for managing each of these risks as summarised below:

As at *In thousands of New Zealand dollars*	NOTE	31 March 2024	31 March 2023
FINANCIAL ASSETS			
Amortised cost			
Cash and cash equivalents		2,350	515
Trade and other receivables	5.3	11,813	10,094
Total assets		**14,163**	**10,609**
FINANCIAL LIABILITIES			
Amortised cost			
Cash and cash equivalents overdraft		–	2,894
Trade and other payables	5.4	7,778	8,414
Lease liabilities	3.4	121,086	121,530
Borrowings	4.3	75,869	97,687
Refundable Occupation Right Agreements	3.3	37,425	34,104
Total liabilities		**242,158**	**264,629**

(a) Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Group's exposure to credit risk, or the risk of counterparties defaulting arises mainly from cash at bank, trade and other receivables.

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

The Group has no significant concentrations of credit risk. The Group's trade receivables represent distinct trading relationships with each of its residents and various Government agencies. The only large trade receivables relate to residential care subsidies which are receivable in aggregate from various District Health Boards and Work and Income New Zealand. These entities are not considered a credit risk.

The Group does not have any material credit risk exposure to any single counterparty or group of counterparties under financial instruments entered into by the Group.

(i) Cash Deposits and Other Receivables

Credit risk for cash deposits is managed by holding all cash deposits with high credit rating financial institutions, i.e. major registered New Zealand banks.

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(ii) Trade Receivables

Credit risk with respect to trade receivables is limited due to the large number of customers which qualify for Ministry of Health/Te Whatu Ora funding in relation to payment of our services. Amounts owed by the residents are generally unsecured. Credit risk is managed through the use of admission agreements for all residents, which gives contractual rights to the Group in relation to security and collection of debts in circumstances where there is no entitlement to Ministry of Health/Te Whatu Ora funding. All admissions are reviewed to ensure a duly completed admission agreement is available. The loss allowance for expected credit losses of trade receivables is provided in Note 5.3. As the Group undertakes transactions with a large number of customers and regularly monitors payment in accordance with credit terms, the financial assets that are neither past due nor impaired, are expected to be received in accordance with the credit risk.

(b) Liquidity Risk

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

The Group has liquidity risk with respect to its repayment obligations of financial liabilities.

The Group maintains a rolling 90 day forecast of daily cash flows to ensure it will have sufficient liquidity to meet its liabilities as they fall due. This is linked to a monthly rolling forecast which provides directional liquidity expectations for a minimum of a further twelve months.

The Group has a bank facility which is subject to certain covenant clauses, whereby it is required to meet certain key performance indicators. This bank facility is provided by the ASB Bank. Refer to note 4.3 for further information on the Group's banking facility and covenant compliance.

The following table outlines the Group's remaining contractual maturities for non-derivative financial instruments. The amounts presented in the table are the undiscounted contractual cash flows of the financial liabilities allocated to time bands based on the earliest date on which the Group can be required to pay.

In thousands of New Zealand dollars	Less than 1 Year	Between 1 and 2 Years	Between 2 and 5 Years	Over 5 Years
AS AT 31 MARCH 2024				
Trade and other payables	7,778	–	–	–
Lease liabilities	8,702	8,703	25,637	181,677
Borrowings	–	–	75,869	–
Refundable Occupation Right Agreements[1]	37,425	–	–	–
	53,905	**8,703**	**101,506**	**181,677**
AS AT 31 MARCH 2023				
Cash and cash equivalents (overdraft)	2,894	–	–	–
Trade and other payables	8,414	–	–	–
Lease liabilities	8,536	8,549	25,695	186,242
Borrowings	34,518	–	63,169	–
Refundable Occupation Right Agreements[1]	34,104	–	–	–
	88,466	**8,549**	**88,864**	**186,242**

1. The refundable ORAs are repayable to the resident on vacation of the unit or on the termination of the occupation right agreement and subsequent resale of the unit. The expected maturity of the refundable ORAs is shown in note 3.3.

c. Interest Rate Risk

The Group is exposed to interest rate risk in relation to its interest earning cash deposits and its interest bank borrowings. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. The Group manages it interest rate risk by maintaining a mix of variable rate and fixed rate borrowings.

Interest rates on cash at bank are subject to market risk in the event of changes to its interest rates. Interest rates on non-current bank borrowings are generally subject to review annually or at shorter intervals, and interest rates on current borrowings can be reviewed at the lender's discretion.

The following table outlines the Group's exposure to interest rate risk in relation to future cash flows and the effective weighted average interest rates on classes of financial assets and financial liabilities:

In thousands of New Zealand dollars	Interest Bearing	Non-interest Bearing	Total Carrying Amount	Weighted Average Effective Interest Rate
As at 31 March 2024				
FINANCIAL INSTRUMENTS				
Financial assets				
Cash	2,350	–	2,350	0.0% Fixed
Financial liabilities				
Bank and other loans	(75,869)	–	(75,869)	7.95%
Lease liabilities	(121,086)	–	(121,086)	5.0% Fixed
	(194,605)	**–**	**(194,605)**	
As at a 31 March 2023				
FINANCIAL INSTRUMENTS				
Financial assets				
Cash	515	–	515	0.0% Fixed
Financial liabilities				
Cash and cash equivalents (overdraft)	(2,894)	–	(2,894)	6.28%
Bank and other loans	(97,687)	–	(97,687)	6.08%
Lease liabilities	(121,530)	–	(121,530)	5.0% Fixed
	(221,596)	**–**	**(221,596)**	

The interest rate on the Group's bank loans is fixed for a relevant 'Interest period' (being either 30, 60, 90 or 180 days) and comprised of the Base Rate (equal to the BKBM on the first day of the relevant Interest Period), plus a Margin and Line fee in accordance with the Group's agreement with the bank. The weighted average interest period term as at 31 March 2024 was 30 days (2023: 30 days).

