

RYMAN HEALTHCARE LIMITED

# Consolidated financial statements

31 MARCH 2025



## Consolidated income statement

### FOR THE YEAR ENDED 31 MARCH 2025

	Note	2025 \$000	2024 (restated) \$000
Care and village fees		570,855	510,380
Deferred management fees (DMF)		142,942	140,154
Interest received		1,531	2,326
Imputed interest income on refundable accommodation deposits	3	32,499	24,455
Other income		12,868	12,571
<b>Total revenue</b>	<b>3</b>	<b>760,695</b>	<b>689,886</b>
Operating expenses	4	(751,093)	(711,915)
Depreciation and amortisation expenses	5	(48,461)	(45,985)
Finance costs	6	(140,263)	(53,831)
Imputed interest charge on refundable accommodation deposits	3	(32,499)	(24,455)
Impairment losses	11	(172,941)	(96,480)
<b>Total expenses</b>		<b>(1,145,257)</b>	<b>(932,666)</b>
<b>Profit/(loss) before income tax and fair-value movements (PBTF)</b>		<b>(384,562)</b>	<b>(242,780)</b>
Fair-value movement of investment properties	10,12	169,173	(39,149)
<b>Profit/(loss) before income tax</b>		<b>(215,389)</b>	<b>(281,929)</b>
Income-tax (expense)/credit	7	(221,442)	112,264
<b>Net profit/(loss) after tax (NPAT)</b>		<b>(436,831)</b>	<b>(169,665)</b>
<b>Earnings per share (cents per share)</b>			
Basic	14	(61.5)	(24.7)
Diluted	14	(61.5)	(24.7)

Profit/(loss) before income tax and fair-value movements (PBTF) is a non-GAAP measure which does not have a standardised meaning prescribed by GAAP (Generally Accepted Accounting Practice). This non-GAAP measure has been presented to assist investors in understanding the Group's performance. It may not be comparable to similar financial information presented by other entities.

## Consolidated statement of comprehensive income

### FOR THE YEAR ENDED 31 MARCH 2025

	Note	2025 \$000	2024 (restated) \$000
<b>Net profit/(loss) after tax</b>		<b>(436,831)</b>	<b>(169,665)</b>
<i>Items that will not be later reclassified to profit or loss</i>			
Revaluation of property, plant and equipment net of tax	7,11,15a	(9,641)	(282,382)
		<b>(9,641)</b>	<b>(282,382)</b>
<i>Items that may be later reclassified to profit or loss</i>			
Fair-value movement and reclassification of cash-flow hedge reserve, net of tax	15b	(19,070)	(10,181)
Gain/(loss) on hedge of foreign-owned subsidiary net assets	15c	(639)	(1,552)
Gain/(loss) on translation of foreign operations	15c	4,067	12,239
		(15,642)	506
<b>Other comprehensive income/(loss)</b>		<b>(25,283)</b>	<b>(281,876)</b>
<b>Total comprehensive income/(loss)</b>		<b>(462,114)</b>	<b>(451,541)</b>

The accompanying notes form part of these consolidated financial statements.

## Consolidated statement of changes in equity

### FOR THE YEAR ENDED 31 MARCH 2025

	Note	Issued capital	Asset revaluation reserve	Cash-flow hedge reserve	Foreign translation reserve	Treasury stock	Share-based payments reserve	Retained earnings	Total equity
		\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>2025</b>									
<b>As at 1 April 2024 – reported</b>		<b>952,887</b>	<b>358,567</b>	<b>20,774</b>	<b>4,107</b>	<b>(34,730)</b>	<b>-</b>	<b>3,116,002</b>	<b>4,417,607</b>
Adjustment for prior period	I	-	(232,277)	-	(556)	-	-	(438,401)	(671,234)
<b>As at 1 April 2024 – restated</b>		<b>952,887</b>	<b>126,290</b>	<b>20,774</b>	<b>3,551</b>	<b>(34,730)</b>	<b>-</b>	<b>2,677,601</b>	<b>3,746,373</b>
Net profit/(loss) after tax	15	-	-	-	-	-	-	(436,831)	(436,831)
Other comprehensive income/(loss)	15	-	(9,641)	(19,070)	3,428	-	-	-	(25,283)
Total comprehensive income/(loss)	15	-	(9,641)	(19,070)	3,428	-	-	(436,831)	(462,114)
Issue of ordinary shares – equity raise	14	970,157	-	-	-	-	-	-	970,157
Sale of treasury stock and loss on sale	15	-	-	-	-	18,450	-	(12,091)	6,359
Equity-settled share-based payment	15	-	-	-	-	-	348	-	348
<b>As at 31 March 2025</b>		<b>1,923,044</b>	<b>116,649</b>	<b>1,704</b>	<b>6,979</b>	<b>(16,280)</b>	<b>348</b>	<b>2,228,679</b>	<b>4,261,123</b>

The accompanying notes form part of these consolidated financial statements.

## Consolidated statement of changes in equity

### FOR THE YEAR ENDED 31 MARCH 2025

	Note	Issued capital \$000	Asset revaluation reserve \$000	Cash-flow hedge reserve \$000	Foreign translation reserve \$000	Treasury stock \$000	Share based payments reserve \$000	Retained earnings \$000	Total equity \$000
<b>2024</b>									
<b>As at 1 April 2023 – reported</b>		<b>953,239</b>	<b>610,341</b>	<b>30,955</b>	<b>(7,136)</b>	<b>(34,729)</b>	<b>-</b>	<b>3,111,227</b>	<b>4,663,897</b>
Adjustment for prior period	I	-	(201,669)	-	-	-	-	(263,961)	(465,630)
<b>As at 1 April 2023 – restated</b>		<b>953,239</b>	<b>408,672</b>	<b>30,955</b>	<b>(7,136)</b>	<b>(34,729)</b>	<b>-</b>	<b>2,847,266</b>	<b>4,198,267</b>
Net profit/(loss) after tax	15	-	-	-	-	-	-	(169,665)	(169,665)
Other comprehensive income/(loss)	15	-	(282,382)	(10,181)	10,687	-	-	-	(281,876)
Total comprehensive income	15	-	(282,382)	(10,181)	10,687	-	-	(169,665)	(451,541)
Issue of ordinary shares – equity raise costs	14	(352)	-	-	-	-	-	-	(352)
Treasury stock movement	15	-	-	-	-	(1)	-	-	(1)
Dividends paid to shareholders	15	-	-	-	-	-	-	-	-
<b>As at 31 March 2024</b>		<b>952,887</b>	<b>126,290</b>	<b>20,774</b>	<b>3,551</b>	<b>(34,730)</b>	<b>-</b>	<b>2,677,601</b>	<b>3,746,373</b>

The accompanying notes form part of these consolidated financial statements.

## Consolidated statement of financial position

AS AT 31 MARCH 2025

	Note	2025	2024 (restated)	2023 (restated)
		\$000	\$000	\$000
<b>Assets</b>				
Cash and cash equivalents	8	17,658	41,809	27,879
Trade and other receivables	9	163,921	172,583	140,243
Inventory		13	2,386	14,618
Advances to employees	26	1,505	6,169	14,217
Derivative financial instruments	20,23	1,385	16,800	36,474
Property, plant and equipment	11	1,019,595	1,134,817	1,445,331
Investment properties	12	10,812,542	10,142,199	9,557,482
Intangible assets	13	13,817	40,732	43,772
Deferred tax asset	7	-	259,583	140,043
		<b>12,030,436</b>	<b>11,817,078</b>	<b>11,420,059</b>
Assets held for sale	10	32,926	86,424	31,379
<b>Total assets</b>		<b>12,063,362</b>	<b>11,903,502</b>	<b>11,451,438</b>
<b>Equity</b>				
Issued capital	14	1,923,044	952,887	953,239
Reserves	15	109,400	115,885	397,762
Retained earnings	15	2,228,679	2,677,601	2,847,266
<b>Total equity</b>		<b>4,261,123</b>	<b>3,746,373</b>	<b>4,198,267</b>
<b>Liabilities</b>				
Trade and other payables	16	113,578	150,620	205,784
Employee entitlements	17	80,240	76,289	49,773
Revenue in advance	3	184,020	140,857	99,271
Refundable accommodation deposits	18	496,639	423,163	300,314
Derivative financial instruments	20,23	15,340	12,157	5,988
Interest-bearing loans and borrowings	19	1,682,552	2,546,947	2,330,950
Occupancy advances (non-interest bearing)	21	5,217,158	4,784,979	4,247,304
Lease liabilities	22	12,712	22,117	13,787
<b>Total liabilities</b>		<b>7,802,239</b>	<b>8,157,129</b>	<b>7,253,171</b>
<b>Total equity and liabilities</b>		<b>12,063,362</b>	<b>11,903,502</b>	<b>11,451,438</b>

Authorised for issue on 28 May 2025 on behalf of the Board.


Dean Hamilton  
Director and Chair of the Board

James Miller  
Director and Chair of the Audit, Finance and Risk committee

The accompanying notes form part of these consolidated financial statements.



## Consolidated statement of cash flows

### FOR THE YEAR ENDED 31 MARCH 2025

	Note	2025 \$000	2024 (restated) \$000
<b>Operating activities</b>			
Receipts from residents			
• Care and village fees		583,061	518,781
• Net refundable accommodation deposits		83,723	108,651
• New sale and resales of occupation rights		1,156,341	1,145,967
Interest received		1,591	2,394
Payments to suppliers and employees		(736,044)	(684,550)
Repayment of occupation rights		(532,284)	(459,194)
Institutional Term Loan termination costs		(19,043)	-
Interest paid		(127,095)	(36,788)
<b>Net operating cash flows</b>		<b>410,250</b>	<b>595,261</b>
<b>Investing activities</b>			
Development of property, plant and equipment		(85,517)	(97,309)
Purchase of land		(18,374)	(56,998)
Proceeds of land sales		7,128	15,284
Purchase of intangible assets		(3,109)	(6,720)
Development of investment properties		(376,588)	(533,691)
Capitalised interest paid	6	(51,700)	(104,514)
Receipt of employee loans		2,581	5,116
<b>Net investing cash flows</b>		<b>(525,579)</b>	<b>(778,832)</b>
<b>Financing activities</b>			
Proceeds/(costs) from equity raise (net)	14	970,157	(352)
Repayment of bank loans (net)		(605,970)	201,218
Sale of treasury stock (net)		6,359	-
Repayment of Institutional Term Loan		(275,088)	-
Repayment of lease liabilities		(4,280)	(3,365)
<b>Net financing cash flows</b>		<b>91,178</b>	<b>197,501</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(24,151)</b>	<b>13,930</b>
Cash and cash equivalents at the beginning of the period		41,809	27,879
<b>Cash and cash equivalents at the end of the period</b>		<b>17,658</b>	<b>41,809</b>

The accompanying notes form part of these consolidated financial statements.

## Notes to the consolidated financial statements

### FOR THE YEAR ENDED 31 MARCH 2025

#### Reconciliation of net profit/(loss) after tax with net cash flow from operating activities

	2025	2024 (restated)
	\$000	\$000
<b>Net profit/(loss) after tax</b>	<b>(436,831)</b>	<b>(169,665)</b>
<b>Adjusted for:</b>		
<b>Movements in statement of financial position items</b>		
Occupancy advances	570,059	678,119
Deferred management fees	(126,268)	(136,677)
Refundable accommodation deposits	83,723	108,651
Revenue in advance	43,163	41,586
Trade and other payables	6,349	(2,025)
Trade and other receivables	(3,924)	(21,976)
Inventory	2,373	2,939
Employee entitlements	3,951	26,516
<b>Non-cash or non-operating items</b>		
Depreciation and amortisation	44,583	42,214
Depreciation of right-of-use assets	3,878	3,771
Close out of employee share scheme	2,083	2,931
Share-based payment reserve	348	-
Impairment	172,941	96,480
Inventory write-off	5,190	9,293
Deferred tax	221,442	(112,264)
Unrealised foreign exchange (gain)/loss	(13,637)	(13,781)
Fair-value movement of investment properties	(169,173)	39,149
<b>Net operating cash flows</b>	<b>410,250</b>	<b>595,261</b>

#### Net operating cash flows includes the following:

	2025	2024
	\$000	\$000
Deferred management fees collected	78,773	66,530



## Notes to the consolidated financial statements

### FOR THE YEAR ENDED 31 MARCH 2025

The notes to the consolidated financial statements include information that is considered relevant and material to assist the reader in understanding changes in the Group's financial position and performance. Information is considered relevant and material if:

- the amount is material because of its size or nature
- it is important for understanding the results of the Group
- it helps explain changes in the Group's business
- it relates to an aspect of the Group's operations that is important to future performance.

## 1. GENERAL INFORMATION

### Reporting entity

The consolidated financial statements presented are those of Ryman Healthcare Limited (the Company) and its subsidiaries (the Group). The Company is the ultimate reporting entity of the Group.

The Company is a for-profit entity incorporated and registered in New Zealand under the Companies Act 1993. The Company's registered office is at 92d Russley Road, Christchurch. The Company is listed on the New Zealand Stock Exchange (NZX). The Group develops, owns and operates integrated retirement villages, rest homes, and hospitals for older people within New Zealand and Australia.

All trading subsidiaries operate in the aged care sector in New Zealand and Australia, are 100% owned and have balance dates of 31 March. The operating subsidiaries are listed below.

- |  |  |
|--|--|
| • Anthony Wilding Retirement Village Limited   | • Keith Park Retirement Village Limited        |
| • Bert Newton Retirement Village Pty Ltd       | • Kevin Hickman Retirement Village Limited     |
| • Bert Sutcliffe Retirement Village Limited    | • Kiri Te Kanawa Retirement Village Limited    |
| • Bob Owens Retirement Village Limited         | • Linda Jones Retirement Village Limited       |
| • Bob Scott Retirement Village Limited         | • Logan Campbell Retirement Village Limited    |
| • Bruce McLaren Retirement Village Limited     | • Malvina Major Retirement Village Limited     |
| • Café Ryman Russley Road Limited              | • Margaret Stoddart Retirement Village Limited |
| • Charles Brownlow Retirement Village Pty Ltd  | • Miriam Corban Retirement Village Limited     |
| • Charles Fleming Retirement Village Limited   | • Murray Halberg Retirement Village Limited    |
| • Charles Upham Retirement Village Limited     | • Nellie Melba Retirement Village Pty Ltd      |
| • Deborah Cheetham Retirement Village Pty Ltd  | • Ngaio Marsh Retirement Village Limited       |
| • Diana Isaac Retirement Village Limited       | • Patrick Hogan Retirement Village Limited     |
| • Edmund Hillary Retirement Village Limited    | • Possum Bourne Retirement Village Limited     |
| • Ernest Rutherford Retirement Village Limited | • Raelene Boyle Retirement Village Pty Ltd     |
| • Essie Summers Retirement Village Limited     | • Rita Angus Retirement Village Limited        |
| • Evelyn Page Retirement Village Limited       | • Rowena Jackson Retirement Village Limited    |
| • Frances Hodgkins Retirement Village Limited  | • Ryman Aged Care (Australia) Pty Ltd          |
| • Grace Joel Retirement Village Limited        | • Ryman Construction Pty Ltd                   |
| • Hilda Ross Retirement Village Limited        | • Ryman Healthcare (Australia) No. 11 Pty Ltd  |
| • Hubert Opperman Retirement Village Pty Ltd   | • Ryman Healthcare (Australia) Pty Ltd         |
| • James Wattie Retirement Village Limited      | • Ryman Napier Limited                         |
| • Jane Mander Retirement Village Limited       | • Ryman Northwood Retirement Village Limited   |
| • Jane Winstone Retirement Village Limited     | • Shona McFarlane Retirement Village Limited   |
| • Jean Sandel Retirement Village Limited       | • Weary Dunlop Retirement Village Pty Ltd      |
| • John Flynn Retirement Village Pty Ltd        | • William Sanders Retirement Village Limited   |
| • Julia Wallace Retirement Village Limited     | • Yvette Williams Retirement Village Limited   |

## Notes to the consolidated financial statements

### FOR THE YEAR ENDED 31 MARCH 2025

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#### Statement of compliance

The Company is a Financial Markets Conduct reporting entity under the Financial Reporting Act 2013 and the Financial Markets Conduct Act 2013. Its consolidated financial statements comply with these Acts.

The consolidated financial statements have been prepared in accordance with Generally Accepted Accounting Principles in New Zealand (NZ GAAP), International Financial Reporting Standards Accounting Standards (IFRS Accounting Standards), the New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) and other applicable financial reporting standards, as appropriate for a Tier 1 for-profit entity.

#### Basis of preparation

These consolidated financial statements have been prepared on a going concern basis, which requires the Board to have reasonable grounds to believe that the Group will be able to pay their debts as and when they become due.

The consolidated financial statements have been prepared on a historical cost basis, except when:

- certain property, plant and equipment is subject to revaluation (note 11)
- assets held for sale and investment property are measured at fair value (notes 10 and 12)
- certain financial assets and liabilities are measured at fair value (note 20).

The information is presented in thousands of New Zealand Dollars (\$ or NZD), except when otherwise indicated. The functional currency of the Company and its New Zealand subsidiaries is New Zealand Dollars. The functional currency for its Australian subsidiaries is Australian Dollars (A\$ or AUD).

#### Key estimates and judgements

In applying the Group's accounting policies, management has made judgements, estimates, and assumptions about the carrying values of assets and liabilities and the reported amounts of income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis, with the effect of any change in an accounting estimate recognised prospectively.

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

- Revenue recognition, specifically relating to deferred management fees (note 3)
- Deferred tax, specifically related to recognition of tax losses (note 7)
- Valuation of assets held for sale (note 10)
- Valuation of property, plant and equipment (note 11)
- Valuation of investment property (note 12)
- Impairment of intangible assets (note 13)

Additionally, the matters described below affect multiple asset types and related notes.

#### *Classification of property assets*

The Group provides aged care and retirement living co-located within retirement villages. The classification of the property assets determines the accounting treatment and judgement is required. NZ IAS 40 – Investment Property requires an entity to develop criteria so that it can exercise that judgement consistently and to disclose the criteria when classification is difficult.

## Notes to the consolidated financial statements

### FOR THE YEAR ENDED 31 MARCH 2025

<b>Business model or intention</b>	<ul style="list-style-type: none"> <li>Property held for use in the production or supply of goods and services would be property, plant and equipment. Therefore, if the business model is the provision of care, the property should be classified as property, plant and equipment.</li> <li>Property held to earn rentals and/or for capital appreciation would be investment property. Therefore, if the business model is the provision of retirement accommodation, the property should be classified as investment property.</li> </ul>
<b>Level of ancillary services provided</b>	<ul style="list-style-type: none"> <li>For a property to be classified as investment property, the services provided to the residents must be insignificant to the arrangement.</li> <li>Guideline of 20% of total revenue to determine whether the services provided are significant.</li> </ul>

Property type and service description	Business model or intention	Level of ancillary services provided	Classification
<b>Independent unit</b> – Private accommodation with access to shared community facilities. No care or assistance is included beyond standard weekly fee services, but additional support can be arranged if required.	Held to earn rentals and/or for capital appreciation	Optional and below 20% guideline	Investment property (note 12)
<b>Serviced apartment</b> – Private accommodation offering additional services for assisted living, such as regular housekeeping, meals, and personal care support.	Held to earn rentals and/or for capital appreciation	Compulsory and below 20% guideline	Investment property (note 12)
<b>Care bed</b> – A room within a care facility where residents receive full-time care at rest home, hospital, or dementia care levels. Room options range from standard to premium.	Provision of care	Compulsory	Property, plant and equipment (note 11)
<b>Care suite</b> – As per care bed, but subject to an occupation right agreement with a deferred management fee. Typically, larger than standard care rooms, care suites may include higher-quality furnishings, a kitchenette, and other enhanced amenities.	Provisions of care	Compulsory	Property, plant and equipment (note 11)

#### Climate change risk

The Group recognises that climate-related risks, if not appropriately managed, will impact the way the Group currently operates. Physical climate risks such as storms, flooding and heat have the potential to create significant impacts on the business and its operations. The Group continues to assess the impact of climate change on its assets and operations. Potential impacts of climate change include:

- Costs of regeneration and remediation of the Group's existing portfolio of villages because of an increase in susceptibility to physical risks such as flood, storm, and heat.
- Increased expenditure required to develop new villages that are more resilient to physical risks resulting from climate change.

These risks are specifically addressed in the selection of new development sites, the design and construction of the Group's new integrated retirement villages and aged care facilities, and the refurbishment and enhancement of its existing portfolio of villages.

## Notes to the consolidated financial statements

### FOR THE YEAR ENDED 31 MARCH 2025

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While there currently is no significant impact identified for asset valuations; this may change in the future. To date, the independent valuers have made no explicit adjustments to valuation of property, plant and equipment (note 11) and the valuation of investment property (note 12) in respect of climate change.

#### **Seismic risk**

The Group operates several villages in geographies that have a higher earthquake risk, particularly the villages located along the Hikurangi fault line in New Zealand. None of the Group's properties have been notified by a territorial authority in New Zealand as being potentially "earthquake prone" (being a New Building Standard (NBS) rating of less than 34%). If the buildings were to be formally classified as "earthquake prone", the maximum period of time for carrying out remedial works would be 15 years for buildings located in high-risk zones (such as Wellington), through to 35 years for buildings located in low-risk zones (such as Auckland).

The Group is currently undertaking seismic assessments across a number of buildings located in higher-risk seismic zones with the assistance of independent experts. These assessments are at varying stages of completion. Improvement works have already been carried out on a limited number of buildings. For other buildings where issues have been identified to date, the Group is actively exploring remediation options and estimates of the associated costs. Other assessments remain at preliminary stages and further investigation is required.

Independent experts have confirmed that there are no life safety concerns and no need to vacate any buildings.

While the final scope and cost of works can only be confirmed once assessments are complete, preliminary internal estimates for known issues are in the range of \$30-35 million. These estimates have been provided to the Group's independent valuer to inform their valuation of property, plant and equipment (note 11) and investment property (note 12). The valuer has made an allowance for major capital expenditure of the estimated value provided by management.

#### **Remedial works**

The Group has undertaken releveling works of the main building and one of the apartment buildings at Edmund Hillary Retirement Village in Auckland, New Zealand, with the aged care facilities in the main building being re-operationalised in May 2025. The exterior remediation is expected to be completed in June 2025. These works were undertaken in response to ground settlement over time.

The cost of the current releveling works is approximately \$8.0 million, the majority of which has been incurred in the current financial year. This information has been provided to the Group's independent valuer to inform the valuation of property, plant and equipment (note 11) and investment property (note 12). Both the discount rate for the valuation of investment property and the capitalisation rate for the valuation of property, plant and equipment adopted at Edmund Hillary have been revised, reflecting the potential requirement for future remedial works/releveling in respect of the main building and apartment building that have been relevelled.

The Group monitors ongoing settlement at Edmund Hillary and releveling works are likely to also be required to various other buildings in the future.

## Notes to the consolidated financial statements

### FOR THE YEAR ENDED 31 MARCH 2025

#### Changes in financial reporting

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

The Group disclosed at 31 March 2024 that it had made changes to accounting estimates with the effect of any change recognised prospectively. These changes related to investment property and property, plant and equipment, including the removal of the directors range assumption (market participant assumption), no longer including an allowance for value provided by the aged care facility to independent residents and inclusion of completed unsold investment property in the valuation. Refer to the 31 March 2024 financial statements for more information.

The Group has continued its extensive review of its financial reporting with the goal of enhancing the transparency of its results and ensuring greater comparability with others in the sector. As a result, there have been further accounting estimate changes and corrections to the Group's financial reporting, some of which were reported in the 30 September 2024 half year unaudited consolidated interim financial statements. The financial statements for the period ended 31 March 2024 and opening balance sheet at 1 April 2023 have been restated, where applicable.

The accounting estimate changes (note 1e) and corrections (notes 1a–1d and notes 1f–1g) have been summarised below, with the impact of these on the comparative periods reported in the table following.

#### a. Investment properties – discounting accrued deferred management fees

The carrying value of completed investment property and investment property under development, where fair value is able to be reliably measured, is based on the independent valuers' reports and also includes occupancy advances liability, adjusted for accrued deferred management fees and revenue in advance. As required by NZ IAS 40 – Investment Property, the fair value was adjusted for assets and liabilities already recognised on the balance sheet which are also reflected in the discounted cash flow approach. This includes occupancy advances for retirement village units which are recognised as a liability net of deferred management fees and suspended contributions (resident loans). The Group had previously discounted the deferred management fees when adjusting investment property.

The Group has reviewed this treatment and has determined that it would be more appropriate to remove the adjustment to discount the accrued deferred management fees. The occupancy advance liability is not discounted in the same way, and this creates a divergence in assumptions. Both the occupancy advance and accrued deferred management fees are recorded at face value on the balance sheet, as they are technically repayable when due, despite their expected long-term nature. The removal of the discounting of accrued deferred management fees results in a reduction in the fair value of investment property and has flow on impacts to the deferred tax expense and asset. This change allows for enhanced comparability of the Group's financial statements. This change has been retrospectively applied and the comparatives have been restated.

#### b. Recognition of occupancy advance receivable and liability

The Group previously recognised a receivable for an occupancy advance when a legally binding contract with a resident was in place, and the retirement village unit was either complete or considered to have met the threshold for inclusion in the investment property valuation. At the same time, the corresponding occupancy advance liability was recognised. Occupancy advance receivables were typically cash-settled by residents on occupation of a retirement village unit.

Following a review of this treatment, the Group has determined that recognising the occupancy advance receivable and liability at the point when the resident takes possession of the unit provides more reliable and relevant information to the users of the financial statements. Possession marks the point at which the resident will typically have fully paid the occupancy advance and begun occupying the unit, as well as the point at which deferred management fees begin to accrue and weekly fees become payable. This change allows for enhanced comparability of

## Notes to the consolidated financial statements

### FOR THE YEAR ENDED 31 MARCH 2025

the Group's financial statements. This change has been retrospectively applied and has resulted in a restatement of occupancy advance receivables and liabilities.

The remaining occupancy advance receivable (included in trade and other receivables) relates to residents who have transferred within the village and whose units have not been cash-settled, as their equity is retained in their previous unit, or to residents who have been granted possession of a unit prior to cash receipt, primarily for health-related reasons.

The Group has assessed the impact of this change on the fair value of its investment property and determined it is immaterial. This assessment is supported by independent valuers' views and sample testing of the valuations as at 31 March 2024, using the revised population of unit contracts. The effect of the change is limited to adjustments within the investment property reconciliation, as shown in note 12.

The previous practice of earlier recognition of the occupancy advance receivable and liability led to a population of units under development being included in the valuation, where it was determined that the fair value could be reliably measured. Following this change, the Group now only includes units in the investment property valuation which are complete. The population of units included in the valuation will be adjusted on a go-forward basis.

#### c. Development land classification and measurement

Development land, including land held for the future development of aged care facilities and retirement villages, was previously classified as property, plant, and equipment and measured at cost. On acquisition of a site, the split between investment property and property, plant, and equipment is uncertain. Land was allocated upon the commencement of construction when the site's overall design is known and there is a reduced likelihood of changes.

The Group has reviewed this treatment and determined that it would be more appropriate to classify this land as investment property in accordance with NZ IAS 40 – Investment Property where this land has an undetermined future use. The Group's accounting policy for investment property is to measure it at fair value.

There may be two components to development land: the land itself and capitalised work in progress (WIP). Land will be valued by independent valuers in line with the investment property valuation cycle. Capitalised WIP for investment property under development is carried at cost until its fair value becomes reliably measurable or when the development is completed, whichever is earlier. It is subject to impairment testing and will be monitored for any indicators of impairment, such as if the development changes or is no longer feasible.

This change requires retrospective application, but the Group has found it impractical to restate comparative amounts to fair value. This being due to the independent valuer's inability to conduct visual inspections for prior periods, changes in site conditions under development, and fluctuating market conditions. Management's assessment of a sample of valuations and market appraisals shows no significant difference between the historical cost of the land and its fair value. Therefore, the Group deems the impact on the comparative periods is immaterial and the comparatives have not been restated.

#### d. Assets held for sale measurement

Investment property within assets held for sale were previously measured at the lower of carrying value or fair value less costs to sell. Due to the reclassification of development land as investment property, the measurement criteria previously applied under NZ IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations no longer applies to this class of asset. NZ IFRS 5 states that the measurement provisions of the standard do not apply to investment property, which are covered by NZ IAS 40 – Investment Property. Consequently, assets held for sale are now recorded at fair value.

## Notes to the consolidated financial statements

### FOR THE YEAR ENDED 31 MARCH 2025

The Group has determined that the difference between fair value less costs to sell and fair value is immaterial in the comparative periods, and therefore, has not restated these balances. Any previously recorded impairments across the comparative periods have been reclassified from impairments to fair-value movements.

As part of this change process, it was identified that Nellie Melba land which has been held for sale since March 2024 was previously incorrectly included in investment property and omitted from assets held for sale. The March 2024 assets held for sale balance has been restated accordingly.

#### **e. Revenue recognition of deferred management fees**

Deferred management fees are recognised on a straight-line basis over the periods of service. The period of service is determined as being the greater of the expected period of tenure and the contractual right to deferred management fees. Previously the expected periods of tenure, based on historical experience across our villages, was estimated to be seven years for independent units and three years for serviced units.

Following a review of the existing modelling methodology, the Group applied alternative techniques, including the use of actuarial tables and analysis of customer mix trends. This resulted in a revised estimate of nine years for independent units and 4.5 years for serviced units. The internal modelling underwent an independent external review to ensure it was fit for purpose.

The timing of deferred management fee recognition is an accounting estimate, and as such, adjustments must be made prospectively. Accounting standards require that all existing contracts with remaining deferred management fee income have the income spread over the revised tenure periods. This adjustment would result in a lower deferred management fee in the current and future periods for those contracts.

However, after consultation with the Group's data specialists and the external software provider, it was determined that it is impracticable to apply the change as required by accounting standards due to system limitations and data integrity risk. Instead, the change has been applied only to contracts where residents have first occupied the unit since 1 April 2024. This change was made at 30 September 2024 and backdated to 1 April 2024. The financial impact of this change was a \$1.8 million reduction in deferred management fee revenue for the six months ended 30 September 2024. The \$1.8 million reduction is not material to the Group financial statements. Given the change has been applied in the underlying systems, it is not possible to quantify the impact to the full financial year.

The expected periods of tenure will be reviewed annually and adjusted as necessary in the event of a material change.

In addition to the above, a historical cumulative \$12.0 million overstatement of deferred management fee revenue has been corrected in the current period. This related to uncapped internal transfers and incorrect inclusion of GST. The GST treatment created a timing difference in the financial statements, although tax obligations were correctly reported. The adjustment is not material to the Group financial statements and has not been retrospectively restated.

#### **f. Support and services capitalisation**

##### *Property, plant and equipment and investment property*

The Group has operated a shared services model with resources centralised in the head office entities in New Zealand and Australia. These resources support the operation of the village entities, asset management of existing villages, development of new villages and general administration and compliance activities for the business as a whole. The cost of a development (whether investment property or plant, property and equipment) includes directly attributable costs of constructing the development for it to be capable of operating in the manner intended by the Group. Since the majority of shared services resources support multiple development projects, an allocation methodology must be applied.



## Notes to the consolidated financial statements

### FOR THE YEAR ENDED 31 MARCH 2025

The Group has reviewed this allocation methodology and revised its policy, with the change retrospectively applied. Where completed investment property and property, plant and equipment are held at fair value, any changes to the historical cost base of assets which had previously been valued, will not impact the carrying value. The revised policy reduces the cost base of assets, reduces capitalised costs and increases reported expenses, and increases the fair-value movement (investment properties) or asset revaluation reserve movement (property, plant and equipment). To the extent that property, plant and equipment was impaired in previous periods, this policy change will reverse the impairment before uplifting the asset revaluation reserve. There will also be consequential reductions in the annual depreciation expenses for property plant and equipment. Given the quantum of the development activity in recent years, this is a complex change to the financial results.

#### *Intangible assets*

The previous methodology saw support and services costs capitalised to all qualifying assets, including internally generated intangible assets (software). Intangible assets are held at cost less amortisation and impairment (if any). The change to the policy will result in a permanent reduction in the value of intangible assets and increase in reported expenses. There will also be consequential reductions in the annual amortisation expenses. The comparatives have been restated.

#### **g. Aged care facility valuation**

The Group has historically engaged independent valuers to provide a valuation of completed care facilities. The valuation was performed on a freehold going concern basis which incorporated land, buildings, furniture, plant and equipment, and goodwill. In the absence of a detailed component breakdown, fair-value movements were previously allocated to land first, followed by buildings as needed.

The Group has revised its valuation instructions to require an explicit apportionment of value among land, buildings, furniture, plant and equipment, and goodwill. Goodwill is now excluded from the reported asset value, as it is internally generated and cannot be recognised as an asset. This change has been applied retrospectively. Furniture, plant and equipment continues to be held at cost less accumulated depreciation and impairment.

The independent valuer has provided the required apportionment for comparative periods, resulting in an overall reduction in the carrying value of aged care facilities and either a reduction in the asset revaluation reserve or recognition of an impairment expense where the reserve has been fully utilised. The property, plant, and equipment note has also been updated to reflect the revised valuation methodology.

In addition, the aged care facility freehold going concern valuation previously included a gross-up for refundable accommodation deposits. This gross-up was to reflect that the valuation of the freehold going concern included a deduction for the value lost from an absence of premium charging on rooms subject to refundable accommodation deposits. The Australian valuer incorporated the gross-up directly in their valuation, consistent with market practice. As the Group is the only provider offering refundable accommodation deposits for aged-care in New Zealand, this gross-up is not captured by the New Zealand valuer, and was historically incorporated by the Group. Following the change to value only land and buildings, this gross-up is no longer required.

#### **h. Reclassifications**

Certain comparative balances have been reclassified to ensure consistency with the current reporting format.

#### *Derivative financial instruments*

During the year, the Group revised its presentation of derivative financial instruments in the statement of financial position. Derivative assets and derivative liabilities within note 20 are now presented separately, whereas in prior periods, a net derivative position was reported. The comparative figures for the previous financial year have been restated to reflect this change and ensure consistency with the current year's presentation.

## Notes to the consolidated financial statements

### FOR THE YEAR ENDED 31 MARCH 2025

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#### i. Opening balance sheet significant estimates

The opening balance sheet at 1 April 2024 has been presented to reflect the restatements referenced above. Significant accounting estimates were included in the opening balance sheet that are no longer applied in the current or comparative reporting periods. This disclosure provides context for the values presented in the opening balance sheet.

##### *Allowance for value provided by aged care facility*

The March 2023 land and building valuation, included within property, plant and equipment, incorporated an allowance for the value attributed to the aged care facility supporting independent and serviced apartment residents. This allowance was determined as a portion of the deferred management fees (DMF) paid by those residents and was excluded from the investment property valuation.

In March 2024, prompted by changes in economic conditions, financial returns, and strategic plans, the Group reassessed the appropriateness of this estimate. As a result, the allocation was reduced from 25% to zero and has not been reinstated. The March 2023 allowance included in the carrying value of land and buildings was \$320.7 million. If applied consistently, the equivalent 2024 allowance would have increased to \$370.7 million.

The removal of this allowance contributed to a \$429.7 million increase in the March 2024 investment property valuation. The difference between the \$429.7 million increase and the \$370.7 million comparative allowance reflects the removal of allowances previously deducted from investment properties that are not associated with a care centre valuation.

##### *Directors range assumption within the investment property valuation*

In March 2023, the directors exercised judgement in determining the adopted fair value of investment property by using a range of inputs, including both 20% and 30% DMF rates. This approach benchmarked Ryman's DMF structure against broader industry practices, resulting in the application of a 30% assumption on future rollovers.

In March 2024, these assumptions were reviewed. Independent registered valuers advised that Ryman's actual contractual DMF terms—primarily 20% at the time—are appropriate for determining the fair value of the operator's interest. Although this differs from the sector's maximum DMF rates, the valuers considered other valuation inputs, such as the discount rate, to sufficiently reflect potential variability.

Consequently, the March 2024 investment property valuation was based solely on the independent valuation. The impact of this change was a \$398.6 million reduction in the investment property valuation.

## Notes to the consolidated financial statements

### FOR THE YEAR ENDED 31 MARCH 2025

#### Comparative period impact – consolidated statement of financial position

	Note	2024 \$'000	2023 \$'000
<b>Assets</b>			
Trade and other receivables – reported		688,398	719,121
Adjustment – occupancy advance recognition	lb	(515,815)	(578,878)
Trade and other receivables – restated		172,583	140,243
Derivative financial instruments – reported		10,331	36,474
Adjustment – reclassification	lh	6,469	-
Derivative financial instruments – restated		16,800	36,474
Property, plant and equipment – reported		1,936,969	2,205,428
Adjustment – development land	lc	(466,373)	(523,863)
Adjustment – capitalised cost	lf	(31,247)	(25,232)
Adjustment – valuation adjustments for capitalised cost	lf	19,350	16,644
Adjustment – removal of internally generated goodwill	lg	(180,356)	(126,194)
Adjustment – removal of RAD gross-up	lg	(143,526)	(101,452)
Property, plant and equipment – restated		1,134,817	1,445,331
Investment properties – reported		10,041,369	9,322,902
Adjustment – discount of accrued DMF	la	(235,023)	(194,373)
Adjustment – development land	lc	466,373	523,863
Adjustment – Nellie Melba land	ld	(10,910)	-
Adjustment – capitalised cost	lf	(278,251)	(220,627)
Adjustment – valuation adjustments for capitalised cost	lf	158,641	125,717
Investment properties – restated		10,142,199	9,557,482
Intangible assets – reported		85,065	84,832
Adjustment – capitalised costs	lf	(61,047)	(52,285)
Adjustment – amortisation impact	lf	16,714	11,225
Intangible assets – restated		40,732	43,772
Deferred tax asset – reported		196,072	53,774
Adjustment – discount of accrued DMF	la	43,521	71,378
Adjustment – capitalised costs	lf	19,990	14,891
Deferred tax asset – restated		259,583	140,043
Held for sale – reported		75,514	31,379
Adjustment – Nellie Melba land	ld	10,910	-
Held for sale – restated		86,424	31,379

## Notes to the consolidated financial statements

### FOR THE YEAR ENDED 31 MARCH 2025

	Note	2024 \$000	2023 \$000
<b>Liabilities</b>			
Derivative financial instruments – reported		5,688	5,988
Adjustment – reclassification	lh	6,469	-
Derivative financial instruments – restated		12,157	5,988
Net occupancy advances – reported		5,300,794	4,826,182
Adjustment – occupancy advance recognition	lb	(515,815)	(578,878)
Net occupancy advances – restated		4,784,979	4,247,304
Deferred tax liability – reported		-	14,678
Adjustment – discount of accrued DMF	la	-	(14,678)
Deferred tax liability – restated		-	-
<b>Equity</b>			
Reserves – reported		348,718	599,431
Adjustment – foreign currency movements	lf	(1,013)	-
Adjustment – removal of internally generated goodwill	lg	(180,356)	(126,194)
Adjustment – removal of RAD gross-up	lg	(143,526)	(101,452)
Adjustment – valuation adjustments for capitalised cost	lf	19,350	16,644
Adjustment – insufficient reserves (impairment)	lf	72,712	9,333
Reserves – restated		115,885	397,762
Retained earnings – reported		3,116,002	3,111,227
Adjustment – foreign currency movements	lf	1,013	-
Adjustment – capitalised costs (Intangibles)	lf	(44,333)	(41,060)
Adjustment – capitalised costs (IP)	lf	(278,251)	(220,627)
Adjustment – capitalised costs (PPE)	lf	(31,247)	(25,232)
Adjustment – insufficient reserves (impairment)	lf	(72,712)	(9,333)
Adjustment – valuation adjustments for capitalised cost	lf	158,641	125,717
Adjustment – discount of accrued DMF (deferred tax)	la	43,521	86,056
Adjustment – discount of accrued DMF	la	(235,023)	(194,373)
Adjustment – capitalised costs (deferred tax)	lf	19,990	14,891
Retained earnings – restated		2,677,601	2,847,266

## Notes to the consolidated financial statements

### FOR THE YEAR ENDED 31 MARCH 2025

#### Comparative period impact – consolidated income statement

	Note	2024 \$000
<b>Expenses</b>		
Operating expenses - reported		(651,883)
Adjustment – capitalised costs	lf	(60,032)
Operating expenses - restated		(711,915)
Finance costs - reported		(50,642)
Adjustment – capitalised costs	lf	(3,189)
Finance costs - restated		(53,831)
Depreciation and amortisation expense – reported		(43,803)
Adjustment – capitalised costs	lf	(2,182)
Depreciation and amortisation expense – restated		(45,985)
Impairment loss – reported		(243,573)
Adjustment – write down of development WIP	lc	147,472
Adjustment – write down on held for sale land	ld	63,330
Adjustment – capitalised costs	lf	(63,709)
Impairment loss – restated		(96,480)
<b>Fair-value movement</b>		
Fair-value movement of investment properties – reported		179,545
Adjustment – discount of accrued DMF	la	(40,650)
Adjustment – development land WIP	lc	(147,472)
Adjustment – write down on held for sale land	ld	(63,330)
Adjustment – capitalised costs	lf	33,365
Adjustment – correction of negative reserves	lf	(607)
Fair-value movement of investment properties – restated		(39,149)
<b>Income tax</b>		
Income-tax credit – reported		149,700
Adjustment – discount of accrued DMF	la	(42,535)
Adjustment – capitalised costs	lf	5,099
Income-tax credit – restated		112,264

## Notes to the consolidated financial statements

### FOR THE YEAR ENDED 31 MARCH 2025

#### Comparative period impact – consolidated statement of cash flows

	Note	2024 \$'000
<b>Operating activities</b>		
Payments to suppliers and employees – reported		(624,518)
Reclassification – capitalised costs	1f	(60,032)
Payments to suppliers and employees – restated		(684,550)
<b>Investing activities</b>		
Development of property, plant and equipment – reported		(99,719)
Reclassification – capitalised costs	1f	(8,477)
Adjustment – development land	1c	12,543
Adjustment – capitalised costs	1f	(1,656)
Development of property, plant and equipment – restated		(97,309)
Development of investment property – reported		(582,551)
Reclassification – capitalised costs	1f	8,477
Adjustment – development land	1c	(12,543)
Adjustment – capitalised costs	1f	52,926
Development of investment property – restated		(533,691)
Purchase of intangible assets – reported		(15,482)
Adjustment – capitalised costs	1f	8,762
Purchase of intangible assets – restated		(6,720)

#### Comparative period impact – earnings per share (EPS)

	Note	2024 \$'000
Net profit after tax – reported		4,775
Adjustments		(174,440)
Net profit/(loss) after tax – restated	14	(169,665)
Weighted average number of shares (in '000)	14	687,642
Basic and diluted EPS – reported		0.7
Basic and diluted EPS – restated	14	(24.7)

## Notes to the consolidated financial statements

### FOR THE YEAR ENDED 31 MARCH 2025

#### Comparative period impact – net tangible assets (NTA) per share

	Note	2024 \$000
NTA (\$000) – reported		4,136,470
Adjustments		(690,412)
NTA (\$000) – restated	14	3,446,058
Ordinary shares at reporting date (in '000)	14	687,642
NTA per share (cents per share) – reported		601.5
NTA per share (cents per share) – restated	14	501.1

NTA is calculated as total assets less intangible assets and deferred tax assets, and less total liabilities.