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

Sensitivity

If interest rates were to increase/decrease by 100 basis points from the rates prevailing at the reporting date, assuming all other variables remain constant, then the impact of profit for the year and equity would be as follows:

For the year ended *In thousands of New Zealand dollars*	31 March 2024	31 March 2023
+ / - 100 basis points		
Impact on profit after tax	(644)	(977)
Impact on equity	(180)	(274)

5.8. Contingent Liabilities

Lester Heights Business

On 26 June 2013, the Group entered into an agreement to sell the Lester Heights business. The sale was settled on 31 August 2013. One of the conditions of sale is that in the event that the new business owner defaults on the rental payments, the Group is required to guarantee the rent. No amounts have been paid to date, but in the event that a default occurs, the potential cost to the Group is an annual rent of $286,210 (2023: $286,210) per annum until 2029. The Group will likely assume operations at this facility, in the event of a default. At reporting date, the Group has assessed the likelihood of the new business owner defaulting on the rental payment as not probable (2023: not probable).

Other

There were no other material contingent liabilities at reporting date (2023:Nil).

5.9. Commitments

At 31 March 2024, the Group has a commitment to undertake $0.03m of asset development (2023: $0.4m).

There are no significant unrecognised contractual obligations entered into for future repairs and maintenance at balance date.

At 31 March 2024, the Group is also has a $5.5m (2023: $5.5m) commitment to acquire a 4.3 hectare development property at Main North Road, Belfast, Christchurch as described in note 5.5. Related Party Transactions 'Assignment of an Agreement for the Purchase of Land From a Director'.

5.10. Events Subsequent to Reporting Date

Dividends

On 22 April 2024, the Board declared a final dividend of 0.97 cents per share (grossed up for imputation credits), that was paid on 16 May 2024.

Other

There has been no other matter or circumstance which has arisen since 31 March 2024 that has significantly affected or may significantly affect:

a. the operations, in financial years subsequent to 31 March 2024, of the Group; or

b. the results of those operations; or

c. the state of affairs, in financial years subsequent to 31 March 2024, of the Group.

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Radius Residential Care Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Radius Residential Care Limited and its subsidiaries ('the Group') on pages 41 to 73, which comprise the consolidated statement of financial position as at 31 March 2024, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 March 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards ('NZ IFRS') and International Financial Reporting Standards ('IFRS').

Our report is made solely to the Shareholders of the Group. Our audit work has been undertaken so that we might state to the Shareholders of the Group those matters 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 Shareholders of the Group as a body, for our audit work, for our report or for the opinions we have formed.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ('ISAs (NZ)'). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ('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, our firm carries out other assignments for Radius Residential Care Limited and its subsidiaries in the area of taxation compliance services. The provision of these other services has not impaired our independence.

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 year. 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.

Key Audit Matter	How our audit addressed the key audit matter
Impairment testing of goodwill As disclosed in Note 5.2 of the Group's consolidated financial statements, the Group has goodwill of $16,1m (2023: $19.8m) allocated across 20 (2023: 21) cash-generating units ('CGUs') as at 31 March 2024. Goodwill was significant to our audit due to the size of the asset and the subjectivity, complexity and uncertainty inherent in the measurement of the recoverable amount of these CGUs for the purpose of the required annual impairment test. The measurement of a CGUs' recoverable amount includes the assessment and calculation of its 'fair value less costs of disposal'. Management has completed the annual impairment test for all CGUs as at 31 March 2024. This annual impairment test involves complex and subjective estimation and judgement by Management on the future performance of the CGUs, discount rates applied to the future cash flow forecasts, the terminal growth rates, costs of disposal and future market and economic conditions. Management has also engaged an external valuation expert to assist in the annual impairment testing.	Our audit procedures, among others, included: • Understanding and evaluating the Group's internal controls relevant to the accounting estimates used to determine the recoverable value of the Group's CGUs. • Evaluating Management's determination of the Group's CGUs based on our understanding of the nature of the Group's business and the economic environment in which the segments operate. We also analysed the internal reporting of the Group to assess how CGUs are monitored and reported. • Evaluating the competence, capabilities, objectivity and expertise of Management's external valuation expert and the appropriateness of the expert's work as audit evidence for the relevant assertions. • Challenging Management's assumptions and estimates used to determine the recoverable value of the Group's CGUs, including those relating to forecasted revenue, costs, capital expenditure, discount rates, by adjusting for future events and corroborating the key market-related assumptions to external data. Procedures included: o Evaluating the logic of the 'fair value less costs of disposal' calculations supporting Management's annual impairment test and testing the mathematical accuracy of these calculations; o Evaluating Management's process regarding the preparation and review of forecasts (balance sheet, income statement, and cash flow statement); o Comparing forecasts used in the calculations to Board approved forecasts; o Evaluating the accuracy of the Group's forecasting to actual historical performance; o Evaluating the forecast growth assumptions; o Evaluating the inputs to the calculation of the discount rates applied; o Engaging our own internal valuation experts to evaluate the logic of the 'fair value less costs of disposal' calculations and the inputs to the calculations of the discount rates applied; o Evaluating the forecasts, inputs and any underlying assumptions with a view to identifying Management bias; o Evaluating Management's sensitivity analysis for reasonably possible changes in key assumptions; and o Performing sensitivity analysis for reasonably possible changes in key assumptions, the two main assumptions being: the discount rate and forecast growth assumptions. • Evaluating the related disclosures (including the accounting policies and accounting estimates) about goodwill assets in the Group's consolidated financial statements.

Key Audit Matter	How our audit addressed the key audit matter

Valuation of investment properties
 	
As disclosed in Note 3.1 of the Group's consolidated financial statements, as at 31 March 2024, the Group has investment properties *(operated by the Group as retirement villages)* totalling $73.5m (2023: $70.1m) (referred to, together as 'the investment properties').
 	
Investment properties were significant to our audit due to the size of the assets and the subjectivity, complexity and uncertainty inherent in estimating the fair value of the investment properties.
 	
Management has engaged an independent external valuer ('the Valuer') to determine the fair value of the Group's investment properties as at 31 March 2024. The Valuer performed their work in accordance with the International Valuation Standards and the Australia and New Zealand Valuation and Property Standards, NZ IFRS 13 *Fair Value Measurement* and NZ IAS 40 *Investment Property*. The Valuer engaged by the Group has appropriate experience in the sector in which the Group operates.
 	
For each investment property, the Valuer considered property-specific information such as the income generated by departures and the re-sale of independent living units. They then applied assumptions in relation to, the timing of unit re-sale, the length of occupancy of existing residents, the price paid by new residents, price movements, type of Occupancy Right Agreement, discount rate, growth rate and terminal yield. The Valuer also considered the individual characteristics of each village, its location, its nature, its resident profile and the expected future cash flows for that particular village.
 	