#### New and amended standards and interpretations

The following standards and interpretations became effective during the current period and are relevant to the Group's financial reporting:

- Supplier Finance Arrangements (Amendments to NZ IFRS 7 – Financial Instruments: Disclosures and NZ IAS 7 – Statement of Cash Flows)
- Non-current Liabilities with Covenants (Amendments to NZ IAS 1 – Presentation of Financial Statements)
- Disclosure of Fees for Audit Firms' Services (Amendments to FRS 44 – New Zealand Additional Disclosures)
- IFRIC agenda decision on Segment reporting

These changes did not have a material impact on the Group's consolidated financial statements. The Group's segment reporting has changed during the period, driven by changes to the organisational structure, roles and responsibilities. These changes are unrelated to the IFRIC agenda decision. The amendments to FRS 44 were early adopted in FY24.

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective. The effect of these have not yet been determined.

#### *NZ IFRS 18 – Presentation and Disclosure in Financial Statements.*

This standard becomes effective for reporting periods beginning on or after 1 January 2027. NZ IFRS 18 introduces new requirements on presentation within the statement of comprehensive income, including specified totals and subtotals. It also requires disclosure of management-defined performance measures and includes new requirements for the aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes.



## Notes to the consolidated financial statements

### FOR THE YEAR ENDED 31 MARCH 2025

#### Summary of material accounting policies

Material accounting policies that are pervasive throughout the consolidated financial statements are set out below. Material accounting policies that are specific to certain balances or transactions are set out within the notes to which they relate.

#### ***Basis of consolidation***

The consolidated financial statements are prepared by combining the financial statements of all the entities that comprise the Group, being the Company (the parent entity) and its subsidiaries as defined in NZ IFRS 10 – Consolidated Financial Statements. The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. All significant inter-company transactions and balances are eliminated in full on consolidation.

Income and expenses for each subsidiary whose functional currency is not NZD are translated at exchange rates that approximate the rates at the actual dates of the transactions. Assets and liabilities of such subsidiaries are translated at exchange rates at balance date. All resulting exchange differences are recognised in the foreign-currency translation reserve.

#### ***Foreign currency translation***

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates that approximate the rates at the actual dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate at the reporting date. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated using the exchange rates at the date when the fair values were determined.

Foreign exchange differences are generally recognised in profit or loss. However, exchange differences relating to the translation of a foreign operation and the effective portion of a hedge of a net investment in foreign operations are recognised in other comprehensive income.

#### ***Goods and Services Tax (GST)***

Revenue, expenses, assets and liabilities are recognised net of GST except when:

- the GST incurred is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of the asset or expense, as applicable.
- receivables and payables are stated with the amounts of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of the receivables or payables in the statement of financial position.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

## Notes to the consolidated financial statements

### FOR THE YEAR ENDED 31 MARCH 2025

#### Statement of cash flows

The statement of cash flows is prepared exclusive of GST. This is consistent with the method used in the income statement.

- Operating activities are the principal revenue-producing activities of the Group and other activities that are not investing or financing activities. Cash flows from operating activities include receipts and repayments of occupancy advances and refundable accommodation deposits.
- Investing activities are the acquisition and disposal of property, plant and equipment, investment properties, intangible assets, and other investments.
- Financing activities are activities relating to changes in the equity and debt structure of the Group.

## 2. SEGMENT INFORMATION

The Group operates in a single industry: the provision of integrated aged care facilities and retirement villages for older people in New Zealand and Australia. The service delivery process is consistent across all villages, with similar customer classes, distribution methods, and regulatory environments. As a result, the Group does not separately report on care and village operations, and these are aggregated within each region.

The Group's chief operating decision maker is the Board of Directors and Chief Executive Officer.

The Group has undergone significant structural and operational changes in recent years.

- In late 2023, the Group announced it would no longer use underlying profit as a key performance measure, shifting focus to cash flow from existing operations, cash flow from development, and IFRS profit/(loss) before tax and fair-value movements.
- In April 2024, the Board Chair became Executive Chair following the resignation of the Group CEO, and a significant business improvement programme was initiated.
- In September 2024, the Group transitioned to a function-based services and support structure, replacing the previous regional model to improve efficiency. This restructure disestablished the Group/Regional reporting structure used in prior segmental results, with team members appointed to functional roles regardless of location.
- A new Chief Executive Officer commenced in November 2024 to continue leading the transformation.

As a result of these changes, the internal reporting structure is still being reset, and updates are being embedded in reporting systems and management processes. During this period, the Board of Directors and Chief Executive Officer primarily review Group-level financials. Segmentation is relevant in respect of the integrated village operating earnings before interest expense, tax, depreciation, amortisation and fair-value moments (EBITDAF) performance of each country and the non-village EBITDAF (mainly centralised support services) across New Zealand and Australia combined. Currently there is no allocation of support services costs (e.g. clinical or operations teams) from the non-village to village segments. The segment note has been revised to reflect these changes and the comparatives have been restated on this basis.

Non-current assets are based on the geographical locations of the assets. Loans and borrowings are based on the geographical location of the borrower, with an adjustment between regions to account for start-up funding borrowed in New Zealand which was used as equity in the Australian operation. The accounting policies of the reportable segments are the same as the Group's accounting policies.

## Notes to the consolidated financial statements

### FOR THE YEAR ENDED 31 MARCH 2025

	New Zealand villages	Australia villages	Non-village	Group
	\$000	\$000	\$000	\$000
<b>2025</b>				
Care and village fees	458,695	112,160	-	570,855
Deferred management fees	118,201	36,708	-	154,909
Imputed interest income on refundable accommodation deposits	9,637	22,862	-	32,499
Other income	7,440	2,831	2,597	12,868
<b>Total operating revenue (adjusted)</b>	<b>593,973</b>	<b>174,561</b>	<b>2,597</b>	<b>771,131</b>
Employee expenses	(316,693)	(99,431)	(81,170)	(497,294)
Operations	(65,546)	(13,868)	(3,342)	(82,756)
Building and grounds	(76,785)	(13,522)	(2,828)	(93,135)
Direct selling expenses	(8,361)	(2,230)	-	(10,591)
Marketing	(8,142)	(1,312)	(11,833)	(21,287)
Software and technology	(1,025)	(79)	(20,724)	(21,828)
Administration	(3,992)	(1,187)	(16,097)	(21,276)
Capitalised to qualifying assets	-	-	22,560	22,560
<b>Total operating expenses (adjusted)</b>	<b>(480,544)</b>	<b>(131,629)</b>	<b>(113,434)</b>	<b>(725,607)</b>
<b>Operating earnings before interest, tax, depreciation, amortisation, and fair-value movements (EBITDAF)</b>	<b>113,429</b>	<b>42,932</b>	<b>(110,837)</b>	<b>45,524</b>

## Notes to the consolidated financial statements

### FOR THE YEAR ENDED 31 MARCH 2025

	New Zealand villages	Australia villages	Non-village	Group
	\$000	\$000	\$000	\$000
<b>2024 - restated</b>				
Care and village fees	426,935	83,445	-	510,380
Deferred management fees	110,693	29,461	-	140,154
Imputed interest income on refundable accommodation deposits	7,626	16,829	-	24,455
Other income	8,468	2,496	1,607	12,571
<b>Total operating revenue (adjusted)</b>	<b>553,722</b>	<b>132,231</b>	<b>1,607</b>	<b>687,560</b>
Employee expenses	(295,189)	(85,621)	(85,937)	(466,747)
Operations	(65,561)	(12,287)	(1,043)	(78,891)
Buildings and grounds	(62,085)	(10,084)	(3,281)	(75,450)
Direct selling expenses	(18,443)	(1,008)	-	(19,451)
Marketing	(5,617)	(2,073)	(13,455)	(21,145)
Software and technology	(201)	(88)	(24,050)	(24,339)
Administration	(4,190)	(1,006)	(17,703)	(22,899)
Capitalised to qualifying assets	-	-	36,185	36,185
<b>Total operating expenses (adjusted)</b>	<b>(451,286)</b>	<b>(112,167)</b>	<b>(109,284)</b>	<b>(672,737)</b>
<b>Operating earnings before interest, tax, depreciation, amortisation and fair-value movements (EBITDAF)</b>	<b>102,436</b>	<b>20,064</b>	<b>(107,677)</b>	<b>14,823</b>

#### Reconciliation to the net profit/(loss) after tax:

	2025	2024 (restated)
	\$000	\$000
<b>Operating earnings before interest, tax, depreciation, amortisation, and fair-value movements (EBITDAF)</b>	<b>45,524</b>	<b>14,823</b>
Non-operating revenue <sup>1</sup>	(11,967)	-
Interest received	1,531	2,326
Non-operating expenses <sup>1</sup>	(25,486)	(39,178)
Depreciation and amortisation expense	(48,461)	(45,985)
Finance costs	(140,263)	(53,831)
Imputed interest charge on refundable accommodation deposits	(32,499)	(24,455)
Impairment losses	(172,941)	(96,480)
<b>Profit/(loss) before income tax and fair-value movements (PBTF)</b>	<b>(384,562)</b>	<b>(242,780)</b>
Fair-value movement of investment properties	169,173	(39,149)
Income-tax (expense)/credit	(221,442)	112,264
<b>Net profit/(loss) after tax (NPAT)</b>	<b>(436,831)</b>	<b>(169,665)</b>

<sup>1</sup> Non-operating revenue and expenses have been presented in the table below.

## Notes to the consolidated financial statements

### FOR THE YEAR ENDED 31 MARCH 2025

#### Non-operating revenue and expenses

	2025	2024
	\$000	\$000
Reduction to DMF for GST and uncapped transfers	(11,967)	-
<b>Total non-operating revenue</b>	<b>(11,967)</b>	<b>-</b>
Cash settled share-based payments	-	(1,194)
Other leadership Share Scheme (LSS) costs	(212)	(3,802)
Employee Share Scheme (ESS) loan write-off	(60)	(1,277)
Other LSS and ESS costs	(2,776)	(2,827)
Holidays Act 2003 remediation	-	(18,000)
Payroll remediation	(2,198)	-
Organisation transformation costs – redundancy	(5,234)	-
<b>Total non-village employee expenses</b>	<b>(10,480)</b>	<b>(27,100)</b>
Close-out of employee share schemes – consultancy	(780)	(2,080)
Holiday Act 2003 remediation – consultancy	(250)	(705)
Organisation transformation costs – consultancy	(4,955)	-
<b>Total non-village administration expenses</b>	<b>(5,985)</b>	<b>(2,785)</b>
Loss on sale of construction assets	(3,831)	-
<b>Total non-village building and grounds expenses</b>	<b>(3,831)</b>	<b>-</b>
Inventory write-downs (non-village)	(5,190)	(7,444)
Inventory write-downs (village)	-	(1,849)
<b>Total operations expenses</b>	<b>(5,190)</b>	<b>(9,293)</b>
<b>Total non-operating revenue and expenses</b>	<b>(37,453)</b>	<b>(39,178)</b>

Operating earnings before interest expense, tax, depreciation, amortisation and fair-value movements (EBITDAF) and non-operating revenue and expenses are a non-GAAP measure which do not have a standardised meaning prescribed by GAAP (Generally Accepted Accounting Practice). These non-GAAP measures have been presented as they are used internally by chief operating decision makers to understand the Group's performance. It may not be comparable to similar financial information presented by other entities.

## Notes to the consolidated financial statements

### FOR THE YEAR ENDED 31 MARCH 2025

#### Non-current assets

	2025	2024 (restated)
	\$000	\$000
New Zealand	9,239,937	8,894,875
Australia	2,606,017	2,422,872
<b>Total</b>	<b>11,845,954</b>	<b>11,317,747</b>

Non-current assets includes property, plant and equipment, investment properties and intangible assets.

#### Loans and borrowings

	2025	2024 (restated)
	\$000	\$000
New Zealand	674,232	1,629,265
Australia	1,008,320	917,682
<b>Total</b>	<b>1,682,552</b>	<b>2,546,947</b>

#### Information about major customers

Included in total revenue is revenue that arose from sales to the Group's largest customers.

The Group derives care-fee revenue for eligible government-subsidised residents who receive aged residential care, and in Australia, home care. In New Zealand, the government aged care subsidies received from Health New Zealand – Te Whatu Ora amounted to \$171.5 million (2024: \$157.5 million). In Australia, subsidies received from Australian Government Services Australia amounted to \$63.3 million (2024: \$46.6 million). There are no other significant customers.

## Notes to the consolidated financial statements

### FOR THE YEAR ENDED 31 MARCH 2025

### 3. REVENUE

#### Accounting policy: Revenue

The Group recognises revenue from the following major sources.

- Care and village fees
- Deferred management fees
- Imputed interest income on refundable accommodation deposits

#### Care and village fees

Care fees relate to the provision of accommodation, care and related services to aged care residents. Village fees relate to the provision of accommodation and related services to independent residents in the Group's retirement villages.

Care-facility and retirement village service fees are linked to providing services on specific days (service dates). Revenue from care-facility and retirement village service fees is recognised on completion of the service dates.

#### Deferred management fees

Residents of the Group's independent-living units and serviced apartments pay a deferred management fee for lifetime occupation (or a shorter period at the residents' discretion) and the right to share in the use of the community facilities. The deferred management fee is calculated as a percentage of the occupation right agreement amount. The fee accrues monthly, for a set period, based on the terms of individual contracts. Deferred management fees are payable when residents exit their unit and are netted off the gross occupation advance which is returned to residents.

Revenue from deferred management fees is recognised on a straight-line basis over the period of service, which is determined as the greater of the expected period of tenure or the contractual right to receive deferred management fees. The timing of revenue recognition is an accounting estimate, with expected tenure based on historical experience across villages. These assumptions are reviewed periodically and may change to reflect evolving life expectancy. In the current year, more sophisticated methods were applied, incorporating actuarial tables and consideration of resident mix. For residents entering from 1 April 2024, the tenure estimate was revised. The impact of this change is disclosed in Note 1.

In 2024 the Group began offering care suites under an occupation right agreement with a deferred management fee, instead of a daily accommodation premium or refundable accommodation deposit paid by residents.

	2025	2024
<b>Expected period of tenure, based on date of entry</b>		
Independent unit residents	9 years	7 years
Serviced apartment residents	4.5 years	3 years
Care suites	2 years	-



## Notes to the consolidated financial statements

### FOR THE YEAR ENDED 31 MARCH 2025

#### Imputed interest income on refundable accommodation deposits

For residents who pay for accommodation using a refundable accommodation deposit, the Group has determined that these arrangements qualify as leases under NZ IFRS 16 – Leases, with the Group acting as the lessor. In accordance with NZ IFRS 16, the fair value of the non-cash consideration—represented by an interest-free loan from the resident—must be recognised as income, with a corresponding interest expense. There is no net impact on profit or loss. This only applies to refundable accommodation deposits and not where there is another form of payment for accommodation such as daily accommodation premiums or deferred management fees.

The Group has determined the use of the Maximum Permissible Interest rate (MPIR) as the interest rate to be used in the calculation of the imputed interest income on Australian refundable accommodation deposits and bonds. The MPIR is a rate set by the Australian Government and is used to calculate the Daily Accommodation Payment (DAP) to applicable residents. This ranged between 8.34%–8.42% (2024: 7.46%–8.38%).

In New Zealand, the implicit interest rate used to convert a room premium to a refundable accommodation deposit is used to calculate the imputed interest income. This is currently 6.06% (2024: 5.20%–6.06%).

#### Accounting policy: Revenue in advance

Revenue in advance represents those amounts by which the deferred management fees over the contractual period exceed recognition of the deferred management fees based on expected tenure.

## 4. OPERATING EXPENSES

	2025	2024 (restated)
	\$000	\$000
Employee expenses	507,774	493,847
Operations	87,946	88,184
Building and grounds	96,966	75,450
Direct selling expenses	10,591	19,451
Marketing	21,287	21,145
Software and technology	21,828	24,339
Administration	27,261	25,684
<b>Gross operating expenses</b>	<b>773,653</b>	<b>748,100</b>
Capitalised to qualifying assets	(22,560)	(36,185)
<b>Reported operating expenses</b>	<b>751,093</b>	<b>711,915</b>

The Group has revised its cost capitalisation methodology and a lower proportion of centralised support services costs are capitalised. As a change in accounting policy, the comparatives have been restated.

Employee expenses relating to sales advisors, including commission payments, which were previously classified as direct selling expenses, have been reclassified to employee expenses. This amounted to \$9.0 million in 2024 and was reclassified in the comparative period.

## Notes to the consolidated financial statements

### FOR THE YEAR ENDED 31 MARCH 2025

	2025	2024
	\$000	\$000
<b>Employee expenses include:</b>		
Post-employment benefits (KiwiSaver/Superannuation)	16,840	17,524
Holiday Act 2003 remediation	-	18,000
Cash-settled share-based payments (note 26)	-	1,194
Other Leadership Share Scheme (LSS) costs (note 26)	212	3,802
Employee Share Scheme (ESS) loan write-off (note 26)	60	1,277
Other LSS and ESS costs (note 26)	2,776	2,827
Organisation transformation – redundancy	5,234	-
<b>Operations includes:</b>		
Inventory write-downs	5,190	9,293
<b>Building and grounds includes:</b>		
Loss on sale of construction assets	3,831	-
<b>Administration includes:</b>		
Directors' fees (note 25)	1,038	1,162
Close out of employee share schemes – consultancy	780	2,080
Holiday Act 2003 remediation – consultancy	250	705
Organisation transformation – consultancy	4,955	-
<i>Auditor's remuneration comprises:</i>		
Audit of financial statements – PwC	613	-
Other assurance services related to Australia aged care – PwC	12	-
Climate-related disclosure assurance-readiness services – PwC	58	-
Other services – whistleblower services – PwC	23	-
Audit of financial statements – Deloitte	-	573
Other assurance services related to Australia aged care – Deloitte	-	11
Climate-related disclosure assurance-readiness services – Deloitte	-	13
<b>Marketing includes:</b>		
Donations <sup>^</sup>	414	699

<sup>^</sup> No donations have been made to any political party (2024: \$Nil).

There has been no change to the \$24.0 million provision held for Holiday Act 2003 remediation (refer to note 17). The methodology proposed by the Group is currently under review by the Ministry of Business, Innovation and Employment (MBIE).

## Notes to the consolidated financial statements

### FOR THE YEAR ENDED 31 MARCH 2025

#### 5. DEPRECIATION AND AMORTISATION EXPENSES

##### Accounting policy: Depreciation and amortisation

##### Property, plant and equipment

Depreciation is provided on all property, plant and equipment, other than freehold land, at straight-line (SL) rates calculated to allocate the asset's cost or valuation, less estimated residual value, over their estimated useful lives, starting from the time the assets are ready for use, as follows.

- Buildings 2% SL
- Plant and equipment 4–25% SL
- Furniture and fittings 10–20% SL
- Motor vehicles 20% SL
- Right of use assets Term of lease SL.

##### Software

Amortisation is provided on internally generated software assets and acquired software assets as follows.

- Internally generated software 10–25% SL
- Acquired software 10–25% SL.

The estimated useful lives, residual value and depreciation/amortisation method are reviewed at the end of each reporting period, with the effects of any changes in estimates accounted for on a prospective basis.

	2025	2024 (restated)
	\$000	\$000
<b>Depreciation (note 11)</b>		
Buildings	13,918	11,707
Plant and equipment	13,777	13,772
Furniture and fittings	7,868	5,864
Motor vehicles	1,170	1,393
Right-of-use assets	5,122	6,417
<b>Gross depreciation</b>	<b>41,855</b>	<b>39,153</b>
Capitalised to qualifying assets	(2,984)	(3,783)
<b>Reported depreciation</b>	<b>38,871</b>	<b>35,370</b>
<b>Amortisation (note 13)</b>		
Software	9,590	10,615
Capitalised to qualifying assets	-	-
<b>Reported amortisation</b>	<b>9,590</b>	<b>10,615</b>
<b>Total</b>	<b>48,461</b>	<b>45,985</b>

## Notes to the consolidated financial statements

### FOR THE YEAR ENDED 31 MARCH 2025

## 6. FINANCE COSTS

### Accounting policy: Loans and borrowing costs

Loan and borrowing costs directly attributable to the acquisition, construction or production of qualifying assets (assets that take a substantial period of time to get ready for their intended use) are added to the costs of those assets until the assets are substantially ready for their intended use.

Capitalisation of interest commences when expenditure and borrowing costs are incurred and the activities necessary to prepare the asset for its intended use are in progress. The activities necessary to prepare the asset for its intended use encompass more than the physical construction of the asset and therefore the capitalisation of interest costs may commence before the physical construction of the properties.

If development activities are suspended for an extended period, capitalisation of the borrowing costs should also cease until such time as the activities are resumed. This does not apply where substantial technical and administrative work continues during a suspension in physical construction, or if it is a temporary delay that is a necessary part of the process of getting an asset ready for its intended use or sale. Capitalisation of interest costs continues until the assets are substantially ready for their intended use. For independent units, this occurs when occupation is permitted, and for main buildings, when the aged care facility is certified for use.

All other borrowing costs are recognised in profit or loss in the periods in which they are incurred.

	Note	2025 \$000	2024 (restated) \$000
Interest expense on loans and borrowings		175,333	175,992
Amortisation of issue costs on loans and borrowings	19	3,787	3,194
Release of cash-flow hedge reserve	15	(17,630)	(30,323)
Less capitalised interest	11,13	(51,700)	(104,514)
<b>Interest expense on loans and borrowings</b>		<b>109,790</b>	<b>44,349</b>
Interest on lease liabilities	22	490	250
Lease modification	22	-	(1,177)
Interest rate swaps and collars amendments and terminations	20	4,331	10,409
Institutional Term Loan termination costs	19b	19,043	-
Release of capitalised Institutional Term Loan costs	19b	1,956	-
Fair value swap termination costs <sup>1</sup>	19b	4,653	-
<b>Total finance costs</b>		<b>140,263</b>	<b>53,831</b>

The weighted-average capitalisation rate on funds borrowed is 6.24% per annum (2024: 5.82% per annum).

During the period, it was determined that certain development land no longer met the criteria for interest capitalisation due to paused activity (2024: all development land met the threshold).

<sup>1</sup> The fair value swap termination payment was paid early April 2025.

## Notes to the consolidated financial statements

### FOR THE YEAR ENDED 31 MARCH 2025

## 7. INCOME TAX

### Accounting policy: Income tax

Tax expense comprises current and deferred tax. Tax expense is recognised in the income statement except when it relates to items recognised in other comprehensive income or directly in equity. In this case, tax expense is recognised in other comprehensive income or in equity.

Deferred tax is provided for temporary differences between the carrying amount of assets and liabilities for financial reporting and the amounts used for taxation purposes. Deferred tax is not provided for on land and on temporary differences arising from the initial recognition of assets or liabilities that affect neither accounting profit nor taxable profit, and do not give rise to equal taxable and deductible temporary differences.

The amount of deferred tax provided is based on the way the carrying amount of assets and liabilities are expected to be realised and settled. The Group assesses deferred tax on investment properties on the basis that the asset value will be realised through use. The carrying value of the Group's investment properties is determined on a discounted cash flow basis and includes cash flows that are both taxable and non-taxable in the future. The Group recognises deferred tax on cash flows with a future tax consequence.

A deferred tax asset is recognised to the extent that the entity has sufficient taxable temporary differences or it is probable that future taxable profits will be available against which the asset can be used.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Group intends to settle current tax assets and liabilities on a net basis.

### Income tax recognised in income statement

	2025	2024
	\$000	\$000
<b>Tax expense comprises:</b>		
Current tax expense	-	-
Deferred tax expense/(credit)	221,442	(112,264)
<b>Total income-tax expense/(credit)</b>	<b>221,442</b>	<b>(112,264)</b>

The tax rate used in the below reconciliation is the corporate tax rate in New Zealand of 28% (2024: 28%). The corporate tax rate in Australia is 30% (2024: 30%).

## Notes to the consolidated financial statements

### FOR THE YEAR ENDED 31 MARCH 2025

#### Reconciliation between prima facie taxation and tax expense

	2025	2024
	\$000	\$000
(Loss)/profit before income tax	(215,389)	(281,929)
Income tax expense calculated at 28%	(60,309)	(78,940)
Tax effects of:		
• non-taxable fair-value movement of investment property	(47,545)	11,028
• buildings tax base adjustment	-	78,871
• property movements	6,434	(141,397)
• capitalised interest	(14,949)	(29,933)
• non-deductible impairment	43,234	26,894
• capitalised cost restatement	-	15,280
• tax losses not recognised	269,190	-
• interest deductions not recognised	25,308	-
• other	79	5,933
<b>Total income-tax expense/(credit)</b>	<b>221,442</b>	<b>(112,264)</b>
Effective tax rate	(102.8%)	39.8%

#### Amounts charged or credited to other comprehensive income or equity

	2025	2024
	\$000	\$000
<b>Tax effect of:</b>		
• revaluation of property, plant and equipment	45,961	-
• fair value movement in cash-flow hedge reserve	(5,917)	(5,796)
• other	(1,903)	(1,480)
<b>Total income-tax expense/(credit)</b>	<b>38,141</b>	<b>(7,276)</b>

#### Deferred tax asset/liability

	Opening balance (restated)	Recognised in income	Recognised in equity	Closing balance
	\$000	\$000	\$000	\$000
<b>2025</b>				
Property, plant and equipment	(80,582)	17,026	(45,980)	(109,536)
Investment properties	20,503	(42,342)	12	(21,827)
Deferred management fee	(137,690)	(10,596)	(199)	(148,485)
Derivative financial instruments	(2,897)	23	6,852	3,978
Other	18,635	3,180	21	21,836
Tax losses recognised	441,614	(188,733)	1,153	254,034
<b>Total deferred tax asset/(liability)</b>	<b>259,583</b>	<b>(221,442)</b>	<b>(38,141)</b>	<b>-</b>

## Notes to the consolidated financial statements

### FOR THE YEAR ENDED 31 MARCH 2025

	Opening balance	Recognised in income	Recognised in equity	Closing balance
	\$000	\$000	\$000	\$000
<b>2024 (restated)</b>				
Property, plant and equipment	(52,442)	(28,111)	(29)	(80,582)
Investment properties	(43,608)	64,034	77	20,503
Deferred management fee	(111,821)	(25,449)	(420)	(137,690)
Derivative financial instruments	(12,158)	-	9,261	(2,897)
Other	11,716	6,892	27	18,635
Tax losses recognised	348,356	94,898	(1,640)	441,614
<b>Total deferred tax asset/(liability)</b>	<b>140,043</b>	<b>112,264</b>	<b>7,276</b>	<b>259,583</b>

#### Tax losses

The Group has the following amounts of gross tax losses available to offset future taxable income in New Zealand and Australia.

	2025	2025	2024	2024
	NZ	AU	NZ	AU
	NZ\$000	A\$000	NZ\$000	A\$000
Tax losses – revenue	1,378,782	415,521	1,168,442	349,606
Tax losses – capital	-	25,619	-	25,605
<b>Total gross tax losses available</b>	<b>1,378,782</b>	<b>441,140</b>	<b>1,168,442</b>	<b>375,211</b>
Recognised tax losses	873,118	28,964	1,168,442	349,606
Unrecognised tax losses	505,664	412,176	-	25,605
<b>Total gross tax losses</b>	<b>1,378,782</b>	<b>441,140</b>	<b>1,168,442</b>	<b>375,211</b>

#### Unrecognised deductible temporary differences – tax losses

The Group has reassessed the recoverability of the deferred tax asset recognised in respect of unused tax losses as at year end. In conducting this assessment, the Board considered the Group's recent financial performance relative to previous forecasts, its updated financial forecast, and prevailing economic conditions.

Under NZ IAS 12 – Income Taxes, the recognition of a deferred tax asset for unused tax losses requires robust evidence that it is probable future taxable profits will be available against which the losses can be utilised. Given the Group's recent financial results, the challenging operating environment, and the increase in the unused tax loss balance during the current year, management has determined that this threshold is not currently met.

Accordingly, the Group now recognises a deferred tax asset on tax losses only to the extent that it offsets existing deferred tax liabilities. This is a change in estimate and prospectively applied. As a result, a deferred tax asset of \$188.5 million has been derecognised, with a corresponding income tax expense recognised in the income statement for the current period.

The derecognised tax losses remain available to the Group for future use, provided the relevant requirements under applicable tax legislation are met. This includes satisfying the shareholding continuity requirements, or where applicable, the New Zealand and Australian business continuity tests.

## Notes to the consolidated financial statements

### FOR THE YEAR ENDED 31 MARCH 2025

Unrecognised tax losses of NZ\$505.7 million and A\$412.2 million can be carried forward indefinitely and continue to represent a potential future tax benefit to the Group, notwithstanding their current derecognition for accounting purposes.

#### Unrecognised deductible temporary differences – other

In Australia, the Treasury Laws Amendment (Making Multinationals Pay Their Fair Share – Integrity and Transparency) Act 2024, which received royal assent in April 2024, introduced amended thin capitalisation interest limitation rules effective for the Group's Australian subsidiaries from 1 April 2024. These rules limit net interest deductions to 30% of an entity's tax EBITDA (which is broadly based on the concept of taxable income before interest and depreciation). The Australian subsidiaries' current tax profile means they are denied a deduction for their net interest costs in the current period but are permitted to carry forward the denied interest deductions for up to 15 years, subject to satisfying certain integrity rules at the time the denied interest deductions are sought to be recouped. The Group has decided to not recognise a deferred tax asset in respect of its denied net interest deductions balance of A\$76.7 million.

	2025	2025	2024	2024
	NZ	AU	NZ	AU
	NZ\$000	A\$000	NZ\$000	A\$000
Denied interest deductions	-	76,666	-	-

#### Imputation credit memorandum account

	2025	2024
	\$000	\$000
<b>Closing balance</b>	<b>1,024</b>	<b>1,295</b>
Imputation credits available directly and indirectly to shareholders of the parent company, through:		
• parent company	1,024	1,294
• subsidiaries	-	1
<b>Closing balance</b>	<b>1,024</b>	<b>1,295</b>



## Notes to the consolidated financial statements

### FOR THE YEAR ENDED 31 MARCH 2025

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#### 8. CASH AND CASH EQUIVALENTS

##### **Accounting policy: Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand, cash in banks and on-demand deposits, and other short term, highly liquid investments readily convertible to a known amount of cash and subject to an insignificant risk of changes in value. This includes all call borrowing, such as bank overdrafts, used by the Group as part of its day-to-day cash management.

In accordance with the Construction Contracts (Retention Money) Amendment Act 2023, commencing 5 October 2023 retention money is held in a separate bank account on trust. This is held in a compliant account with a registered bank and is not subject to the nightly sweep. This amounts to \$11.1 million at 31 March 2025 (2024: \$13.9 million).

The Group has access to an overdraft facility. The bank overdraft facility is secured by a General Security Deed and mortgages over the freehold land and buildings of the Group in the same manner as the bank loans (note 19). Interest is payable at the ANZ Institutional Overdraft Base Rate. The interest rate on all overdraft facilities at 31 March 2025 was 7.05% (2024: 10.75%).

The Group has no bank accounts outside of the regions in which we currently operate (New Zealand and Australia).

## Notes to the consolidated financial statements

### FOR THE YEAR ENDED 31 MARCH 2025

#### 9. TRADE AND OTHER RECEIVABLES

##### Accounting policy: Trade and other receivables

Trade receivables are measured at amortised cost, less any impairment. This is equivalent to fair value, being the receivable face (or nominal) value, less appropriate allowances for estimated irrecoverable amounts. The allowance recognised is the lifetime expected credit losses based on an assessment of each individual debtor. It is estimated based on the Group's historical credit loss experience and general economic conditions. Expected credit loss represents the expected credit losses that will result from all possible default events in the expected life of a debtor. Trade receivables are written off when there is no realistic chance of recovery.

These debtors are non-interest bearing, although the Group has the right to charge interest on overdue settlements of occupancy advances or overdue care and village fees.

Care and village fees receivables are amounts due from residents and various government agencies in the ordinary course of business.

Occupancy advance receivable and liability is recognised at the point when the resident takes possession of the unit. Possession marks the point at which the resident will typically fully pay the occupancy advance. Previously this was when a legally binding contract was in place and the unit was either complete or considered to have met the threshold for inclusion in the investment property valuation.

The receivables balance relates to residents who have transferred within the village and whose units have not been cash-settled, as their equity is retained in their previous unit, or to residents who have been granted possession of a unit prior to cash receipt, primarily for health-related reasons. There is limited credit risk for this population as the previous equity balance or a deposit is retained which will likely cover any accrued DMF.

The refundable accommodation deposit balance has significantly decreased due to a change in business practices, whereby refundable accommodation deposit benefits are no longer provided until funds are received from internally transferring residents.

	2025	2024 (restated)
	\$000	\$000
Care and village fees receivables	22,902	21,677
Allowance for expected credit losses	(800)	-
<b>Net trade receivables</b>	<b>22,102</b>	<b>21,677</b>
New sale occupancy advance receivables	20,625	27,357
Resale occupancy advance receivables	91,677	87,597
Refundable accommodation deposit receivables	5,505	18,091
Prepayments and other receivables	24,012	17,861
<b>Total trade and other receivables</b>	<b>163,921</b>	<b>172,583</b>

The Group has revised its accounting policy, now recognising the occupancy advance asset and liability at the point when the resident takes possession of the unit. The Group has restated the comparative period, with further detail in note 1.

## Notes to the consolidated financial statements

### FOR THE YEAR ENDED 31 MARCH 2025

#### 10. ASSETS HELD FOR SALE

##### Accounting policy: Assets held for sale

Non-current assets are classified as assets held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Investment property held for sale is measured at fair value, with any valuation adjustment recognised through fair-value movements in the profit or loss.

Property, plant and equipment held for sale is measured at the lower of the carrying amount and fair value less costs to sell. Any impairment losses on their initial classification as assets held for sale and any subsequent gains and losses on remeasurement are recognised in profit or loss.

Where a contracted sale price is available, this is considered the best indicator for fair value. Where no contracted price is available, the fair value is determined by independent valuers. These valuations use comparable transactions and hypothetical development methods. The valuation reflects the highest and best use of the assets. This assessment considers the use of the asset that is physically possible, legally permissible and financially feasible.

	2025	2024 (restated)
	\$000	\$000
Balance at 1 April	86,424	31,379
Net additions/(disposals)	(6,613)	(14,766)
Transfers from/(to) investment property	(20,984)	79,685
Fair-value movement	(25,901)	(9,874)
<b>Balance at 31 March</b>	<b>32,926</b>	<b>86,424</b>

As described in note 1, the Nellie Melba land has been held for sale since March 2024 but was previously incorrectly included in investment property. The March 2024 balance has been restated to correctly reflect this.

A sale and purchase agreement has been signed for the Karori land (Wellington, New Zealand) at a price of \$23.0 million, conditional on certain matters to be satisfied by the Group. Settlement is anticipated by October 2025.

Excess land at Nellie Melba (Melbourne, Australia) has been sold for A\$9.0 million (NZ\$9.9 million), with settlement expected by December 2025.

The land at Kohimarama (Auckland, New Zealand) no longer meets the definition of held for sale and has been reclassified back to investment property. The Group is still committed to selling the site, but it does not meet the definition of actively marketed and likely to be sold within 12 months.

The Newtown land was settled in the period and all monies were received by the Group.

## Notes to the consolidated financial statements

### FOR THE YEAR ENDED 31 MARCH 2025

## 11. PROPERTY, PLANT AND EQUIPMENT

### Accounting policy: Property, plant and equipment

Property, plant and equipment includes completed aged care facilities (land, buildings, plant and equipment, fixtures and fittings), aged care facilities under development, corporate assets and right-of-use assets (refer note 22). The Group has revised its accounting policy, now recognising development land within investment property. This was previously included in property, plant and equipment. This change was retrospectively applied.

All property, plant and equipment is initially recorded at cost. Cost includes cost of land, materials, wages and interest incurred during the period required to complete and prepare an asset for its intended use. It also includes centralised support services costs directly attributable to the construction of the aged care facilities. The Group has revised its capitalisation policy following an assessment of the eligibility of the underlying cost base, resulting in a lower level of capitalisation. This change was retrospectively applied.

Once an aged care facility reaches practical completion and is ready for use, land and buildings are carried at a revalued amount, which is the fair value at the date of the revaluation less any subsequent accumulated depreciation and accumulated impairment losses, if any, since the assets were last revalued. Furniture and fittings and plant and equipment for the aged care facility are carried at cost less accumulated depreciation and impairment. Independent valuations are performed with sufficient regularity to ensure that the carrying amount does not differ materially from the asset's fair value at the balance sheet date. Previously, newly completed facilities that had not operated for a full financial year were held at cost and assessed to ensure no material difference from fair value.

For aged care facilities under development, land and buildings are carried at cost, with land initially recorded at its most recent valuation prior to construction. An assessment is made to determine whether carrying value materially differs from fair value, and impairment is recognised if required.

Revaluations to fair value are based on a valuation report prepared by independent valuers at the reporting date in line with NZ IFRS 13 – Fair Value Measurement. Valuations are currently performed annually by CBRE Limited and CBRE Valuations Pty Limited. All valuers are registered valuers and industry specialists in valuing the aged care sector. Fair value is determined by reference to market-based evidence, which is the amount for which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction as at the valuation date.

The Group's aged care facilities were previously valued on a freehold going concern basis, which reflected the integrated value of land, buildings, furniture, plant and equipment, and goodwill associated with the facility, with the assumption that goodwill was immaterial. The Group has revised its approach to value only the land and buildings. This change was retrospectively applied.

As the fair value of land and buildings is determined using inputs that are unobservable (such as capitalisation rates and market value per care bed), the Group has categorised property, plant and equipment as Level 3 under the fair-value hierarchy in line with NZ IFRS 13 – Fair Value Measurement.

## Notes to the consolidated financial statements

### FOR THE YEAR ENDED 31 MARCH 2025

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Any revaluation surplus is recorded in other comprehensive income, unless it reverses a revaluation decrease of the same asset previously recognised in the income statement. In this case, the increase is credited to the income statement to the extent of the decrease previously charged. Any revaluation deficit is recognised in the income statement unless it directly offsets a previous surplus of the same asset in the asset revaluation reserve, in which case the revaluation deficit is recorded in other comprehensive income. Any accumulated depreciation at the revaluation date is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset.

All other plant and equipment are stated at historical cost less depreciation and impairment.

Where the Group enters into a long-term lease of land and obtains control over the land such that it can direct its use without significant restrictions, and the present value of lease payments substantially reflects the fair value of the land, the arrangement is assessed as being economically similar to a purchase of land. In these cases, the Group accounts for the land under NZ IAS 16 – Property, Plant and Equipment, rather than recognising a right-of-use asset under NZ IFRS 16 – Leases. This accounting reflects the substance of the transaction and the transfer of control and economic benefits to the Group. Leasehold land is included in the fair value of aged-care facilities, as determined by the independent valuer.

An item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected to arise from the continued use of the asset. On disposal, any resulting gain or loss is included in the income statement and any revaluation reserve relating to a particular asset being disposed of is transferred to retained earnings.