The Group has adopted the assessed values determined by the Valuer.
 	
As at the 31 March 2024 valuation date, the Valuer, has included a valuation uncertainty clause in their valuation report noting "The market over the past two years has been softening due to a combination of Government lending controls, global supply issues, abnormally high inflation and rapidly rising interest rates resulting in declining asset values. Sales transaction volumes decreased significantly with a disconnect between vendor expectation and the price purchasers were prepared to pay. The Official Cash Rate (OCR) was held in July, August, October, November 2023 and February 2024 to 5.50%. There are still inflationary pressures in the market while increases in the Banks cost of capital is impacting fixed rates. New Zealand is now in a recessionary state". Given the valuation uncertainty, the valuer has recommended in their reports that the valuations of the properties be reviewed periodically, noting reliance cannot be placed on their report beyond 3 months.
	Our audit procedures, among others, included:
	
	• Understanding and evaluating the Group's internal controls relevant to the accounting estimates used to determine the fair value of the Group's investment properties.
	
	• Reading and evaluating the external valuation reports for the Group's investment properties as at 31 March 2024.
	
	• Confirming that the valuation approaches for the investment properties were in accordance with NZ IFRS 13 and NZ IAS 40, and suitable for determining the fair value of the Group's investment properties as at 31 March 2024.
	
	• Evaluating the competence, capabilities, objectivity and expertise of Management's external valuation expert and the appropriateness of the expert's work as audit evidence relevant to the valuation assertion.
	
	• Agreeing property-related data provided by Management to the Valuer, to the Group's records.
	
	• Engaging our own external property valuation expert to assist in understanding and evaluating the following, based on their specialist knowledge from performing and reviewing valuations of similar properties, known relevant transactional evidence and available market data:
	  ○ the work and findings of the Group's external valuation expert engaged by Management;
	  ○ the Group's valuation methods and assumptions to assist us in challenging the appropriateness of valuation methods and assumptions used by Management; and
	  ○ the acceptable range of values considered reasonable to evaluate Management's adopted valuation estimate.
	
	This involved discussing and corresponding with Management, the Valuer engaged by the Group and our own external property valuation expert.
	
	• Evaluating the selection of valuation methods, inputs and assumptions with a view to identifying Management bias.
	
	• Evaluating the disclosures (including the accounting policies and accounting estimates) related to the investment properties which are included in the Group's consolidated financial statements (including disclosure on the valuation uncertainty clauses included by Management's external valuation expert in their valuation reports).

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Key Audit Matter	How our audit addressed the key audit matter

Valuation of freehold land and buildings
 	
As disclosed in Note 3.2 of the Group's consolidated financial statements, as at 31 March 2024, the Group has freehold land and buildings *(operated by the Group for provision of care services)* totalling $97.6m (2023: $112.5m) (referred to, together as 'the freehold land and buildings').
 	
Freehold land and buildings were significant to our audit due to the size of the assets and the subjectivity, complexity and uncertainty inherent in estimating the fair value of the freehold land and buildings.
 	
Under the requirement of NZ IAS 16 *Property, Plant and Equipment*, revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. The frequency of revaluations depends upon the changes in fair values of the items of property, plant and equipment being revalued. When the fair value of a revalued asset differs materially from its carrying amount, a further revaluation is required. Some items of property, plant and equipment experience significant and volatile changes in fair value, thus necessitating annual revaluation. Such frequent revaluations are unnecessary for items of property, plant and equipment with only insignificant changes in fair value. Instead, it may be necessary to revalue the item only every three or five years.
 	
Management assessed that these freehold land and buildings had not experienced any significant and volatile changes in fair value necessitating a revaluation as at 31 March 2024. This assessment was informed by external desktop valuation report provided by the Group's land and buildings Valuer, who advised that the carrying amounts of these freehold land and buildings did not differ materially from that which would be determined using fair value as at 31 March 2023.
 	
For each freehold land and building property, the Valuer considered property-specific information such as capitalisation rates and earnings per care bed. The Valuer also considered the individual characteristics of each property, its location, and its nature.
 	
As at the 31 March 2024 valuation date, the Valuer, has included a valuation uncertainty clause in their valuation report noting "The market over the past two years has been softening due to a combination of Government lending controls, global supply issues, abnormally high inflation and rapidly rising interest rates resulting in declining asset values. Sales transaction volumes decreased significantly with a disconnect between vendor expectation and the price purchasers were prepared to pay. The Official Cash Rate (OCR) was held in July, August, October, November 2023, and February 2024 to 5.50%. There are still inflationary pressures in the market while increases in the Banks cost of capital is impacting fixed rates. New Zealand is now in a recessionary state". Given the valuation uncertainty, the valuer has recommended in their reports that the valuations of the properties be reviewed periodically, noting reliance cannot be placed on their report beyond 3 months.
	Our audit procedures, among others, included:
	
	• Understanding and evaluating the Group's internal controls relevant to the accounting estimates used to determine the fair value of the Group's freehold land and buildings.
	
	• Understanding and evaluating the Group's internal controls relevant to monitoring the progress of land and buildings under development (including understanding and evaluating actual costs incurred to date vs. budgeted at a project milestone level, consideration of cost overruns and estimated project completion timelines and costs).
	
	• Reading and evaluating the external desktop valuation reports for the Group's freehold land and buildings as at 31 March 2024 and external valuation reports as at the respective valuation dates.
	
	• Evaluating the recoverability of each development by enquiring with the Group's key development / project personnel, inspecting the Group's internal and external reporting and reading any external valuation reports or advice.
	
	• Confirming that the valuation approach for the properties is in accordance with NZ IFRS 13 and NZ IAS 16, and suitable for determining the fair value of the Group's freehold land and building properties as at 31 March 2024.
	
	• Evaluating the competence, capabilities, objectivity and expertise of Management's external valuation expert and the appropriateness of the expert's work as audit evidence relevant to the valuation assertion.
	
	• Agreeing property-related data provided by Management to the Valuer to the Group's records.
	
	• Engaging our own external property valuation expert to assist in understanding and evaluating the following, based on their specialist knowledge from performing and reviewing valuations of similar properties, known relevant transactional evidence and available market data:
	  ○ the work and findings of the Group's external valuation expert engaged by Management;
	  ○ the Group's valuation methods and assumptions to assist us in challenging the appropriateness of valuation methods and assumptions used by Management; and
	  ○ the acceptable range of values considered reasonable to evaluate Management's adopted valuation estimate.
	
	This involved discussing and corresponding with Management, the Valuer engaged by the Group and our own external property valuation expert.
	
	• Evaluating the selection of valuation methods, inputs and assumptions with a view to identifying Management bias.
	
	• Evaluating Management's income tax calculations used to determine the additional deferred tax liabilities and tax expenses due to the removal of tax depreciation on commercial buildings recognised as at reporting date.
	
	This involved discussing and corresponding with Management, examining advice provided by the tax accounting expert engaged by the Group and our own internal tax experts.
	
	• Evaluating the disclosures (including the accounting policies and accounting estimates) related to the freehold land and buildings and income tax which are included in the Group's

Key Audit Matter	How our audit addressed the key audit matter
Removal of tax depreciation on commercial buildings From 1 April 2024, tax depreciation on buildings will be 0% and will apply from the first day of the 2024/25 income tax year (i.e. 1 April 2024 for the Group). The change in tax legislation to remove depreciation deductions had a significant impact on the Group. The elimination of tax deductions for depreciation will reduce the tax base of the Group's building assets to nil. The removal of the tax base created a significant taxable temporary difference for all of the Group's freehold building assets. The recognition of this temporary difference as a deferred tax liability depended on the timing of acquisition, whether deferred tax was previously not recognised due to the application of the initial recognition exception (IRE) in NZ IAS 12 *Income taxes*, and the Group's tax accounting policies. The net impact of the newly recognised deferred tax is recognised in tax expense in the year of change, rather than through opening retained earnings. As a result, the Group has recognised additional deferred tax liabilities and tax expenses totalling $11.3m. This change in tax legislation was significant to our audit due to the size of the deferred tax liabilities and tax expenses and the subjectivity, complexity, and uncertainty inherent in the application of NZ IAS 12 and the assumptions required by Management for the calculations of the deferred tax balances and deferred tax expenses.	consolidated financial statements (including disclosure on the valuation uncertainty clauses included by Management's external valuation experts in their valuation reports).
Valuation and completeness of lease liabilities and right-of-use assets As disclosed in Note 3.4 of the Group's consolidated financial statements, the Group has lease liabilities of $109.9m (2023: $121.5m), and, right-of-use assets of $121.1m (2023: $112.5m) as at 31 March 2024. Lease liabilities and right-of-use assets were significant to our audit due to the size of the assets and liabilities and the subjectivity, complexity and uncertainty inherent in the application of NZ IFRS 16 *Leases* and the assumptions required by Management for the calculations of the lease balances and interest and depreciation expenses. Management completed calculations of the lease balances for all leases for the year ended, and as at, 31 March 2024. These calculations required estimates regarding the lease term and the incremental borrowing rates. During the year ended 31 March 2024, no new leases were entered into. Management has exercised their judgement in determining the recoverability of right-of-use assets. No impairment has been recognised.	Our audit procedures, among others, included: • Understanding and evaluating the Group's internal controls relevant to the accounting estimates used to determine the expected term of the Group's leases and applicable incremental borrowing rates. • Evaluating Management's process relating to the identification, recording, recognition and measurement of leases within the scope of NZ IFRS 16. • For all leases: o Agreeing key inputs in the lease calculation to the underlying lease agreement(s); o Recalculating the lease liability and right-of-use assets based on the key inputs noted above and comparing our recalculations to the balances recognised by the Group; and o Checking the appropriateness of the classification of the lease liability between current and non-current based on the remaining term of the lease. • For all existing leases, evaluating Management's calculations for the subsequent measurement of the leases, including lease modifications and rent revisions. • For any leases where the underlying asset was purchased, evaluating Management's calculations for the derecognition of the lease liability and right-of-use asset, and the resulting gain / (loss) on derecognition of the lease. • Evaluating the completeness of identified lease contracts by checking that all leased facilities were included in the calculation.

Key Audit Matter	How our audit addressed the key audit matter
	• Evaluating Management's estimates regarding the terms of the leases and Management's consideration of options to extend or terminate the leases. • Evaluating Management's assessment of the incremental borrowing rates applied to individual leases or portfolios of leases. • Evaluating the inputs and any underlying assumptions with a view to identifying Management bias. • Evaluating Management's assessment of any indicators of impairment for the right-of-use assets in accordance with NZ IAS 36 *Impairment of Assets*. • Evaluating the disclosures (including the accounting policies and accounting estimates) related to leases which are included in the Group's consolidated financial statements.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the Group's Annual Report for the year ended 31 March 2024 (but does not include the consolidated financial statements and our auditor's report thereon), which is expected to be made available to us after the date of this auditor's 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.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available 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.

Responsibilities of the Directors for the Consolidated Financial Statements

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in

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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 the auditor's responsibilities for the audit of the consolidated financial statements is located at the External Reporting Board's website at:
https://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-1/

Matters Relating to the Electronic Presentation of the Audited Consolidated Financial Statements

This audit report relates to the consolidated financial statements of Radius Residential Care Limited and its subsidiaries for the year ended 31 March 2024 included on Radius Residential Care Limited's website. The Directors of Radius Residential Care Limited are responsible for the maintenance and integrity of Radius Residential Care Limited's website. We have not been engaged to report on the integrity of Radius Residential Care Limited's website. We accept no responsibility for any changes that may have occurred to the consolidated financial statements since they were initially presented on the website.

The audit report refers only to the consolidated financial statements named above. It does not provide an opinion on any other information which may have been hyper linked to or from these consolidated financial statements. If readers of this report are concerned with the inherent risks arising from electronic data communication, they should refer to the published hard copy of the audited consolidated financial statements and related audit report dated 29 May 2024 to confirm the information included in the audited consolidated financial statements presented on this website.

Legislation in New Zealand governing the preparation and dissemination of consolidated financial statements may differ from legislation in other jurisdictions.

The engagement partner on the audit resulting in this independent auditor's report is S N Patel.

Baker Tilly Staples Rodway

BAKER TILLY STAPLES RODWAY AUCKLAND

Auckland, New Zealand

29 May 2024

Corporate Governance

This section of the Annual Report provides information on certain aspects of the Company's governance framework. The Company's full Corporate Governance Statement is structured to follow the version of the NZX Corporate Governance Code dated 1 April 2023 (NZX Code) and discloses practices relating to the NZX Code's recommendations.