## Notes to the consolidated financial statements

### FOR THE YEAR ENDED 31 MARCH 2025

	Freehold land at valuation	Buildings at valuation	Property under development at cost	Plant and equipment at cost	Furniture and fittings at cost	Motor vehicles at cost	Right-of-use assets	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>2025</b>								
<b>Gross carrying amount</b>								
<b>Balance at 1 April 2024 – reported</b>	<b>529,439</b>	<b>630,711</b>	<b>688,638</b>	<b>137,803</b>	<b>75,195</b>	<b>18,060</b>	<b>35,916</b>	<b>2,115,762</b>
Adjustment for prior period (note 1)	(266,489)	(77,805)	(475,820)	34	13,923	-	-	(806,157)
<b>Balance at 1 April 2024 – restated</b>	<b>262,950</b>	<b>552,906</b>	<b>212,818</b>	<b>137,837</b>	<b>89,118</b>	<b>18,060</b>	<b>35,916</b>	<b>1,309,605</b>
Additions	154	9,071	67,868	2,627	1,245	14	4,485	85,464
Net foreign-currency exchange difference	1,207	1,561	383	93	91	5	31	3,371
Transfer from property under development	28,072	156,861	(201,061)	3,847	12,281	-	-	-
Transfer (to)/from investment property	-	-	(26,138)	(7,499)	-	-	-	(33,637)
Disposals	-	-	-	(3,617)	-	-	(19,418)	(23,035)
Impairment	(26,634)	(102,171)	(23,109)	-	-	-	(480)	(152,394)
Revaluation <sup>1</sup>	(108,581)	130,231	-	-	-	-	-	21,650
<b>Balance at 31 March 2025</b>	<b>157,168</b>	<b>748,459</b>	<b>30,761</b>	<b>133,288</b>	<b>102,735</b>	<b>18,079</b>	<b>20,534</b>	<b>1,211,024</b>
<b>Accumulated depreciation</b>								
<b>Balance at 1 April 2024</b>	<b>-</b>	<b>(7,472)</b>	<b>-</b>	<b>(81,911)</b>	<b>(61,326)</b>	<b>(14,159)</b>	<b>(13,925)</b>	<b>(178,793)</b>
Adjustment for prior period (note 1)	-	6,720	-	-	(2,715)	-	-	4,005
<b>Balance at 1 April 2024 – restated</b>	<b>-</b>	<b>(752)</b>	<b>-</b>	<b>(81,911)</b>	<b>(64,041)</b>	<b>(14,159)</b>	<b>(13,925)</b>	<b>(174,788)</b>
Depreciation	-	(13,918)	-	(12,037)	(7,868)	(1,170)	(3,878)	(38,871)
Depreciation capitalised to property under development	-	-	-	(1,740)	-	-	(1,244)	(2,984)
Disposals	-	-	-	-	-	-	10,544	10,544
Revaluation <sup>1</sup>	-	14,670	-	-	-	-	-	14,670
<b>Balance at 31 March 2025</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(95,688)</b>	<b>(71,909)</b>	<b>(15,329)</b>	<b>(8,503)</b>	<b>(191,429)</b>
<b>Total book value</b>	<b>157,168</b>	<b>748,459</b>	<b>30,761</b>	<b>37,600</b>	<b>30,826</b>	<b>2,750</b>	<b>12,031</b>	<b>1,019,595</b>

<sup>1</sup> The revaluation noted in the Statement of Comprehensive Income differs from the above due to deferred tax, refer note 7

## Notes to the consolidated financial statements

### FOR THE YEAR ENDED 31 MARCH 2025

	Freehold land at valuation	Buildings at valuation	Property under development at cost	Plant and equipment at cost	Furniture and fittings at cost	Motor vehicles at cost	Right-of-use assets	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>2024 (restated)</b>								
<b>Gross carrying amount</b>								
<b>Balance at 1 April 2023 – reported</b>	<b>772,336</b>	<b>594,661</b>	<b>747,878</b>	<b>133,050</b>	<b>69,981</b>	<b>17,562</b>	<b>27,890</b>	<b>2,363,358</b>
Adjustment for prior period (note 1)	(201,258)	(42,008)	(529,978)	-	13,147	-	-	(760,097)
<b>Balance at 1 April 2023 – restated</b>	<b>571,078</b>	<b>552,653</b>	<b>217,900</b>	<b>133,050</b>	<b>83,128</b>	<b>17,562</b>	<b>27,890</b>	<b>1,603,261</b>
Additions	1,541	2,175	95,721	2,227	2,275	480	15,926	120,345
Net foreign-currency exchange difference	3,783	3,078	2,364	186	190	18	50	9,669
Transfer from property under development	20,916	44,746	(71,061)	2,137	3,262	-	-	-
Transfer (to)/from investment property	(540)	1,462	(23,228)	237	263	-	-	(21,806)
Disposals	-	-	-	-	-	-	(7,950)	(7,950)
Impairment	(51,986)	(35,616)	(8,878)	-	-	-	-	(96,480)
Revaluation <sup>1</sup>	(281,842)	(15,592)	-	-	-	-	-	(297,434)
<b>Balance at 31 March 2024</b>	<b>262,950</b>	<b>552,906</b>	<b>212,818</b>	<b>137,837</b>	<b>89,118</b>	<b>18,060</b>	<b>35,916</b>	<b>1,309,605</b>
<b>Accumulated depreciation</b>								
<b>Balance at 1 April 2023</b>	<b>-</b>	<b>(5,912)</b>	<b>-</b>	<b>(68,139)</b>	<b>(56,362)</b>	<b>(12,766)</b>	<b>(14,751)</b>	<b>(157,930)</b>
Adjustment for prior period (note 1)	-	1,815	-	-	(1,815)	-	-	-
<b>Balance at 1 April 2023 – restated</b>	<b>-</b>	<b>(4,097)</b>	<b>-</b>	<b>(68,139)</b>	<b>(58,177)</b>	<b>(12,766)</b>	<b>(14,751)</b>	<b>(157,930)</b>
Depreciation	-	(11,707)	-	(12,635)	(5,864)	(1,393)	(3,771)	(35,370)
Depreciation capitalised to property under development	-	-	-	(1,137)	-	-	(2,646)	(3,783)
Disposals	-	-	-	-	-	-	7,243	7,243
Revaluation <sup>1</sup>	-	15,052	-	-	-	-	-	15,052
<b>Balance at 31 March 2024</b>	<b>-</b>	<b>(752)</b>	<b>-</b>	<b>(81,911)</b>	<b>(64,041)</b>	<b>(14,159)</b>	<b>(13,925)</b>	<b>(174,788)</b>
<b>Total book value</b>	<b>262,950</b>	<b>552,154</b>	<b>212,818</b>	<b>55,926</b>	<b>25,077</b>	<b>3,901</b>	<b>21,991</b>	<b>1,134,817</b>

<sup>1</sup> The revaluation noted in the Statement of Comprehensive Income differs from the above due to deferred tax, refer note 7

## Notes to the consolidated financial statements

### FOR THE YEAR ENDED 31 MARCH 2025

The Group has revised several accounting policies during the period, as discussed in note I. The comparative period has been restated.

- **Reclassification of development land:** Development land is now recognised within investment property, whereas it was previously classified under property, plant, and equipment.
- **Updated cost capitalisation methodology:** A lower proportion of centralised support services costs are now capitalised under the revised approach.
- **Valuation of aged care facilities:** These are now valued as land and buildings, rather than as freehold going concern. This results in internally generated goodwill no longer recognised for financial reporting purposes, and the gross-up of New Zealand refundable accommodation deposits is no longer recognised with the revised valuation process.

The Group has also reclassified building fit-out related to corporate right-of-use assets from buildings to furniture and fittings. This has been applied consistently in the comparative period. The 2024 closing accumulated depreciation relates to operating aged-care facilities which were not subject to valuation.

#### Valuation methodology

The independent valuers determine the fair value of land and buildings using a capitalisation of notional annual rental income. In this context, 'rent' refers to the estimated amount a third-party operator would pay to lease the facility, assuming the Group were the landlord rather than the operator. This notional rent does not reflect the accommodation charges paid by current residents.

The predominant method used by the independent valuer to determine a market rental for land and buildings is the direct comparison approach on a dollars per bed basis, with some consideration given to the rental as a percentage of gross revenue. A value is then established for the land using market-based evidence reflecting highest and best use. The residual amount is attributed to buildings.

The independent valuers note that the aged care market is subject to government subsidies which regulate, and in many cases, cap the level of revenue a facility can generate. Therefore, unlike the general commercial market, regardless of quality, a facility will receive the same government fee rate per bed irrespective of location, room size, scale, age, and quality to the detriment of higher quality facilities. Aged care facilities are a specialised form of realty and market rental can be no greater than that able to be generated by an appropriately managed and marketed enterprise. In the independent valuers opinion, premium charging is mostly attributable to the operator of an aged care facility, rather than the landlord, and included in the freehold going concern valuation of the business.



## Notes to the consolidated financial statements

### FOR THE YEAR ENDED 31 MARCH 2025

#### Property, plant and equipment

	2025	2024 (restated)
	\$000	\$000
<b>Aged care facilities</b>		
Land and buildings – at fair value	905,627	718,603
Land and buildings – at cost, less accumulated depreciation and impairment (if any) – previous immature aged care facility policy	-	96,501
Property under development - at cost, less impairment (if any)	30,761	212,818
Furniture and fittings – at cost	21,687	16,655
Plant and equipment – at cost	32,511	42,736
	<b>990,586</b>	<b>1,087,313</b>
<b>Other</b>		
Furniture and fittings – at cost	9,139	8,422
Plant and equipment – at cost	5,089	13,190
Motor vehicles – at cost	2,750	3,901
Right of use assets – at cost	12,031	21,991
	<b>29,009</b>	<b>47,504</b>
<b>Total property, plant and equipment</b>	<b>1,019,595</b>	<b>1,134,817</b>

The independent valuers used a range of significant assumptions to value the care facilities as follows. Care suites under an occupation right agreement were valued as a care bed in the current year as their recent introduction means they represent an immaterial portion of the Group's asset base.

	2025	2024
Range by village / portfolio weighted average	\$ per bed per week	\$ per bed per week
Range of market rental value – New Zealand	118-225	113-218
Range of market rental value – Australia	448-836	549-628
Average market rental value – New Zealand	180	174
Average market rental value – Australia	603	592

A significant increase (decrease) in the market rental value may result in a higher (lower) fair value measurement.

The variability between countries reflects significant differences in the relative profitability of villages, driven primarily by the more favourable aged care funding model in Australia. This increases the rent a market participant may be willing to pay.

The Australian valuer notes that quality, new aged care facilities are seldomly leased to a third party and where they are the information is not freely available to the market. The New Zealand valuer notes that less than 6.5% of the market is subject to third party lease arrangements. Many operations are owner occupied, agreements are between related parties, or subject to formula-based reviews.

## Notes to the consolidated financial statements

### FOR THE YEAR ENDED 31 MARCH 2025

#### Cost model

If freehold land and buildings were measured using the cost model (before any impairment), the carrying amounts would be as follows.

	Freehold land	Buildings	Total
	\$000	\$000	\$000
Carrying amount under cost model - 31 March 2025	234,167	733,714	967,881
Carrying amount under cost model - 31 March 2024 (restated)	204,733	585,395	790,128

#### Classification of property interests

The Group holds a freehold interest in all land and improvements other than the following properties which Ryman holds a leasehold interest in the land: Princess Alexander (Napier – part of site), Bob Scott (Wellington), William Sanders (Auckland), and Miriam Corban (Auckland). In the majority of these instances the ground rental has been either fully or partially prepaid. The interest in the right-of-use asset is held at fair value, as determined by the independent valuer.

#### Security

Some residents make interest-free advances (refundable accommodation deposits and occupancy advances) to the aged care facilities in exchange for the right to occupy a care room. Under the terms of the New Zealand occupancy agreements, the refundable accommodation deposit and occupancy advance is secured by a registered first mortgage in favour of the Statutory Supervisor over the assets of the aged care facility. Residents in Victoria, Australia have the benefit of a government guarantee under the Aged Care (Accommodation Payment Security) Act 2006 and there is no security against the Group's assets.

## Notes to the consolidated financial statements

### FOR THE YEAR ENDED 31 MARCH 2025

#### Right-of-use assets

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

	Buildings	Plant and equipment	Total
	\$000	\$000	\$000
Balance at 1 April 2024	20,655	1,336	21,991
Additions	4,485	-	4,485
Net foreign-currency exchange difference	31	-	31
Depreciation	(3,878)	-	(3,878)
Depreciation capitalised to property under development	-	(1,244)	(1,244)
Disposals/derecognition	(8,810)	(64)	(8,874)
Impairment	(452)	(28)	(480)
<b>Balance at 31 March 2025</b>	<b>12,031</b>	<b>-</b>	<b>12,031</b>
Balance at 1 April 2023	11,549	1,590	13,139
Additions	13,534	2,392	15,926
Net foreign-currency exchange difference	50	-	50
Depreciation	(3,771)	-	(3,771)
Depreciation capitalised to property under development	-	(2,646)	(2,646)
Disposals/derecognition	(707)	-	(707)
<b>Balance at 31 March 2024</b>	<b>20,655</b>	<b>1,336</b>	<b>21,991</b>

## Notes to the consolidated financial statements

### FOR THE YEAR ENDED 31 MARCH 2025

#### Impairment losses

The exclusion of internally generated goodwill from the aged-care facility valuation, along with the removal of the New Zealand refundable accommodation deposit gross-up, resulted in impairment of several aged-care facilities. As the change was applied retrospectively, additional impairment was recognised in the comparative period.

	2025	2024 (restated)
	\$000	\$000
<b>Aged care facility impairments</b>		
Bert Sutcliffe Retirement Village Limited	-	2,587
Bob Scott Retirement Village Limited	-	6,626
Charles Upham Retirement Village Limited	-	1,011
Frances Hodgkins Retirement Village Limited	-	2,679
James Wattie Retirement Village Limited <sup>1</sup>	29,012	-
Jane Winstone Retirement Village Limited	-	362
Keith Park Retirement Village Limited <sup>1</sup>	36,768	-
Kevin Hickman Retirement Village Limited <sup>2</sup>	23,109	-
Linda Jones Retirement Village Limited	-	18,083
Logan Campbell Retirement Village Limited	-	11,643
Malvina Major Retirement Village Limited	-	1,057
Miriam Corban Retirement Village Limited <sup>1</sup>	24,386	-
Murray Halberg Retirement Village Limited	-	16,952
Possum Bourne Retirement Village Limited	-	4,556
Rita Angus Retirement Village Limited	3,506	-
William Sanders Retirement Village Limited	-	12,463
John Flynn Retirement Village Pty Ltd	-	6,845
Charles Brownlow Retirement Village Pty Ltd	-	2,738
Deborah Cheetham Retirement Village Pty Ltd <sup>1</sup>	23,584	-
Bert Newton Retirement Village Pty Ltd <sup>1</sup>	11,549	-
	<b>151,914</b>	<b>87,602</b>
<b>Other impairments</b>		
Capital work-in-progress	-	8,878
Right-of-use assets	480	-
Intangible assets (note 13)	20,544	-
Other	3	-
<b>Balance at 31 March 2025</b>	<b>172,941</b>	<b>96,480</b>

<sup>1</sup> Aged care facility included in the independent valuation for the first time.

<sup>2</sup> Following the impairment of a number of recently released aged care facilities within the Group's portfolio, this was considered to be an indicator of impairment for any other aged care facilities in advanced stages of construction. Kevin Hickman Retirement Village, which is scheduled to open in June 2025, was not independently valued as it remained incomplete at the reporting date. An internal desktop assessment was undertaken, and it was concluded that an impairment charge should be recognised for this facility. This was based on a market rental value and capitalisation rate of comparable villages.

## Notes to the consolidated financial statements

### FOR THE YEAR ENDED 31 MARCH 2025

## 12. INVESTMENT PROPERTIES

### Accounting policy: Investment properties

Investment properties are intended to be held for the long term to earn rental income and for capital appreciation. It includes land and buildings (including long-term leases of land), equipment and furnishings relating to retirement village units and community facilities, including units and facilities under development. The Group has revised its accounting policy regarding the classification of land. Land acquired with the intention of constructing investment property or held for an undetermined future use is now classified as investment property from the date of acquisition. Previously, such land was included in property, plant, and equipment.

Investment property is initially measured at cost. Cost includes cost of land, materials, wages and interest incurred during the period required to complete and prepare an asset for its intended use. It also includes centralised support and services costs directly attributable to the construction of the investment property. The Group has revised its head office capitalisation policy following an assessment of the eligibility of the underlying cost base, resulting in a lower level of capitalisation.

Land purchases are recognised as assets when the Group obtains control of the land and it is probable that future economic benefits will flow to the Group, and the cost can be measured reliably. Control is typically evidenced by the transfer of legal title or an equivalent contractual right. Prior to settlement and transfer of title, deposits paid are recognised as other receivables. The remaining commitment is disclosed in the commitments note to the financial statements. The Group will often negotiate terms whereby the title is transferred with settlement deferred. In such instances, the land is recognised as an asset at the full purchase price upon transfer of title. A corresponding liability is recognised for the deferred settlement amount, measured at its present value, and the associated cash outflow is recognised accordingly.

Completed retirement village units and community facilities are subsequently measured at fair value.

The Group has revised its accounting policy and no longer holds units and community facilities under development at fair value, instead carrying them at cost. In prior years a proportion of units and community facilities which were nearing completion were valued.

Development land is land pending physical construction on site. There may be two components to development land: the land itself and capitalised WIP. The land is carried at fair value and the capitalised WIP is carried at cost until its fair value becomes reliably measurable or when the development is completed, whichever is earlier. It is subject to impairment testing and is monitored for any indicators of impairment, such as if the development doesn't have a sufficiently certain likelihood of commencing.

Any change in fair value is recognised in the income statement. Investment properties are not depreciated.

Fair value is determined by independent valuers, CBRE Limited (New Zealand retirement villages), and Jones Lang LaSalle Advisory Services Pty Ltd (Australian retirement villages), in line with NZ IFRS 13 – Fair Value Measurement. Fair value is assessed twice a year, with a desktop review at interim reporting periods and a full valuation at year-end reporting periods. All valuers are registered valuers and industry specialists in valuing the retirement living sector. These valuations consider the requirement of NZ IFRS 13 – Fair Value Measurement to assume that market participants act in their economic best interests. Previously multiple valuations were obtained for completed investment properties and a midpoint of the two valuations was applied to provide a more stable estimate of value. The Group has moved to a single valuation in the current year.

Development land is valued using the direct comparison approach and retirement villages are valued using a discounted cash flow approach. As the fair value of investment property is determined using inputs that are

## Notes to the consolidated financial statements

### FOR THE YEAR ENDED 31 MARCH 2025

unobservable, the Group has categorised investment property as Level 3 under the fair-value hierarchy, in line with NZ IFRS 13 – Fair Value Measurement.

As required by NZ IAS 40 – Investment Property, the fair value as determined by the independent registered valuer is adjusted for assets and liabilities already recognised on the balance sheet which are also reflected in the discounted cash flow analysis.

Where the Group enters into a long-term lease of land and obtains control over the land such that it can direct its use without significant restrictions, and the present value of lease payments substantially reflects the fair value of the land, the arrangement is assessed as being economically similar to a purchase of land. In these cases, the Group accounts for the land under NZ IAS 40 – Investment Property, rather than recognising a right-of-use asset under NZ IFRS 16 – Leases. This accounting reflects the substance of the transaction and the transfer of control and economic benefits to the Group. Leasehold land is included in the fair value of investment property, as determined by the independent valuer.

Revenue associated with investment properties, being the management fee and retirement village service fees, is accounted for in line with note 3.

	2025	2024 (restated)
	\$000	\$000
<b>At fair value</b>		
Balance at 1 April	10,142,199	9,557,482
Additions (including transfers to/from property, plant and equipment)	437,521	655,679
Fair-value movement	195,074	(29,275)
Transfers (to)/from assets held for sale (note 10)	20,984	(79,685)
Net foreign-currency exchange differences	16,764	37,998
<b>Balance at 31 March</b>	<b>10,812,542</b>	<b>10,142,199</b>

The Group has revised several accounting policies and classifications, including:

- Reclassification of development land: Development land is now recognised as investment property, whereas it was previously classified under property, plant, and equipment.
- Updated cost capitalisation methodology: A lower proportion of centralised support services costs are now capitalised under the revised approach.
- Reclassification of Nellie Melba land: Since March 2024, Nellie Melba land has been held for sale; however, it was previously classified as investment property.

The comparative period has been restated, with further detail in note 1.

## Notes to the consolidated financial statements

### FOR THE YEAR ENDED 31 MARCH 2025

#### Valuation methodology

For retirement village assets, the predominant form of income is 'roll-over' income which typically occurs on the departure of village residents who have owned an occupation licence. The independent valuer uses a discounted cash flow methodology, which estimates the present value of future cash flows from occupation right agreements, deferred management fees, and village fees

Development land is valued using the direct comparison approach, whereby recent sales of block land preferably of similar potential and characteristics in terms of size, average section realisation values and development costs have been compared to the relevant Group property. Consideration is then given to the individual characteristics of the Group's property including consent status.

The independent valuers have adopted several changes to their valuation methodology to reflect updated business practices and improve alignment with the Group's contractual arrangements and operational data. Key changes in the current period include:

- Adoption of the 30% deferred management fee model: Reflecting the Group's shift to a 30% DMF as the preferred contractual arrangement for new residents from 1 October 2024, the valuers have modelled this structure for all future incoming residents.
- Indexation of weekly fees: Adoption of the indexed weekly fee for future residents, following the introduction by the Group from 1 October 2024.
- Inclusion of development land: The valuation scope has been expanded to include land held for future development, including land adjacent to existing villages, undeveloped portions of active construction sites, and land yet to be developed.
- Inclusion of leased property: For the first time, the Group has valued the Eastmed Medical Centre (located next to Grace Joel, Auckland) which is owned by the Group, to better reflect its fair value.
- Valuation based on possession date: Occupation right agreements are now valued based on the current contract in possession, consistent with the Group's recognition of unit 'sales' on possession rather than on application.
- Modelling of repaid resales stock: Units where the exiting resident has been repaid are no longer treated as occupied by the independent valuer. The incoming resident's cash inflow is now considered separately, using an "in one line" valuation approach that incorporates a discount for profit and risk.
- Inclusion of carparks: Carparks subject to a separate occupation right agreement are now included in the valuation.
- Modelling of bespoke contractual arrangements: Valuation assumptions now incorporate bespoke ORA terms where applicable, reverting standard terms on future rollovers.
- Transaction costs: Transaction costs are no longer deducted within the valuation by the Australian independent valuer. The Group had previously added-back this amount.
- Internal transfers with deferred management fee cap implications: Internal transfers of existing residents, where impacted by deferred management fee caps or suspended capital contributions, are now modelled within the valuation framework. The independent valuer has confirmed that no explicit allowance has been made within the valuation for internal transfers on future rollovers.

## Notes to the consolidated financial statements

### FOR THE YEAR ENDED 31 MARCH 2025

#### Independent valuation

A reconciliation between the valuation and the amount recognised as investment property is as follows:

	2025	2024 (restated)
	\$000	\$000
<b>Subject to valuation</b>		
Operators interest	3,972,918	3,552,034
Transaction costs	-	30,770
Completed new units not occupied	-	224,668
Completed new units not occupied, and repaid resale units	616,556	-
Development land – land bank	368,692	-
Development land – construction sites	64,196	-
Commercial property	16,400	-
<b>Held at cost</b>		
Development land – land bank	-	331,210
Development land – land bank WIP	-	103,893
Work in progress – construction WIP	283,499	603,536
<b>Adjustments</b>		
Revenue in advance	184,020	140,857
Gross occupancy advance	6,166,971	5,596,912
Accrued DMF	(830,449)	(713,757)
Occupancy advance adjustments	(30,261)	272,076
<b>Total investment property</b>	<b>10,812,542</b>	<b>10,142,199</b>

The fair value of investment property determined by the independent valuer includes an allowance for the amount that is payable by the Group to existing residents. However, this occupancy advance liability is already recognised by the Group (see note 21). To avoid double counting, the Group adds this liability to the external valuation to gross up the fair value of investment property in accordance with NZ IAS 40.

Occupancy advance adjustments in the prior year relate to differences between the value of net occupancy advances included for future repayment within the independent valuation and the net occupancy advances on the balance sheet. These differences may arise when an occupancy advance has been repaid but is still included in the valuation (repaid resale units) or when a unit has multiple occupancy advances and only the most recent occupancy advance is included within the valuation cash flows. This adjustment is made to ensure the total adjustment to the independent valuation of completed units is consistent with the liabilities included within the independent valuation of completed units. In the current year the independent valuer has adjusted their valuation approach to model repaid resale stock using an 'in one line' methodology and this limits the requirement for adjustments to the external valuation.

The previous reconciliation has been restated due to the accounting policy change for the recognition of the occupancy advance asset (debtor) and liability, resulting in reclassification of certain amounts. In addition, the removal of the discounting of the accrued deferred management fee from prior periods and reduced cost capitalisation led to a reduction in the value of investment property. Additional details can be found in note 1.



## Notes to the consolidated financial statements

### FOR THE YEAR ENDED 31 MARCH 2025

	2025	2024
<b>Number of units included in the valuation</b>		
Currently occupied, and vacant not repaid units	8,898	-
Completed new units not occupied, and repaid resale units	881	-
Currently subject to an occupancy agreement	-	8,949
Completed, not yet subject to an occupancy agreement	-	238
Under development at reporting date ('near-complete')	-	63
<b>Total units included in the valuation</b>	<b>9,779</b>	<b>9,250</b>

The independent valuers used a range of significant assumptions to value the retirement villages as follows:

	2025		2024	
	New Zealand	Australia	New Zealand	Australia <sup>2</sup>
	%	%	%	%
Growth rate (nominal) – year 1 to 4	0.0–3.0	0.0–2.5	0.5–3.0	2.0–3.5
Growth rate (nominal) – year 5+	2.5–3.5	3.5	2.5–3.5	3.5
Discount rate	13.0–16.5	13.0–14.0	12.0–16.5	13.0–14.0

A change in the independent valuers' assumptions would impact the fair-value measurement as follows:

	0.5% decrease	0.5% increase
	\$000	\$000
Growth rate (nominal)	(270,004)	244,880
Discount rate	146,921	(183,673)

Other inputs used in the fair-value measurement of the Group's investment property portfolio include the average age of residents and the stabilised departing occupancy periods. An increase in the average age of residents or decrease in the occupancy periods would result in a higher fair-value measurement. Conversely, a decrease in the average age of residents or increase in the occupancy periods would result in a lower fair-value measurement.

	2025		2024	
Range by village / portfolio weighted average <sup>1</sup>	New Zealand	Australia	New Zealand	Australia <sup>2</sup>
Independent current average age	75–88	78–87	76–89	75–87
Serviced current average age	80–92	84–91	79–91	83–89
Independent stabilised departing occupancy period	6.6–8.6 / 8.0	7.5–8.9 / 8.0	6.9–8.7 / 8.1	7.4–8.1 / 7.9
Serviced stabilised departing occupancy period	3.9–4.7 / 4.2	3.9–5.0 / 4.6	4.0–4.6 / 4.4	4.3–5.0 / 4.6

<sup>1</sup> Weighted by value for metrics where data is available.

<sup>2</sup> The March 2024 Australian valuation was undertaken by a panel of two independent valuers: CBRE and JLL. The growth rates, discount rates, current average age and stabilised departing occupancy periods in the March 2024 period are reflective of JLL's assumptions only to improve consistency with March 2025, where only JLL performed the valuation.

## Notes to the consolidated financial statements

### FOR THE YEAR ENDED 31 MARCH 2025

#### *Market risk identified by the independent valuers*

The independent valuers comment that the global and local economic outlook remains uncertain due to geopolitical tensions, trade fragmentation, and recent tariff announcements. In New Zealand, the Official Cash Rate (OCR) was reduced to 3.50% in April 2025 with the valuers noting that there was an expectation of further cuts to come. Mortgage rates are not expected to move materially below current levels as further cuts have already been priced in. Market sentiment in the commercial property sector is gradually improving after the historical lows experienced in 2024. The valuers reiterate that their conclusions are based on data and market sentiment as at the date of valuation. For the avoidance of doubt, this does not constitute a 'material valuation uncertainty'.

#### **Classification of property interests**

The Group holds a freehold interest in all land and improvements other than the following properties which Ryman holds a leasehold interest in the land: Princess Alexander (Napier – part of site), Bob Scott (Wellington), William Sanders (Auckland), Miriam Corban (Auckland) and Kohimarama (Auckland – development land). In the majority of the instances the ground rental has been either fully or partially prepaid. The interest in the right-of-use asset related to these sites is held at fair value, as determined by the independent valuer.

#### **Capitalised WIP**

	2025	2024 (restated)
<b>Breakdown of capitalised WIP</b>	<b>\$000</b>	<b>\$000</b>
Sites which have commenced construction	287,530	191,619
Sites which are classified as land bank	-	134,617
<b>Total capitalised WIP</b>	<b>287,530</b>	<b>326,236</b>

Capitalised WIP for land bank relates to development sites where construction has not yet commenced, undeveloped land at existing villages that are not classified as active sites, or early-stage construction sites that have been reclassified as land bank.

Capitalised WIP is written off once a decision to sell has been confirmed, if not already expensed. Impairment testing is conducted at reporting dates, considering factors such as uncertainty about future development plans or the suspension of early-stage construction with no confirmed resumption date. Following changes to the Group's strategy and review of the land bank portfolio in 2025, the capitalised WIP at the remaining land bank sites was determined to be impaired.

## Notes to the consolidated financial statements

### FOR THE YEAR ENDED 31 MARCH 2025

	2025	2024 (restated)
	\$000	\$000
<b>Fair value write-down related to development WIP</b>		
<b>New Zealand</b>		
Rolleston, Canterbury	11,047	-
Park Terrace, Christchurch	21,739	-
Taupō, Waikato	12,727	-
Karaka, Auckland	14,720	-
Kohimarama, Auckland	-	12,114
Takapuna, Auckland	7,492	49,405
Karori, Wellington	-	32,014
<i>Brownfield land bank</i>		
Murray Halberg, Auckland	21,351	-
Grace Joel, Auckland	3,931	-
Jean Sandel, New Plymouth	2,936	-
<b>Australia</b>		
Ringwood East, Melbourne	15,895	48,215
Essendon, Melbourne	19,912	-
Kealba, Melbourne	18,107	-
Mt Eliza, Victoria	-	31,404
Coburg North, Melbourne	20,884	-
<b>Fair value write-down related to development WIP</b>	<b>170,741</b>	<b>173,152</b>

### Operating expenses

Direct operating expenses arising from investment property that generated income from deferred management fees during the period amounted to \$73.8 million (31 March 2024: \$70.7 million). Operating expenses include building and grounds costs, repairs and maintenance and sales expenses. All investment property generated income for the Group, except for assets under development and those held for sale.

### Security

Residents make interest-free advances (occupancy advances) to the retirement villages in exchange for the right to occupy retirement village units. Under the terms of the majority of New Zealand occupancy agreements, the occupancy advance is secured by a registered first mortgage in favour of the Statutory Supervisor over the assets of the retirement village. There are a relatively small number of older occupancy agreements where the residents instead received a life interest in their unit, with the Group holding the reversionary interest. These residents' occupancy advances are secured by a registered first mortgage over that residual interest. Residents in Victoria, Australia have the benefit of a charge over the title for the land under the Retirement Villages Act 1986.

## Notes to the consolidated financial statements

### FOR THE YEAR ENDED 31 MARCH 2025

### 13. INTANGIBLE ASSETS

#### Accounting policy: Intangible assets

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

#### Internally generated software assets

An internally generated intangible software asset arising from development (or from the development phase of an internal project) is only recognised if all the following criteria have been demonstrated.

- It is technically feasible to complete the intangible asset so that it is available for use or sale.
- The Group intends to complete the intangible asset and use or sell it.
- The intangible asset can be used or sold.
- Probable future economic benefits of the intangible asset can be generated.
- Adequate technical, financial, and other resources are available to complete the development and use or sell the intangible asset.
- The expenditure attributable to the intangible asset can be measured during its development.

Where no internally generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Internally generated intangible assets are initially measured at cost. This includes the cost of materials and services, wages and interest incurred during the period required to complete and prepare an asset for its intended use. It also includes centralised support services costs directly attributable to development of the asset. The Group has revised its capitalisation policy following an assessment of the eligibility of the underlying cost base, resulting in a lower level of capitalisation.

After initial recognition, internally generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses.

#### Acquired software assets

Acquired software assets are reported at cost less accumulated amortisation and any accumulated impairment losses.

#### Software-as-a-Service (SaaS)

SaaS arrangements are service contracts providing the Group with the right to access a cloud provider's application software over the contract period.

Costs incurred to configure or customise, and the ongoing fees to obtain access to a SaaS provider's application software, are recognised as operating expenses when the services are received.

However, where costs incurred are for the development of software code that enhances or modifies, or creates an additional capability for, existing software assets and meets the definition of and recognition criteria for an intangible asset, those costs are recognised as software assets and amortised over the useful life of the software on a straight-line basis.

## Notes to the consolidated financial statements

### FOR THE YEAR ENDED 31 MARCH 2025

	2025	2024 (restated)
	\$000	\$000
<b>Gross carrying amount</b>		
Opening balance	77,564	69,989
Additions	3,109	7,251
Net foreign-currency exchange differences	110	324
<b>Closing balance</b>	<b>80,783</b>	<b>77,564</b>
<b>Accumulated amortisation</b>		
Opening balance	(36,832)	(26,217)
Amortisation (note 5)	(9,590)	(10,615)
Impairment	(20,544)	-
<b>Closing balance</b>	<b>(66,966)</b>	<b>(36,832)</b>
<b>Total book value</b>	<b>13,817</b>	<b>40,732</b>

The Group has revised its accounting policy regarding the capitalisation of centralised support services costs and determined a lower proportion of these costs should be capitalised. As a result, the Group has reduced the level of capitalisation for the current period, and comparative figures have been restated to reflect the revised policy. Refer to note 1 for further details.

#### Impairment review

The Group has identified indicators of impairment relating to its internally developed software applications in the current year following the strategic changes within the business. Ernst & Young Strategy and Transactions Limited was engaged to perform a valuation to support the identification of impairment. The valuation considered the replacement cost method, using two variants – replacement cost using proxy subscription costs and replacement cost at current costs having regard to obsolescence. A cross check was performed against broad level estimates of comparable development / purchase costs for patient administration systems or admin / enterprise software systems.

The fair value of the internally developed software applications was assessed to be within a range of \$11.4 million to \$19.3 million by an independent valuer. In light of the uncertainty surrounding the ongoing use of the assets, the timing and extent of future economic benefits, and potential replacement plans, the directors have adopted the lower end of the valuation range. As a result, an impairment expense of \$20.5 million has been recognised in the current period.

## Notes to the consolidated financial statements

### FOR THE YEAR ENDED 31 MARCH 2025

#### 14. SHARE CAPITAL

##### Accounting policy: Ordinary shares

Incremental costs directly attributable to the issue of ordinary shares are recognised as deductions from equity.

Although the shares purchased for the leadership share scheme are treated as treasury stock under financial reporting standards, they are not of the type contemplated by section 67A of the Companies Act 1993. They carry the usual rights attached to shares such as the right to receive dividends (albeit subject to contractual requirements under the share scheme to apply dividend payments to repay loans) and the right to participate in corporate actions. On this basis, the treasury stock has been included in the calculation of basic and diluted earnings per share.

Issued and paid-up capital consists of 1,015,712,784 fully paid ordinary shares (2024: 687,641,738 shares) less treasury stock of 1,170,990 shares (2024: 2,494,282 shares). All shares rank equally in all respects.

Shares historically purchased on market under the leadership share scheme (note 26) are treated as treasury stock (note 15) until they are vested to the employees.

	Fully paid ordinary shares		Weighted average number of ordinary shares	
	2025	2024	2025	2024
	'000	'000	'000	'000
Total ordinary shares (including treasury stock) at 1 April	687,642	687,642	687,642	687,642
Ordinary shares issued:				
- Dividend reinvestment plan	-	-	-	-
- Equity raise	328,071	-	22,550	-
<b>Total ordinary shares (including treasury stock) at 31 March</b>	<b>1,015,713</b>	<b>687,642</b>	<b>710,192</b>	<b>687,642</b>

##### Equity raise

The Company raised a total of approximately \$1 billion under the Placement and Entitlement Offer announced on 24 February 2025. This included gross proceeds of approximately \$721 million received under the Placement and Institutional Entitlement Offer, and approximately \$280 million in gross proceeds under the Retail Entitlement Offer.

The purpose of the equity raise was to enhance the Group's financial position in the current market and provide the platform to achieve improved performance and value for shareholders as market conditions recover.

The increase in share capital of \$970.2 million was net of directly attributable share issue costs of \$30.5 million. The Company issued 328,071,046 new ordinary shares in February to March 2025 in respect of the equity raise.

## Notes to the consolidated financial statements

### FOR THE YEAR ENDED 31 MARCH 2025

#### Basic and diluted earnings per share (EPS)

	2025	2024 (restated)
Net profit/(loss) after tax (\$'000)	(436,831)	(169,665)
Weighted average number of shares (in '000)	710,192	687,642
<b>Basic EPS (cents per share)</b>	<b>(61.5)</b>	<b>(24.7)</b>
Net profit/(loss) after tax (\$'000)	(436,831)	(169,665)
Fair value of shares to settle share rights (\$'000)	(179)	-
Adjusted net profit/(loss) after tax (\$'000)	(437,010)	(169,665)
Weighted average number of shares (in '000)	710,192	687,642
<b>Diluted EPS (cents per share)</b>	<b>(61.5)</b>	<b>(24.7)</b>

Diluted earnings per share has been calculated with the assumption that shares are purchased from the market to settle the share rights, rather than issuing new shares. The Board has not yet determined their preferred approach.

#### Net tangible asset (NTA) per share

	2025	2024 (restated)
NTA (\$'000)	4,247,306	3,446,058
Ordinary shares at 31 March (in '000)	1,015,713	687,642
<b>NTA per share (cents per share)</b>	<b>418.2</b>	<b>501.1</b>

NTA is calculated as total assets less intangible assets and deferred tax assets, and less total liabilities.

# Notes to the consolidated financial statements

## FOR THE YEAR ENDED 31 MARCH 2025

### 15. RESERVES AND RETAINED EARNINGS

	Note	2025 \$000	2024 (restated) \$000
<b>Reserves</b>			
Asset revaluation reserve	15a	116,649	126,290
Cash-flow hedge reserve	15b	1,704	20,774
Foreign-currency translation reserve	15c	6,979	3,551
Treasury stock	15d	(16,280)	(34,730)
Share-based payments reserve	15e	348	-
		<b>109,400</b>	<b>115,885</b>
<b>a. Asset revaluation reserve</b>			
Opening balance		126,290	408,672
Asset revaluation	11	36,320	(282,382)
Deferred tax movement	7	(45,961)	-
<b>Closing balance</b>		<b>116,649</b>	<b>126,290</b>
<b>b. Cash-flow hedge reserve</b>			
Opening balance		20,774	30,955
Valuation of interest rate derivatives	20	(903)	18,809
Released to income statement		(17,630)	(30,323)
Reclassification adjustment to income statement – modified interest rate swaps	20c	(6,454)	(4,463)
Deferred tax movement	7	5,917	5,796
<b>Closing balance</b>		<b>1,704</b>	<b>20,774</b>
<b>c. Foreign-currency translation reserve</b>			
Opening balance		3,551	(7,136)
(Loss)/gain on hedge of foreign-owned subsidiary net assets		(639)	(1,552)
Gain/(loss) on translation of foreign operations		4,067	12,239
<b>Closing balance</b>		<b>6,979</b>	<b>3,551</b>
<b>d. Treasury stock</b>			
Opening balance		(34,730)	(34,729)
Acquisitions		-	-
(Vesting)/forfeiture of shares	26	18,450	(1)
<b>Closing balance</b>		<b>(16,280)</b>	<b>(34,730)</b>
<b>e. Share-based payments reserve</b>			
Opening balance		-	-
Equity-settled share-based payment	27	338	-
Deferred tax movement	7	10	-
<b>Closing balance</b>		<b>348</b>	<b>-</b>



## Notes to the consolidated financial statements

### FOR THE YEAR ENDED 31 MARCH 2025

	Note	2025 \$000	2024 (restated) \$000
<b>Retained earnings</b>			
Opening balance		2,677,601	2,847,266
Net profit/(loss) attributable to shareholders		(436,831)	(169,665)
Loss on disposal of treasury stock		(12,091)	-
Dividends paid		-	-
<b>Closing balance</b>		<b>2,228,679</b>	<b>2,677,601</b>

#### Nature of reserves

- Asset revaluation reserve reflects unrealised gains from the upward revaluation of aged care facilities, recognised directly in equity rather than through profit or loss.
- Cash-flow hedge reserve reflects the cumulative effective gains or losses on cash-flow hedges, deferred in equity until the hedged cash-flows impact profit or loss.
- Foreign-currency translation reserve captures exchange differences from translating the financial statements of foreign operations into the Group's reporting currency.
- Treasury stock represents shares purchased on market under the previous leadership share scheme where they have not vested to the employee.
- Share-based payments reserve represents the accumulated value of equity-based compensation that has been recognised as an expense but not yet exercised.

#### Dividends paid

In 2023 the directors determined that it was in the best interests of the Company to suspend dividends as the balance sheet is reset. No dividends have been declared or paid in the 12 months to March 2025 (2024: nil). The directors plan to review the dividend policy during the 2026 financial year. Any future dividend policy is expected to be based on cash flow. Under the terms of the Syndicated Facility Agreement, the Group cannot pay a dividend without the consent of the majority lenders until Interest Cover Ratio compliance is reported for the 30 September 2026 testing period.

## Notes to the consolidated financial statements

### FOR THE YEAR ENDED 31 MARCH 2025

#### 16. TRADE AND OTHER PAYABLES

##### Accounting policy: Trade and other payables

Trade and other payables are measured at amortised cost. This is equivalent to the face (or nominal) value of payables, which is assumed to approximate their fair value.

	2025	2024
	\$000	\$000
Trade payables	85,089	117,502
Land purchase accruals	9,500	27,819
Other payables	18,989	5,299
<b>Total trade and other payables</b>	<b>113,578</b>	<b>150,620</b>

Trade payables are typically paid within 30 days of the invoice date or on the 20th of the month following the invoice date.

When purchasing land, the Group will often negotiate terms where title is transferred with settlement deferred. Land purchase accruals reflect this liability.