The Board regularly reviews the Company's corporate governance structures against the recommendations in the NZX Code and considers that during the year ended 31 March 2024 its practices and procedures substantially met NZX Code recommendations. The documents supporting Radius Care's governance framework are available at: www.radiuscare.co.nz/investor-centre

The Company's suite of Governance policies comprises:

CORPORATE GOVERNANCE STATEMENT

CONSTITUTION

CHARTERS
- Board Charter
- Audit and Risk Committee Charter
- Remuneration and People Committee Charter

POLICIES
- External Auditor Independence Policy
- Financial Product Trading Policy
- Fraud Policy
- Market Disclosure Policy
- Whistleblower Policy
- Code of Conduct
- Diversity and Inclusion Policy
- Privacy Policy
- Remuneration Policy

DIVIDEND REINVESTMENT PLAN OFFER DOCUMENT

Ice cream trolley in action at Radius Taupaki Gables.

DIRECTORS' INDEPENDENCE

As at 31 March 2024 and the date of this Annual Report, the Board comprised six Directors. The Board has considered which of the Directors are Independent Directors for the purposes of the NZX Listing Rules (the Rules).

The factors relevant to determining whether a Director is an Independent Director are the criteria in the Rules for Director independence, having regard to the factors described in the NZX Code that may impact Director independence.

The Company's Constitution specifies that the Board shall have a minimum of three Directors; at least two Directors shall be ordinarily resident in New Zealand; and while the Company is listed, it shall have not less than the minimum number of Independent Directors prescribed by the Rules.

Brien Cree and Duncan Cook are non-independent Directors. Mary Gardiner, Bret Jackson, Hamish Stevens and Tom Wilson (elected on 3 August 2023) are Independent Directors. Brien Cree is also the Executive Chair.

DIVERSITY AND INCLUSION

The Board is committed to ensuring diversity in the skills, attributes, perspectives and experience of its members across a broad range of criteria so as to represent the diversity of shareholders. Diversity, at Board level, among the Management team and throughout the Company is actively considered and reviewed by the Board.

The Board takes the view that a diverse and inclusive work environment is critical to the sustainability of Radius Care so talented people who will contribute to the achievement of our strategic objectives are attracted to work at Radius Care and are able to be retained.

Radius Care recruits, promotes and compensates on the basis of merit, regardless of gender, ethnicity, religion, age, nationality, sexual orientation, union membership or political opinion. A fundamental tenet of the Company's values is Exceptional People, Exceptional Care together with: Commitment: Leaders in care; Courage: Do the right thing; Compassion: Act with empathy.

Responsibility for workplace diversity and the setting of measurable objectives is held by the Remuneration and People Committee.

The following table reports gender composition of the Board and Management team as at 31 March 2024.

	31 March 2024			31 March 2023		
	Male	Female	Gender Diverse	Male	Female	Gender Diverse
Directors	5	1	–	4	1	–
Management	5	2	–	4	2	–

A formal Diversity and Inclusion Policy was adopted by the Board in July 2021 and is reviewed annually. Radius Care monitors and addresses matters covered by its Diversity and Inclusion Policy. The Board is comfortable with the metrics and culture referred to in the policy and this is an area of continual improvement and focus.

BOARD COMMITTEES

The Board currently has two committees: the Audit and Risk Committee and the Remuneration and People Committee.

The Board may set up ad-hoc committees when required to efficiently and effectively carry out key governance functions, while retaining ultimate responsibility for all decisions and actions.

Attendance at Meetings

The table below sets out Director attendance at Board and committee meetings during the year ended 31 March 2024.

	Board		Audit and Risk Committee		Remuneration and People Committee	
	Eligible to Attend	Attended	Eligible to Attend	Attended	Eligible to Attend	Attended
Brien Cree	12	12	–	–	–	–
Duncan Cook	12	12	–	–	7	7
Mary Gardiner	12	12	7	7	4	4
Bret Jackson	12	12	7	7	7	7
Hamish Stevens	12	12	7	7	–	–
Tom Wilson[1]	8	7	–	–	3	3

1. Elected 3 August 2023

Standing Committees of the Board

Audit and Risk Committee
Members: Hamish Stevens (Chair), Mary Gardiner and Bret Jackson.

Composition: At least three members of the Board; a majority of members must be independent; at least one member who has an accounting or financial background; Committee Chair appointed by the Board; must be an Independent Director; must not be the Chair of the Board.

The role of the Audit and Risk Committee is to assist the Board to fulfil its responsibilities in relation to:

1. External financial reporting;
2. Internal control environment;
3. Business Assurance/Internal Audit and external audit functions; and
4. Risk management.

All members of the Committee are Independent Directors. The Committee's Chair, Hamish Stevens, is a qualified accountant, an Independent Director and is not the Chair of the Board.

The Audit and Risk Committee met on seven occasions during the year to 31 March 2024. The Audit and Risk Committee Charter is available to view here.

CORPORATE GOVERNANCE

Remuneration and People Committee
Members: Duncan Cook (Chair), Mary Gardiner (until 31 August 2023), Bret Jackson and Tom Wilson (from 1 September 2023).

Composition: At least three members of the Board; at least a majority should be independent; Committee Chair appointed by the Board.

Responsibility for:

1. Establishment of remuneration policies and practices for the CEO, key management and Directors;
2. Overseeing remuneration-setting and review; and
3. Overseeing the management of human resources activities.

The Remuneration and People Committee assists the Board with the establishment of remuneration policies and practices for the CEO, key management and Directors, as well as discharging the Board's responsibilities relative to remuneration-setting and review; and assisting the Board in overseeing the management of the Company's people. The Committee operates under a written charter which is available here: www.radiuscare.co.nz/investors-centre/governance.

The Remuneration and People Committee met on seven occasions during the year ended 31 March 2024.

REMUNERATION OVERVIEW

Radius Care aims to reward employees with a level of remuneration commensurate with their position and responsibilities, and to ensure total compensation is competitive by market standards. This overview provides details of Radius Care's approach to remuneration including incentive plans for executives that are in place for the year ended 31 March 2024 and remuneration received by the CEO and the Directors for the year ended 31 March 2024.