#### 17. EMPLOYEE ENTITLEMENTS

##### Accounting policy: Employee entitlements

A liability for benefits accruing to employees for wages and salaries, annual leave and long-service leave is accrued and recognised in the statement of financial position when it is probable that settlement will be required, and the liabilities are capable of being measured reliably.

##### Holidays Act remediation

The Group has identified that past and present New Zealand employees may have received incorrect payments dating back to 2010 due to the complexity of the Holidays Act 2003 and the nature of our dynamic workforce. The issues relate to entitlements under the Holidays Act 2003, and how a range of allowances and entitlements have been interpreted and calculated. External consultants supported management in 2024 to propose a remediation strategy to the Ministry of Business, Innovation and Employment (MBIE). This remains under review by MBIE at balance date. A provision of \$24.0 million is held on balance sheet from March 2024, with no change in the current period.

## Notes to the consolidated financial statements

### FOR THE YEAR ENDED 31 MARCH 2025

#### 18. REFUNDABLE ACCOMMODATION DEPOSITS

##### Accounting policy: Refundable accommodation deposits

Refundable accommodation deposits relate to deposits held on behalf of residents who reside in rooms in the care facilities in Australia and New Zealand. Refundable accommodation deposits confer to residents the right of occupancy of the rooms for life, or until the residents terminate the agreements. The deposit is repayable following the termination of the right to occupy.

Amounts payable under refundable accommodation deposits are non-interest bearing and recorded as a liability in the statement of financial position.

As a resident may terminate their occupancy with limited notice, and the refundable accommodation deposit is non-interest bearing and has demand features, it is carried at face value, which is the original deposit received.

In New Zealand, a refundable accommodation deposit is repayable within 30 working days of a resident vacating their care room. The Group is liable to pay interest if it does not repay the deposit within that period.

In Australia, the repayment obligation is within 14 days of a resident vacating their care room, or of sighting the probate or letters of administration. The Group is liable to pay interest at a base interest rate within the 14-day period, and at the higher maximum permissible interest rate after that. These rates are published by the Department of Health and Aged Care on a quarterly basis.

Refundable accommodation deposits in Australia must only be used for permitted uses in accordance with the Aged Care Act 1997 and the Fees and Payments Principles 2014 (No.2). Permitted uses of refundable deposits include:

- Capital expenditure to invest in new residential aged care infrastructure
- To repay debt accrued for capital expenditure
- Investments in certain financial products and/or Religious Charitable Development Funds (RCDFs)
- To make a loan under specific conditions
- To refund refundable deposit balances
- To meet reasonable business losses that are incurred during the first 12 months that the approved provider receives residential care subsidy.

Refundable accommodation deposits in Australia must not be used to pay for the day-to-day costs of operating a service such as staff wages or the purchase of consumables.

There are no such restrictions in respect of the New Zealand refundable accommodation deposits, which are structured as an occupation right agreement.

## Notes to the consolidated financial statements

### FOR THE YEAR ENDED 31 MARCH 2025

#### 19. INTEREST-BEARING LOANS AND BORROWINGS

##### Accounting policy: Interest-bearing loans and borrowings

Bank loans and borrowings are initially recorded at fair value, less directly attributable transaction costs. After initial recognition, loans and borrowings are measured at amortised cost. Any differences between the initial amounts recognised and the redemption values are recognised in profit and loss using the effective interest rate method.

At 31 March 2025 interest-bearing loans and borrowings include secured bank loans and unsubordinated fixed-rate retail bonds (2024: secured bank loans, an Institutional Term Loan and unsubordinated fixed-rate retail bonds).

	Note	2025 \$000	2024 \$000
Bank loans	19a	1,536,436	2,137,079
Institutional Term Loan	19b	-	272,807
Retail bonds – RYM010	19c	150,000	150,000
<b>Total loans and borrowings at face value</b>		<b>1,686,436</b>	<b>2,559,886</b>
Issue costs for bank loans capitalised	19a	(2,885)	(3,805)
Issue costs for the Institutional Term Loan capitalised	19b	-	(1,717)
Issue costs for the retail bond capitalised	19c	(999)	(1,557)
<b>Total loans and borrowings at amortised cost</b>		<b>1,682,552</b>	<b>2,552,807</b>
Fair value adjustment on hedged borrowings	19b	-	(5,860)
<b>Total loans and borrowings</b>		<b>1,682,552</b>	<b>2,546,947</b>

## Notes to the consolidated financial statements

### FOR THE YEAR ENDED 31 MARCH 2025

#### a. Bank loans (secured)

The bank loan facilities have varying maturity dates through to May 2029 (2024: April 2029) and are subject to floating interest rates. The average interest rates disclosed below exclude the impact of interest rate swap agreements described in note 20.

	2025	2024
	\$000	\$000
Bank loans (secured) – NZD	527,200	1,483,980
Bank loans (secured) – AUD in NZD equivalent	1,009,236	653,099
<b>Total bank loans (secured)</b>	<b>1,536,436</b>	<b>2,137,079</b>
<i>Issue costs for bank loans capitalised</i>		
Opening balance	(3,805)	-
Reclassified from trade and other receivables	-	(4,130)
Capitalised during the year	(1,833)	(2,039)
Amortised during the year	2,753	2,364
	<b>(2,885)</b>	<b>(3,805)</b>
<b>Total bank loans at amortised cost</b>	<b>1,533,551</b>	<b>2,133,274</b>
Maturing in less than 1 year	-	-
Maturing within 1–5 years	1,536,436	2,137,079
<b>Total bank loans (secured)</b>	<b>1,536,436</b>	<b>2,137,079</b>
Nominal interest rates for bank loans – NZD	7.29%	8.12%
Nominal interest rates for bank loans – AUD	6.07%	6.35%

The nominal interest rates are calculated by adding floating interest rates, the applicable margin rate and facility fees. It excludes establishment fees and hedging impacts.

## Notes to the consolidated financial statements

### FOR THE YEAR ENDED 31 MARCH 2025

#### b. Institutional Term Loan (secured)

The Group entered into an A\$250.0 million seven-year Institutional Term Loan in May 2021, originally set to mature May 2028. A portion of the loan (A\$153.9 million) was subject to a fixed interest rate and the remaining portion of the loan (A\$96.2 million) was subject to floating interest rates. In March 2025, the Group elected to prepay the loan. The prepayment involved make-whole, prepayment fees and other costs close out of associated interest rate swap amounting to \$25.7 million and costs previously capitalised to the loan were expensed to the income statement.

	2025	2024
	\$000	\$000
Institutional Term Loan	-	272,807
<b>Total Institutional Term Loan at face value</b>	<b>-</b>	<b>272,807</b>
<i>Issue costs for the Institutional Term Loan capitalised</i>		
Opening balance	(1,717)	(726)
Capitalised during the year	(709)	(1,259)
Amortised during the year	470	268
Repayment of loan – expense of issue costs	1,956	-
	-	(1,717)
<b>Total Institutional Term Loan at amortised cost</b>	<b>-</b>	<b>271,090</b>
Fair value adjustment on hedged borrowings	-	(5,860)
<b>Total Institutional Term Loan</b>	<b>-</b>	<b>265,230</b>
Average interest rate (which includes both the fixed and the floating portion)	-	6.49%

#### c. Retail bonds (secured)

The Group issued a retail bond for \$150.0 million in December 2020. The retail bond has a maturity date of 18 December 2026 and is listed on the NZX Debt Market (NZDX) with the ID RYM010. The coupon rate for the retail bond is 2.55%.

	2025	2024
	\$000	\$000
Retail bond – RYM010	150,000	150,000
<b>Total retail bonds at face value</b>	<b>150,000</b>	<b>150,000</b>
<i>Issue costs for the retail bond capitalised</i>		
Opening balance	(1,557)	(2,109)
Capitalised during the year	(6)	(10)
Amortised during the year	564	562
	(999)	(1,557)
<b>Total retail bonds at amortised cost</b>	<b>149,001</b>	<b>148,443</b>

## Notes to the consolidated financial statements

### FOR THE YEAR ENDED 31 MARCH 2025

#### Security

The bank loans and retail bonds are secured by a General Security Deed over the parent and subsidiary companies and supported by mortgages over the freehold land and buildings and a General Security Agreement (GSA). The GSA and mortgages are first ranking, other than when subordinated to the statutory supervisor who holds registered mortgages for the benefit of residents over:

- The aged care facilities, as security for residents' refundable accommodation deposits and occupancy advances (see note 11); and
- The retirement village (excluding aged care facilities), as security for residents' occupancy advances (see note 12).

The subsidiary companies listed in note 1 have all provided guarantees for the Group's secured loans as parties to the general security agreement.

#### Covenants

The Group is subject to capital requirements imposed by its bank and the lenders included in the banking syndicate through covenants agreed as part of the lending facility arrangements, and bond holders through covenants in the Master Trust Deed. The Group obtained amendments to the interest cover ratio in September 2024 and March 2025. These amendments are detailed below.

The following summarises financial covenants which were in place for the year ended 31 March 2025:

- Interest cover ratio (ICR) – the ratio of Adjusted EBITDA to Interest Expense of not less than 1.50x from 30 September 2026 onwards on a 12-month rolling basis. Both Adjusted EBITDA and Interest Expense are terms defined in the Syndicated Facilities Agreement
- Adjusted total liabilities to net tangible assets ratio – the total liabilities of the Group (after deducting resident occupancy advances, Australian resident loans and accommodation bonds owing or held by the Group) to net tangible assets of the Group is no greater than 1.00x.

The covenants are tested six monthly at 30 September and 31 March, and the Group has complied with all amended covenants during the period, noting that the ICR is waived for 31 March 2025, 30 September 2025 and 31 March 2026.

In exchange for the lender's agreement to waive the ICR detailed above, the Group is subject to the following conditions until it demonstrates compliance with the ICR covenant as at the September 2026 test date (or any subsequent date):

- No dividends will be paid by the Group without the consent of the majority lenders;
- The Group will not commence any new developments (being development at any village which was not listed as "under construction" in the 30 September 2024 result) other than with the prior written consent of the majority lenders; and
- The Group will provide to the lenders a report within 45 days of the end of each quarter (with extension for financial year-end), setting out the ICR, development updates by village, resales by village, new sales by village and available stock by village.

## Notes to the consolidated financial statements

### FOR THE YEAR ENDED 31 MARCH 2025

#### Interest-bearing loans and borrowings facility limits

During the period, the Group refinanced and extended certain bank loan facilities to address the expiry of short-dated facilities, cancel and repay others using proceeds from the equity raise, and repay the Institutional Term Loan. The facility limits of all interest-bearing loans and borrowings, by maturity and type, are detailed below:

2025	Maturity	Currency	FCY \$000	NZD \$000
NZD bank loan	31 May 27	NZD	226,000	226,000
NZD bank loan	31 May 28	NZD	521,150	521,150
Dual currency (NZD and AUD) bank loan	30 Nov 26	NZD	81,927	81,927
Dual currency (NZD and AUD) bank loan	1 April 29	NZD	294,522	294,522
Dual currency (NZD and AUD) bank loan	31 May 29	NZD	103,850	103,850
AUD bank loan	30 Nov 26	AUD	419,500	461,598
AUD bank loan	31 May 27	AUD	246,462	271,195
AUD bank loan	31 May 28	AUD	50,000	55,018
AUD bank loan	31 May 29	AUD	40,000	44,014
Retail bond	18 Dec 26	NZD	150,000	150,000
<b>Total</b>				<b>2,209,274</b>
Less: loans and borrowings at face value				(1,686,436)
<b>Facility headroom</b>				<b>522,838</b>

2024	Maturity	Currency	FCY \$000	NZD \$000
NZD bank loan	30 Sep 24	NZD	115,000	115,000
NZD bank loan	31 May 26	NZD	75,000	75,000
NZD bank loan	31 May 27	NZD	778,980	778,980
NZD bank loan	31 May 28	NZD	521,150	521,150
Dual currency (NZD and AUD) bank loan	31 May 25	NZD	103,850	103,850
Dual currency (NZD and AUD) bank loan	31 May 26	NZD	81,927	81,927
Dual currency (NZD and AUD) bank loan	1 April 29	NZD	294,522	294,522
AUD bank loan	1 Apr 25	AUD	40,000	43,649
AUD bank loan	31 May 24	AUD	125,000	136,403
AUD bank loan	1 Apr 26	AUD	20,000	21,825
AUD bank loan	31 May 26	AUD	344,500	375,928
AUD bank loan	31 May 28	AUD	50,000	54,561
Retail bond	18 Dec 26	NZD	150,000	150,000
Institutional Term Loan	19 May 28	AUD	250,000	272,807
<b>Total</b>				<b>3,025,602</b>
Less: loans and borrowings at face value				(2,559,886)
<b>Facility headroom</b>				<b>465,716</b>

In addition to the above, the Group has an unarranged Institutional Credit Agreement that provides a \$2,850,000 overdraft facility.



## Notes to the consolidated financial statements

### FOR THE YEAR ENDED 31 MARCH 2025

## 20. DERIVATIVE FINANCIAL INSTRUMENTS

### Accounting policy: Derivative financial instruments

Derivative financial instruments are initially recognised at fair value on the date a contract is entered into and remeasured to their fair value at each reporting date.

The fair values of these derivatives are categorised as Level 2 under the fair value hierarchy in NZ IFRS 13 – Fair Value Measurement. The fair values of these derivatives are derived using inputs that are observable, either directly (prices) or indirectly (derived from prices). The fair value of interest rate instruments is determined by discounting the future cash flows using the yield curves at the end of the reporting period and the credit risk inherent in the contract.

### Hedge accounting

The Group designates most of its derivatives as hedging instruments. At inception, each hedge relationship is formalised in hedge documentation. The Group determines the existence of an economic relationship between the hedging instrument and the hedged item based on the currency, amount and timing of respective cash flows, interest rates, tenors, repricing dates, maturities and notional amounts at inception. The Group assesses whether the derivative designated in each hedging relationship is expected to be, and has been, effective in offsetting the changes in cash flows of the hedged item.

When the derivatives meet the requirements of cash-flow hedge accounting, the effective portion of the change in the fair value of the derivatives are recognised in other comprehensive income and accumulated as a separate component of equity. Amounts deferred in equity are recycled to the income statement in the periods when the hedged item is recognised in the income statement. The ineffective portion is recognised in the income statement.

When the derivatives meet the requirements of fair value hedge accounting, changes in the fair value of the derivatives are taken directly to the income statement for the year, to offset the change in fair value of the hedged item also recorded in the income statement.

Hedge accounting is discontinued when the hedge instrument expires, is terminated or no longer qualifies for hedge accounting. When hedge accounting for cash-flow hedges is discontinued, the amount accumulated in the hedging reserve remains in equity until it is reclassified to income statement in the same periods as the hedged expected future cash flows affect the income statement. If the hedged future cash flows are no longer expected to occur, the amounts accumulated in the hedging reserve are immediately reclassified to the income statement.

## Notes to the consolidated financial statements

FOR THE YEAR ENDED 31 MARCH 2025

At 31 March 2025 the Group's derivative financial instruments consisted of interest rate swaps and collars (2024: interest rate swaps and collars).

The Group uses these derivative financial instruments to manage cash flow and interest rate risks.

The Group designates most of its derivatives as hedging instruments. All hedging instruments are recorded under derivative financial instruments in the statement of financial position. The details of the Group's hedging instruments are as follows.

	Currency	Interest rates	Maturity	Notional amount of hedging instrument	Carrying amount of the hedging instrument: asset	Carrying amount of the hedging instrument: liability	Change in value used for calculating hedge effectiveness
			Years		NZ\$000	NZ\$000	NZ\$000
<b>2025</b>							
<b>Cash-flow hedges</b>							
Interest rate derivatives	NZD	2.440%–4.815%	0–5	NZ\$645 million	1,132	(9,882)	(21,438)
Interest rate derivatives	AUD	3.561%–4.378%	2–6	A\$475 million	253	(5,458)	(2,848)
<b>Fair-value hedge</b>							
Interest rate swaps	AUD	-	-	-	-	-	-
					<b>1,385</b>	<b>(15,340)</b>	<b>(24,286)</b>

	Currency	Interest rates	Maturity	Notional amount of hedging instrument	Carrying amount of the hedging instrument: asset	Carrying amount of the hedging instrument: liability	Change in value used for calculating hedge effectiveness
			Years		NZ\$000	NZ\$000	NZ\$000
<b>2024 (restated)</b>							
<b>Cash-flow hedges</b>							
Interest rate derivatives	NZD	2.309%–4.613%	0–6	NZ\$1,160 million	14,674	(1,986)	(7,015)
Interest rate swaps	AUD	1.463%–4.378%	0–7	A\$535 million	2,126	(4,483)	(4,310)
<b>Fair-value hedge</b>							
Interest rate swaps	AUD	Floating	4	A\$54 million	-	(5,688)	300
					<b>16,800</b>	<b>(12,157)</b>	<b>(11,025)</b>

During the year, the Group revised its presentation of derivative financial instruments. Derivative assets and derivative liabilities are now presented separately, whereas in prior periods, a net derivative position was reported. Refer to note 1 reclassifications.

## Notes to the consolidated financial statements

### FOR THE YEAR ENDED 31 MARCH 2025

#### a. Cash-flow hedges

The Group holds various interest rate derivatives to provide an effective cash-flow hedge against floating interest rate variability on forecast debt. During the period, the Group terminated NZD \$495 million of interest rate derivatives following receipt of funds from the equity raise announced on 24 February 2025 due to the notional value of NZD derivatives exceeding NZD debt. The instruments had a mark-to-market loss of \$5.9 million on termination. Of this loss, \$4.2 million was recognised within finance costs in the income statement during the period and \$1.7 million remains in the reserve to be amortised over the original term of the relating terminated swaps.

Following the terminations detailed above, the hedge ratio is one-to-one, as the notional amount of the interest rate derivatives matches the face value of the hedged bank loans. As the critical terms of the interest rate derivative contracts and the hedged item are the same, significant hedge ineffectiveness is not expected.

At 31 March 2025, the Group had a number of interest rate derivatives that were designated as cash-flow hedges. These derivatives have a total notional principal amount of approximately NZ\$1,167.7 million, which is made up of NZ\$645.0 million and A\$475.0 million (2024: NZ\$1,743.8 million). These derivatives cover terms of up to six years (2024: six years) and are effective for various periods. Some of these derivatives will become effective at a future date.

	2025	2024
	\$000	\$000
<b>Notional principal amount</b>		
Already effective at balance date	987,667	1,428,333
Forward starting	180,000	315,474
	<b>1,167,667</b>	<b>1,743,807</b>

These interest rate derivatives effectively change the Group's interest rate exposure on the principal covered from a floating rate to an average fixed rate ranging from 3.997% to 4.264% (2024: 3.871% to 4.296%). The notional principal amounts covered by these derivatives and the average contracted fixed interest rates for their remaining maturities are shown below.

	Average contracted fixed interest rate		Notional principal amount covered	
	2025	2024	2025	2024
	%	%	\$000	\$000
Within 1 year	3.997%	3.871%	1,082,667	1,503,806
1–2 years	3.969%	3.997%	1,052,667	1,268,333
2–3 years	3.989%	4.121%	899,657	1,248,333
3–4 years	4.189%	4.083%	651,629	1,065,596
4–5 years	4.264%	4.230%	421,074	728,298
5–6 years	4.022%	4.296%	55,018	521,000
6–7 years	-	4.022%	-	54,561

## Notes to the consolidated financial statements

### FOR THE YEAR ENDED 31 MARCH 2025

#### b. Fair-value hedge

Under a fair-value hedge, the change in the fair value of the hedged risk is attributed to the carrying value of the underlying Institutional Term Loan. This debt revaluation is recognised in the income statement to offset the mark-to-market revaluation of the hedging derivative.

In 2022, the Group entered an interest rate swap to mitigate its exposure to fair value changes arising from the fixed-rate portion of the Institutional Term Loan. The swap, which had a total notional principal amount of A\$53.9 million and a term of seven years, effectively changed the Group's interest rate exposure on the principal covered from a fixed to a floating rate. The Group designated A\$53.9 million of its Institutional Term Loan in a fair-value hedge relationship.

In 2025, hedge accounting of the interest rate swap was discontinued, as the Institutional Term Loan was prepaid. The Group terminated the swap resulting in AUD \$4.2 million loss recognised in finance costs within the income statement. Due to the contractual terms of prepayment which required that the face value of the loan be repaid, there was no offsetting debt revaluation recognised in the income statement.

#### c. Modified interest rate swaps

In November 2022 and June 2024, the Group modified interest rate swaps that had been designated in a cash-flow hedge relationship to reduce near-term interest costs. The modification resulted in a higher notional principal amount covered and a reduction in the remaining maturities of those swaps. The modification resulted in the original hedge relationship being discontinued. At discontinuation, the swaps had mark-to-market gains. As the hedged cash flows are still expected to occur, and notwithstanding the modified swaps have matured during the current year, the gains remain in the cash-flow hedge reserve and will be reclassified to income statement over the original hedge period. The swaps modified during the current year had cumulative gains of NZ\$7.5 million in the cash-flow hedge reserve (excluding tax effects). All modified swaps have matured.