Remuneration Principles

It is recognised that in order to support the business and its strategy, the Company must attract and retain people of a high calibre. Accordingly, the Board will set remuneration with regard to this and other business objectives.

Specifically, in relation to management, it is the policy of the Company to align executive remuneration with the performance of the Company and that executive remuneration should be comprised of both fixed and 'at risk' (or performance-based) elements. The purpose of this is to ensure that the interests of management are aligned with the interests of the Company and its shareholders.

CEO Remuneration

The remuneration of the CEO, Andrew Peskett, currently comprises total fixed remuneration that is based on the scale and complexity of the role, market relativities, qualifications and experience. The CEO's fixed annual salary for FY24 was $416,000 for the period from April 2023 until October 2023, increasing to $516,000 in October 2023. Other benefits, including KiwiSaver and a car park, are additional to the fixed salary.

CEO Remuneration Summary

	Name	Fixed Remuneration		Variable Remuneration		Total Remuneration
		Base Salary[1]	Benefits[2]	STIP Amount Earned	Value of LTIP Shares Vested	
FY24	Andrew Peskett	$466,000[3]	$15,113	$45,000	–	$521,113
FY23	Andrew Peskett	$400,000	$17,000	$40,000	–	$417,000

1. Actual salary paid includes holiday pay paid as per NZ legislation and a car allowance where applicable.
2. Benefits include KiwiSaver and car park.
3. This is a blended amount as per above statement.

CEO Short Term Incentive Plan (STIP) Payment
For the FY24 financial year, the STIP scheme was 4.5% of the first million in excess of the budgeted pre-IFRS 16 EBITDA (exclusive of accruals for such STIP payments) for the year to 31 March 2024. Board discretion would have been exercised for any EBITDA in excess of this amount. This equated to $45,000 based on financial performance for FY24.

CEO Long Term Incentive Plan (LTIP) Payment
The Board has approved an LTIP for the Executive Team including the CEO which aims to provide genuine incentive to achieve the Company's strategy and increase shareholder value. The CEO has been allocated share rights to take up 2,774,563 ordinary shares in Radius Care. The share rights vest if the Radius Care share price is equal to $1.081 on 18 July 2025.

That number of share rights is calculated by dividing $1,000,000 by the weighted average price of shares on the NZX Main Board over the 10 NZX trading days ("10 day VWAP") before 18 July 2022 being $0.36.

The expiry date will be 18 July 2025 and the qualifying period will be the period from the issue date to the expiry date.

Key Terms of CEO Employee Contract
The table below sets out the key terms of the CEO's employment contract:

Contract Duration	Ongoing until terminated
Notice Period - Company	6 months unless for cause
Notice Period - CEO	6 months
Termination Provision (where notice provided)	6 months
Post-employment Restraint	N/A

The CEO's contract does not include any "golden handshake" provisions.

CORPORATE GOVERNANCE

Director Remuneration

In accordance with best practice corporate governance, the structure of Director remuneration is separate and distinct from the remuneration of the CEO and other officers and is reviewed on an annual basis. The Board reviews Director remuneration annually to ensure that the Company's Directors are fairly remunerated for their services and that the level of skill and experience required to fulfil the role is recognised. They have no entitlement to any performance-based remuneration or participation in any share-based incentive schemes.

Each Director receives a base fee for services as a Director of the Company and an additional fee is paid for being a member of a Board committee. The payment of an additional fee recognises the additional time commitment and specific skills required by each Director who serves on a committee. All Directors are also entitled to be reimbursed for costs associated with carrying out their duties. Directors do not qualify for the payment of any retirement benefits.

Fees paid to the Directors of the Company (in their capacity as Director) for the year ended 31 March 2024 were as follows:

Directors	Board Fees[1]	Audit and Risk Committee Fees	Audit and Risk Committee one-off Payment[2]	Remuneration and People Committee Fees	Total Director Fees
Brien Cree[3]	–	–	–	–	–
Duncan Cook	$97,500	–	–	$12,000	$109,500
Mary Gardiner	$97,500	$6,000	$20,000	$1,600[4]	$125,100
Bret Jackson	$97,500	$6,000	$20,000	$6,000	$129,500
Hamish Stevens	$97,500	$12,000	$20,000	–	$129,500
Tom Wilson	$86,667	–	–	$3,500[5]	$90,167

1. *The Remuneration and People Committee approved an increase to Board fees of $10,000 per annum (from $90,000 to $100,000), effective from 1 July 2023. These figures are therefore pro-rated based on that effective date.*
2. *In recognition of additional work performed by Audit and Risk Committee members in FY23.*
3. *Brien Cree was paid a salary of $890,413 and benefits of $91,955 in his executive capacity as Managing Director of Radius Care.*
4. *Mary Gardiner left the Remuneration and People Committee on 31 August 2023.*
5. *Tom Wilson joined the Remuneration and People Committee on 1 September 2023.*

Board Fees	
Chair	Nil
Directors (other than the Chair)	$100,000 per annum
Committee Chair	$12,000
Committee Members	$6,000

Employee Remuneration

The number of employees and former employees of Radius Care, not being a Director of Radius Care, who received remuneration and other benefits, the value of which exceeded $100,000 during the financial year ended 31 March 2024 is set out in the table of remuneration bands below.

The remuneration figures shown in the "Remuneration" column include all monetary payments actually paid during the course of the year ended 31 March 2024. The table does not include amounts paid after 31 March 2024 that relate to the financial year ended 31 March 2024.

Remuneration	Number of Employees
$100,000 to $109,999	1
$110,000 to $119,999	12
$120,000 to $129,999	7
$130,000 to $139,999	3
$140,000 to $149,999	4
$150,000 to $159,999	6
$160,000 to $169,999	2
$170,000 to $179,999	2
$210,000 to $219,999	1
$220,000 to $229,999	1
$230,000 to $239,999	1
$250,000 to $259,999	1
$260,000 to $269,999	1
$320,000 to $329,999	1
$340,000 to $349,999	1
$500,000 to $509,999	1
TOTAL EMPLOYEES	45

Executive STIP Payment

For the FY24 financial year, each member of the Executive Team was eligible for a STIP payment. The Executive Team member received 3.3% of the first million in excess of budgeted pre-IFRS 16 EBITDA (exclusive of accruals for such STIP payments) for the year to 31 March 2024. Board discretion would have been exercised for any payment in excess of this amount.

Executive LTIP Payment

The Executive Team is also able to benefit from a long-term incentive plan. The LTIP aims to provide genuine incentive to achieve the Company's strategy and increase shareholder value. Each member of the Executive Team has been allocated share rights to take up a certain number of ordinary shares in Radius Care. The share rights vest if the Radius Care share price is equal to $1.081 on 18 July 2025.

That number of share rights is calculated by dividing the issue amount by the weighted average price of shares on the NZX Main Board over the 10 NZX trading days ("10 day VWAP") before 18 July 2022 being $0.36.

The expiry date will be 18 July 2025 and the qualifying period will be the period from the issue date to the expiry date.

The STIP and the LTIP do not apply to Directors.

Other Disclosures

INTERESTS REGISTER

Disclosure of Directors' Interests

The following are particulars of general disclosures of interest by Directors holding office as at 31 March 2024, pursuant to section 140(2) of the Companies Act 1993. The Director will be regarded as interested in all transactions between Radius Care and the disclosed entity. Changes to entries disclosed during the year to 31 March 2024 are noted for the purposes of section 211(1)(e) of the Companies Act 1993.

Brien Cree

Entity	Nature of Interest
Valhalla Capital Limited	Director
Cibus Catering Limited	Director
Wave Rider Holdings Limited	Beneficial interest
Providence Trust	Beneficial interest

Duncan Cook

Entity	Nature of Interest
Purangi Gold Limited	Shareholder as trustee with no beneficial interest
Barefoot Crue Limited	Director and Shareholder
KFT International Limited	Shareholder as trustee with no beneficial interest
Beaver Fishing Company Limited	Shareholder as trustee with no beneficial interest
Beauty Store Limited	Shareholder. Appointed as Director on 14 June 2016 and resigned as Director effective 21 December 2023.
InforME Limited	Director and Shareholder
ST OCL GP Limited	Shareholder
Points Trustee Limited	Director and Shareholder

Mary Gardiner

Entity	Nature of Interest
Southern Cross Pet Insurance Limited	Director
Northern Netball Zone Incorporated	Chair
Mangere Mountain Education Trust	Trustee
Kidsen Limited	Director and Shareholder
Women in Sport Aotearoa (incorporated society and registered charity)	Director
Unity Credit Union	Director
Woods & Partners Consultants Limited	Independent Audit and Risk Committee Chair

Bret Jackson

Entity	Nature of Interest
KIP Nominees Limited	Director
Tasman Advisory Limited	Director and Shareholder
Takatimu Holdings Limited	Director and Shareholder
Takatimu Investments Limited	Director and Shareholder
OPO Holdings Limited	Director and Shareholder
Knox Investment Partners Fund III NZD Limited	Director
Knox Investment Partners Limited	Director and Shareholder
Bret Jackson Trustee Limited	Director and Shareholder

Hamish Stevens

Entity	Nature of Interest
Marsden Maritime Holdings Limited	Director
Pharmaco (N.Z.) Limited	Director
Pharmaco House Limited	Director
Pharmaco (Australia) Limited	Director
The Kennedy's Limited	Director
Botany Health Hub Limited	Director
Northport Limited	Director
ECL Group Limited	Director
Counties Energy Limited	Director
Governance & Advisory Limited	Director and Shareholder
East Health Services Limited	Director
Ormiston Health Properties Limited	Director
Health Improvement Group Limited	Director
East Health Clinic Investments Limited	Director
Embark Education Group Limited	Director
Embark NZ Management Group Limited	Director
Embark NZ Holdings Limited	Director

Tom Wilson

Entity	Nature of Interest
Agribusiness Investments NZ Limited	Director and Shareholder
Builtin Insurance Brokers Limited	Director
Curranz Limited	Director and Shareholder
Five Needles Limited	Shareholder with no beneficial interest
Gravatt Legal Limited	Shareholder
Grow Kati Holdings Limited	Director and Shareholder
Inzoles Limited	Director and Shareholder
Pelco Quota Holdings Limited	Director
Te Awa Rua Forest Limited	Shareholder with no beneficial interest
Thwilson Trustees Limited	Director and Shareholder
Time Capital NZ Limited	Director and Shareholder
Wilson Consultancy (2009) Limited	Shareholder with no beneficial interest
Pelco Group	Advisory Board Chair
Genera Holdings Limited	Director and Chair
Tauranga Bridge Marina Limited	Director and Chair
Cargood Holdings Limited	Director and Chair
25 Market Place GP Limited	Director and Shareholder
DTW Limited	Shareholder with no beneficial interest
L.A. Enterprises Limited	Shareholder with no beneficial interest

SUBSIDIARY COMPANY DIRECTORS

Brien Cree and Duncan Cook are Directors of all Radius Care subsidiaries as at 31 March 2024. No extra remuneration is payable for any Directorship of a subsidiary.

SPECIFIC DISCLOSURES

See related party note 5.5 in the consolidated financial statements section for any disclosures made by Directors during the year ended 31 March 2024 of any interests in transactions with Radius Care or any of its subsidiaries.

USE OF COMPANY INFORMATION

During the year ended 31 March 2024, the Board did not receive any notices from Directors requesting use of Radius Care's or any of its subsidiaries' information.

DIRECTORS' INTERESTS

Directors of Radius Care have disclosed the following relevant interests in shares as at 31 March 2024:

Director	Number of Shares in which Relevant Interest is Held
Brien Cree	95,312,500
Bret Jackson	4,617,783
Tom Wilson	1,757,073
Duncan Cook	571,153
Hamish Stevens	76,292

SECURITIES DEALINGS OF DIRECTORS

There were no dealings by Directors in relevant interests in Radius Care's ordinary shares in the year ended 31 March 2024.

INDEMNITY AND INSURANCE

Radius Care has granted indemnities, as permitted by the Companies Act 1993 and the Financial Markets Conduct Act 2013, in favour of each of its Directors. Radius Care also maintains Directors' and Officers' liability insurance for its Directors and officers.

OTHER INFORMATION

Auditor's Fees

Baker Tilly Staples Rodway is the external auditor of Radius Care and its subsidiaries. Total fees paid by Radius Care and its subsidiaries to Baker Tilly Staples Rodway in its capacity as auditor during the financial year ended 31 March 2024 were $296,000. Total fees paid to Baker Tilly Staples Rodway for other professional services (being taxation compliance services) during the financial year ended 31 March 2024 were $30,000. No other fees were paid to Baker Tilly Staples Rodway for other professional services.

Donations

For the year ended 31 March 2024, Radius Care and its subsidiaries paid a total of $11,735.65 in donations. No donations were paid to political parties.

Stock Exchange Listings

Radius Care's shares are listed on the NZX. Radius Care is required to comply with the NZX Listing Rules. Radius Care confirms that it has complied with the NZX Listing Rules for the financial year ended 31 March 2024.

Waivers

Radius Care did not apply for or rely upon any waivers from the requirements of the NZX Listing Rules during the financial year ended 31 March 2024.

Credit Rating

Radius Care has no credit rating.

Availability of Climate Statements

Radius Care intends to release its climate statements prior to the end of July 2024, which will be available from the URL: https://radiuscare.co.nz/investor-centre/.

Shareholder Information

TWENTY LARGEST SHAREHOLDERS

AS AT 1 MAY 2024

Registered Shareholder	Number of shares	% Shares
Wave Rider Holdings Limited	95,312,500	33.46
Neil John Foster	15,595,040	5.47
Jamie Marion Main & Main Trustee Company No 2 Limited	13,648,019	4.79
Aaron Snodgrass & Brian Maltby & Simon Curran & Frances Valintine & Peter Alexander & Jonathan Mason	10,866,430	3.81
New Zealand Depository Nominee Limited	7,716,194	2.71
Custodial Services Limited	7,250,248	2.55
Forsyth Barr Custodians Limited	6,646,364	2.33
Perpetual Corporate Trust Limited - Act Private Equity No 3 Fund	5,994,760	2.10
Perpetual Corporate Trust Limited - ROC Alternative Investment a/c VI	5,994,760	2.10
Perpetual Corporate Trust Limited - ROC Asia Pacific Co-investment Fund II	5,994,760	2.10
Accident Compensation Corporation - NZCSD	4,869,736	1.71
Glenn Raymond Miller	4,807,692	1.69
Leveraged Equities Finance Limited	4,796,121	1.68
Takatimu Investments Limited	4,617,783	1.62
James Boult & Trudi Webb & Kathleen Enid Grant	4,348,346	1.53
Quintin Louis Proctor	4,326,924	1.52
BNP Paribas Nominees (NZ) Limited - NZCSD	4,137,117	1.45
FNZ Custodians Limited	3,387,606	1.19
Investment Custodial Services Limited	3,066,502	1.08
John Alexander Smith & J A Smiith Trustee Limited	2,444,307	0.86
Total	**215,821,209**	**75.76**

SPREAD OF HOLDINGS

AS AT 1 MAY 2024

Size of Holding	Number of Shareholders	%	Number of Shares	%
1 - 1,000	140	9.85	86,575	0.03
1,001 - 5,000	497	34.95	1,284,902	0.45
5,001 - 10,000	201	14.14	1,639,951	0.58
10,001 - 100,000	436	30.66	15,042,022	5.28
100,001 and over	148	10.41	266,823,292	93.66
Total	**1,422**	**100**	**284,876,742**	**100**

SUBSTANTIAL PRODUCT HOLDERS

According to Radius Care's records and notices given under the Financial Markets Conduct Act 2013, the following were substantial product holders of Radius Care as at 31 March 2024. The below shares may not represent the exact amount of shares currently held by these shareholders due to subsequent changes in shareholding after the lodging of the various Substantial Product Holder Notices.

Substantial Product Holder	Number of Shares	% of Shares Held at Date of Notice	Date of Notice
Wave Rider Holdings Limited is the registered holder and beneficial owner of Shares as trustee for the Wave Rider Trust. As a result of Brien Cree having the right to appoint and remove trustees of the Wave Rider Trust, he has a relevant interest in Shares held by Wave Rider Holdings Limited as trustee for the Wave Rider Trust.	95,312,500	35.40	22 September 2021
ROC Capital Pty Limited is the manager of ACT Private Equity No.3 Fund, ROC Alternative Investment Trust VI and ROC Asia Pacific Co-Investment Fund II ("ROC Funds"). As a result of the management role performed by ROC Capital Pty Limited for the ROC Funds, ROC Capital Pty Limited has a relevant interest in the Shares held by Perpetual Corporate Trust Limited as custodian for the ROC Funds as follows: • 5,994,760 Shares held on behalf of ACT Private Equity No.3 Fund; • 5,994,760 Shares held on behalf of ROC Alternative Investment Trust VI; and • 5,994,760 Shares held on behalf of ROC Asia Pacific Co-Investment Fund II	17,984,280	10.19	10 December 2020
Neil John Foster as registered holder and beneficial owner	15,595,040	5.79	5 August 2022
Jamie Marion Main & Main Trustee Company No 2 Limited	15,328,019	5.39	3 May 2023

The total number of ordinary shares (being the only class of quoted voting products) on issue in Radius Care as at 31 March 2024 was 284,876,742.

OTHER DISCLOSURES

Residents working on strength and mobility at Radius Millstream.

Corporate Directory

Registered Office

Radius Residential Care Limited
Level 4, 56 Parnell Road,
Parnell, Auckland 1052
PO Box 450, Shortland Street, Auckland
Phone +64 9 304 1670
Email investor@radiuscare.co.nz
www.radiuscare.co.nz

Bankers

ASB
ASB North Wharf, 12 Jellicoe Street,
Auckland 1010

Valuer

Long Valuation and Consultancy Limited
Moore Markhams Auckland, Floor 1,
103 Carlton Gore Road, Newmarket,
Auckland 1023

Statutory Supervisor

Covenant Trustee Services Limited
Level 6/191 Queen Street, Auckland CBD,
Auckland 1010

Share Registry

Computershare Investor Services Limited
Level 2, 159 Hurstmere Road
Takapuna, Auckland 0622
Phone +64 (9) 488 8700
Private Bag 92119, Victoria Street West
Auckland 1142
Investor Enquiries:
Phone 09 488 8777
www.computershare.co.nz/investorcentre

Auditors

Baker Tilly Staples Rodway
Level 9, NZX, 45 Queen Street,
Auckland 1010

Legal Advisors

Chapman Tripp
Level 34/15 Customs Street West,
Auckland CBD, Auckland 1010

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