The amounts reclassified to income statement during the year are NZ\$5.8 million and A\$1.5 million (totalling NZ\$7.4 million) (2024: NZ\$2.8 million and A\$1.5 million (totalling NZ\$4.5 million)). At balance date the unamortised balance (excluding tax effects) in the cash-flow hedge reserve for the amended swaps totalled NZ\$14.3 million and A\$2.2 million (2024: NZ\$12.6 million and A\$3.7 million).

## Notes to the consolidated financial statements

### FOR THE YEAR ENDED 31 MARCH 2025

## 21. OCCUPANCY ADVANCES (NON-INTEREST BEARING)

### Accounting policy: Occupancy advances

An occupation right agreement confers on a resident a right to occupy a retirement village unit for life, or until the resident terminates the agreement. The Group has revised its accounting policy, now recognising the occupancy advance asset and liability at the point when the resident takes possession of the unit.

The occupancy advance, net of deferred management fee, is repayable following both the termination of the occupation right agreement and the settlement of a new occupancy advance for the same retirement village unit. In New Zealand, the Group is liable to pay interest if the occupancy advance has not been repaid by six months from the resident vacating the unit. In Australia, there is a legislative requirement to repay occupancy advances no later than six months after the resident vacates the unit.

Occupancy advances are non-interest bearing and recorded as a liability in the statement of financial position, net of deferred management fees and suspended contributions receivable. The occupancy advance is initially recognised at fair value and later at amortised cost. As a resident may terminate their occupancy with limited notice, and the occupancy advance is non-interest bearing and has demand features, it is carried at face value, which is the original advance received.

	2025	2024 (restated)
	\$000	\$000
<b>Gross occupancy advances</b>		
Opening balance	5,596,912	4,919,142
Plus net increases in occupancy advances:		
• new retirement village units (gross)	403,929	419,284
• existing retirement village units (net)	211,492	233,330
Net foreign-currency exchange differences	8,664	16,067
Increase/(decrease) in occupancy advance balances	(54,026)	9,089
<b>Closing balance</b>	<b>6,166,971</b>	<b>5,596,912</b>
<b>Net occupancy advances</b>		
Less deferred management fees	(830,449)	(713,757)
Less suspended contributions (resident loans)	(119,364)	(98,176)
<b>Closing balance</b>	<b>5,217,158</b>	<b>4,784,979</b>

The Group has revised its accounting policy, now recognising the occupancy advance asset and liability at the point when the resident takes possession of the unit. The Group has restated the comparative period, with further detail in note 1.

## Notes to the consolidated financial statements

### FOR THE YEAR ENDED 31 MARCH 2025

## 22. LEASE LIABILITIES

### Accounting policy: Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### Group as a lessee

The Group recognises a right-of-use asset and lease liability at the lease commencement date. The right-of-use asset is initially recognised at cost, comprising of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, less any lease incentives received. Right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the end of the lease. The right-of-use asset may be reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the remaining cash flows, discounted using the Group's incremental borrowing rate, which is calculated with reference to the external borrowing facilities available to the Group. Lease payments to be made under reasonably certain extension options are also included in the measurement of the liabilities.

The lease liability is measured at amortised cost under the effective interest rate method, recognising interest expense in the income statement. It is remeasured when there is a change in the future lease payments arising from a change in the index or rate, a change in assumptions relating to extensions or if there is a revised fixed lease payment. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in the income statement if the carrying amount of the asset has been reduced to nil.

Depreciation and finance costs for right-of-use assets and lease liabilities associated with equipment used in the construction of assets are capitalised as a cost of constructing the assets.

Where a lease contract contains both lease and non-lease components (for example, tower cranes), the Group does not separate non-lease components from lease components, and instead accounts for the whole contract as a lease.

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases on a straight-line basis over the lease term.

#### Group as a lessor

When the Group acts as lessor, it determines at lease inception whether the lease is a finance or operating lease. The Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset or whether the lease is for a major part of the economic life of the asset.

The Group acts as a lessor under occupation right agreements with village residents. These are operating leases and the assets leased by the Group as a lessor are classified as investment properties. Lease income on occupation right agreements is generated in the form of deferred management fees and is accounted for in line with note 3. The lease term is determined to be the greater of the expected period of tenure or the contractual right to deferred management fees. The Group uses the portfolio approach to account for leases of units to village residents and allocates individual leases to different portfolios depending on the type of unit.

The Group does not have any sub-leases.

## Notes to the consolidated financial statements

### FOR THE YEAR ENDED 31 MARCH 2025

#### Group as a lessee

The Group leases office buildings, sales offices, office equipment (such as photocopiers) and plant and equipment used in the construction of retirement village units and aged care facilities. The right-of-use assets relating to these leases are included within property, plant and equipment (note 11).

#### Amounts recognised in profit and loss

	2025	2024
	\$000	\$000
Depreciation of right-of-use assets (note 11)	3,878	3,771
Interest expense on lease liabilities (note 6)	490	250
Lease modification (note 6)	-	(1,177)
Expenses relating to short-term or low-value leases	2,082	1,358
Impairment loss expense (note 11)	480	-

#### Maturity profile for lease liabilities

The maturity profile for lease liabilities is included in note 23(e).

The Group has lease contracts that include extension options. These options, which have been included to provide operational flexibility, are exercisable only by the Group and not the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group estimates that the potential future lease payments, should it exercise all the extension options, would result in an increase in lease liability of \$4.5 million (2024: \$17.3 million).

#### Commitments

At 31 March 2025 the Group has no commitments to short-term leases (including short-term construction equipment leases) (2024: \$3.3 million).

## Notes to the consolidated financial statements

### FOR THE YEAR ENDED 31 MARCH 2025

## 23. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

### a. Categories of financial instruments and fair values

The Group has the following categories of financial assets and financial liabilities.

	2025	2024
	\$000	\$000
<b>Financial assets</b>		
Financial assets at amortised cost:		
• Cash and cash equivalents (note 8)	17,658	41,809
• Trade and other receivables (note 9)	139,909	154,722
• Advances to employees (note 26)	1,505	6,169
Derivative financial instruments (note 20)	1,385	16,800
	<b>160,457</b>	<b>219,500</b>
<b>Financial liabilities</b>		
Financial liabilities at amortised cost:		
• Trade and other payables (note 16)	113,578	150,620
• Refundable accommodation deposits (note 18)	496,639	423,163
• Interest-bearing loans and borrowings (note 19)	1,682,552	2,546,947
• Occupancy advances (note 21)	5,217,158	4,784,979
• Lease liabilities (note 22)	12,712	22,117
Derivative financial instruments (note 20)	15,340	12,157
	<b>7,537,979</b>	<b>7,939,983</b>

Apart from the financial instruments noted below, the carrying amounts of financial instruments in the Group's statement of financial position are the same as their fair value in all material aspects, due to the demand features of these instruments and/or their interest rate profiles. The face (or nominal) value less estimated credit adjustments of trade receivables and payables is assumed to approximate their fair values.

	Carrying amount 2025	Fair value 2025	Carrying amount 2024	Fair value 2024
	\$000	\$000	\$000	\$000
Institutional Term Loan	-	-	265,230	269,505
Retail bond	149,001	143,370	148,443	134,910

The fair value of the fixed-rate portion of the Institutional Term Loan was previously determined at balance date on a discounted cash flow basis and by applying discount factors to the future AUD interest payment and principal payment cash flows. The fair value of the floating rate portion is assumed to be the same as its carrying amount. The fair value of the Institutional Term Loan is categorised as Level 2 under the fair value hierarchy in accordance with NZ IFRS 13 – Fair Value Measurement.



## Notes to the consolidated financial statements

### FOR THE YEAR ENDED 31 MARCH 2025

The fair value of the retail bond is based on the price traded on the NZX market at 31 March 2025. The fair value of the retail bond is categorised as Level 1 under the fair value hierarchy in accordance with NZ IFRS 13 – Fair Value Measurement.

The fair value of interest rate derivatives are derived using inputs supplied by third parties that are observable, either directly (prices) or indirectly (derived from prices). The fair value of these derivatives is categorised as Level 2 under the fair value hierarchy contained within NZ IFRS 13 – Fair Value Measurement (note 20).

#### b. Credit risk management

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

The Group's exposure to credit risk relates to cash and cash equivalents, derivative financial instruments, trade and other receivables, and advances to employees. The maximum credit risk at 31 March 2025 is the carrying amount of these financial assets.

Credit risk relating to cash and cash equivalents and derivative financial instruments is managed by spreading such exposures across a range of creditworthy institutions and by restricting the amounts that can be placed with any one institution.

The Group does not require collateral from its debtors. The directors consider the Group's exposure to any concentrations of credit risk from trade and other receivables and advances to employees to be minimal given that (typically):

- The occupancy advance receivables relate to individual residents and the occupation of a retirement village unit does not take place until an occupation advance has been received
- Care and village fees have a portion payable in advance when due from residents (note 9)
- Care and village fees not due from residents are paid by government agencies
- Advances to employees are subject to the terms of the employee share schemes (note 26).

There were no material overdue debtors at 31 March 2025 (2024: \$Nil).

#### c. Interest rate risk

Interest rate risk is the risk that fluctuations in interest rates affect the Group's financial performance or future cash flows or the fair value of its financial instruments.

The Group's interest rate risk arises mainly from loans and borrowings. Loans and borrowings issued at fixed rates expose the Group to changes in the fair value of the borrowings. Loans and borrowings issued at variable interest rates (including bank overdraft) expose the Group to changes in interest rates.

The Group manages its interest rate exposure from loans and borrowings using a mix of fixed and variable-rate debt and interest rate derivatives that are designated as hedging instruments for those loans and borrowings (note 20). The Group ensures there is an adequate spreading of debt providers and always seeks to obtain the most competitive interest rates.

## Notes to the consolidated financial statements

### FOR THE YEAR ENDED 31 MARCH 2025

The Group also has interest rate exposure under the terms of its occupancy agreements in New Zealand, and in respect of its refundable accommodation deposits in both New Zealand and Australia. Refer to notes 18 and 21.

- Although the occupancy agreements in New Zealand provide that occupancy advance is repayable at the earlier of the receipt of the new occupancy advance from the incoming resident or at the end of three years, the Group is liable to pay interest if it does not repay the occupancy advance within six months from the date residents vacate their unit. Historically, the Group has been managing this interest rate exposure by repaying the occupancy advance within six months.
- In New Zealand, a refundable accommodation deposit is repayable within 30 working days of a resident vacating their care room. The Group is liable to pay interest if it does not repay the deposit within that period. In Australia, repayment is required by the later of 14 days after a resident vacates their care room or upon the sighting of probate or letters of administration. The Group is liable to pay interest at a base interest rate within the 14 day period, and at a higher interest rate beyond that period. The Group manages these interest rate exposures by repaying the deposits within the prescribed refund period where possible.

#### Sensitivity

The following sensitivity analysis is based on the interest rate risk exposures in existence at the reporting date. The net exposure at balance date is representative of what the Group was and is expecting to be exposed to in the 12 months from balance date. At balance date, had the floating interest rates increased or decreased by 50 basis points, with all other variables held constant, profit and equity would have been affected as follows:

	2025	2024
	\$000	\$000
<b>Increase in interest rates of 50 basis points</b>		
Effect on profit after taxation – increase/(decrease)	(757)	(696)
Effect on equity after taxation – increase/(decrease)	11,386	16,815
<b>Decrease in interest rates of 50 basis points</b>		
Effect on profit after taxation – increase/(decrease)	757	696
Effect on equity after taxation – increase/(decrease)	(11,837)	(17,176)

#### d. Foreign currency risk

Foreign currency risk is the risk that the value of the Group's assets, liabilities and financial performance will fluctuate due to changes in foreign currency rates.

The Group is exposed to currency risk in AUD primarily due to its subsidiaries in Australia. The risk to the Group is that the value of the Australian subsidiaries' financial position and financial performance will fluctuate in economic terms and as recorded in the consolidated financial statements, due to changes in the NZD/AUD exchange rates.

The Group hedges the currency risk relating to its Australian subsidiaries by holding a portion of its borrowings (bank debt) in AUD. Any foreign currency movement in the net assets of the Australian subsidiaries is partially offset by an opposite movement in the AUD debt.

## Notes to the consolidated financial statements

### FOR THE YEAR ENDED 31 MARCH 2025

#### Sensitivity

The following sensitivity analysis is based on the foreign currency risk exposures in existence at the reporting date. The net exposure at balance date is representative of what the Group was and is expecting to be exposed to in the 12 months from balance date. At balance date, had the NZD moved either up or down by 10%, with all other variables held constant, profit and equity would have been affected as follows:

	2025	2024 (restated)
	\$000	\$000
<b>Increase in value of NZ dollar of 10%</b>		
Effect on profit after taxation – increase/(decrease)	10,296	3,860
Effect on equity after taxation – increase/(decrease)	(15,530)	(34,234)
<b>Decrease in value of NZ dollar of 10%</b>		
Effect on profit after taxation – increase/(decrease)	(12,584)	(4,718)
Effect on equity after taxation – increase/(decrease)	18,982	41,841

#### e. Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.

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

#### Occupancy advances and refundable accommodation deposits

The Group manages the liquidity risk on occupancy advances through the contractual requirements in the occupation right agreement. The terms of these are discussed in note 23c.

#### Debt facilities and liquidity headroom

The Group also manages liquidity risk by maintaining adequate reserves, banking facilities, and reserve borrowing facilities. It regularly monitors both forecast and actual cash flows, as well as the maturity profiles of its financial assets and liabilities.

#### Lease liabilities

The Group does not face a significant liquidity risk with regard to lease liabilities (note 22).

## Notes to the consolidated financial statements

### FOR THE YEAR ENDED 31 MARCH 2025

#### Maturity profile

The following table details the Group's exposure to liquidity risk (including contractual interest obligations for interest-bearing loans and borrowings).

	Contractual maturity dates							
	2025				2024			
	Less than 1 year	1–5 years	Greater than 5 years	Total	Less than 1 year	1–5 years	Greater than 5 years	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Financial liabilities:</b>								
Trade and other payables	113,578	-	-	113,578	150,620	-	-	150,620
Interest rate swaps	-	-	-	-	1,790	4,751	-	6,541
Refundable accommodation deposits <sup>1</sup>	496,639	-	-	496,639	423,163	-	-	423,163
Bank loans (secured)	78,641	1,651,043	-	1,729,684	135,513	2,342,720	85,763	2,563,996
Institutional Term Loan (secured)	-	-	-	-	15,821	330,316	-	346,137
Retail bond (secured)	3,690	152,869	-	156,559	3,690	156,694	-	160,384
Occupancy advances (non-interest bearing) <sup>2</sup>	5,217,158	-	-	5,217,158	4,784,979	-	-	4,784,979
Lease liabilities	3,620	10,426	1,051	15,097	5,416	14,482	5,461	25,359
	<b>5,913,326</b>	<b>1,814,338</b>	<b>1,051</b>	<b>7,728,715</b>	<b>5,520,992</b>	<b>2,848,963</b>	<b>91,224</b>	<b>8,461,179</b>

<sup>1</sup> As detailed in note 18, refundable accommodation deposits have repayment terms that could occur in less than one year.

<sup>2</sup> As detailed in note 21, occupancy advances have demand features and therefore have contractual maturity dates that could occur in less than one year. Occupancy advances are unlikely to be called on demand due to the Group's long history of gradual resident turnover, the highly diverse and geographically spread resident base, and the absence of alternative accommodation models at scale, which is a recognised industry and government-wide issue.

## Notes to the consolidated financial statements

### FOR THE YEAR ENDED 31 MARCH 2025

#### Changes in liabilities arising from financing activities

	Opening balance	Financing cash flow	Foreign exchange movement	Net changes in fair values	Other	Closing balance
	\$000	\$000	\$000	\$000	\$000	\$000
<b>2025</b>						
Interest-bearing loans and borrowings	2,546,947	(881,058)	7,608	5,860	3,195	1,682,552
Lease liabilities	22,117	(4,280)	25	-	(5,150)	12,712
<b>Total</b>	<b>2,569,064</b>	<b>(885,338)</b>	<b>7,633</b>	<b>5,860</b>	<b>(1,955)</b>	<b>1,695,264</b>

	Opening balance	Financing cash flow	Foreign exchange movement	Net changes in fair values	Other	Closing balance
	\$000	\$000	\$000	\$000	\$000	\$000
<b>2024</b>						
Interest-bearing loans and borrowings	2,330,950	201,218	18,636	389	(4,246)	2,546,947
Lease liabilities	13,787	(3,365)	74	-	11,621	22,117
<b>Total</b>	<b>2,344,737</b>	<b>197,853</b>	<b>18,710</b>	<b>389</b>	<b>7,375</b>	<b>2,569,064</b>

#### f. Market risk

Market risk is the risk that changes in market prices such as interest rates and currency rates will affect the Group's income. Refer to note 23(c) and 23(d) on how these risks are managed.

#### g. Capital management

The Group's capital includes share capital, reserves and retained earnings. The objective of the Group's capital management is to ensure that long-term business plans can be achieved in a profitable and financially sustainable manner that enhances shareholder returns and benefits all stakeholders.

The Group's capital is managed at the parent company level, with oversight from the Board of Directors. Adjustments are made to the structure with Board approval, considering economic conditions at the time. Key capital management initiatives during the year included the continued suspension of the Company's dividend policy, slowing of the development programme and an equity raise (note 14).

The Group is also subject to capital requirements imposed by its banks and lenders (refer note 19).

## Notes to the consolidated financial statements

### FOR THE YEAR ENDED 31 MARCH 2025

#### 24. RELATED-PARTY TRANSACTIONS

The Group enters into transactions with other entities that some of the directors may have interest in or sit on the Board of. Any transactions undertaken with these entities have been entered into on standard commercial terms and in the ordinary course of business. No director is involved in the quoting for or provision of services by these entities to the Group.

	Transactions		Amounts owing at year-end	
	2025	2024	2025	2024
	\$000	\$000	\$000	\$000
Construction and infrastructure services – Fulton Hogan Limited	1,371	2,190	89	159
Equipment purchases (including design) – Tectonus Limited	-	127	-	-
Legal services – Chapman Tripp (to July 2023)	-	1,117	-	-
Rental costs – Airport Business Park (to July 2023)	-	694	-	-

Anthony Leighs is a director/shareholder of Tectonus Limited, which supplied seismic devices and related design services to the Group in the prior year.

Dean Hamilton is a director/shareholder of Fulton Hogan Limited, which provided construction and infrastructure services to the Group.

#### *Utilities and insurance*

Transactions related to utilities (James Miller – Mercury NZ Limited) and insurance products (George Savvides, retired director – Insurance Australia Group Limited IAG) are not quoted in the table above as they occur under standard commercial terms and directors have no involvement in the day-to-day operations.

#### *Retired directors impacting the prior comparative period*

Since August 2012 Ryman Healthcare Limited has leased office accommodation from Airport Business Park Christchurch Limited (the Airport Business Park). Warren Bell is an independent director of the Airport Business Park's shareholders. He does not have any personal ownership interest. Under the lease, the office accommodation is recognised as a right-of-use asset and associated lease liability. Rental costs detailed in the table above were the total cash payments made in the prior financial year in respect of the lease agreement until July 2023. Warren retired as a director in July 2023.

Jo Appleyard is a Partner at Chapman Tripp, which provides the Group with legal services. Jo retired as a director in July 2023.

## Notes to the consolidated financial statements

### FOR THE YEAR ENDED 31 MARCH 2025

#### 25. KEY MANAGEMENT PERSONNEL COMPENSATION

Key management personnel are those who have authority and responsibility for planning, directing and controlling the activities of the Group. The Group considers that this is the directors and the Senior Executive Team.

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel.

	2025	2024
	\$000	\$000
Short-term employee benefits	7,179	7,563
Employer contributions to post-employment benefits – KiwiSaver/Superannuation	239	243
Termination benefits	2,799	-
Share-based payment transactions (long-term incentive plan)	338	-
Director's fees	1,038	1,162
<b>Total key management personnel and directors' compensation</b>	<b>11,593</b>	<b>8,968</b>

#### Share rights

Share rights held by Senior Executive Team under the long-term incentive plan which will vest in shares of Ryman Healthcare Limited are:

	2025	2024
	Number outstanding	Number outstanding
<b>Date of grant</b>		
23 September 2024	412,253	-
4 November 2024	113,108	-
<b>Outstanding at 31 March</b>	<b>525,361</b>	<b>-</b>

Refer to note 27 for further detail.

#### Senior Executive Team

The Senior Executive Team has changed over the period reflecting a new organisational structure and team turnover. At 31 March 2025 the team comprised the Chief Executive Officer and six executives (2024: Group Chief Executive Officer and eight executives). The composition and number of members of the team fluctuated throughout the year. The average number of members was seven in the current year (2024: 9.5 members).

Termination benefits disclosed above relate to redundancy, payments in lieu of notice and ex-gratia payments for five team members, including the previous Group Chief Executive Officer. Bonuses were also paid to terminated eligible team members relating to performance in the prior financial year; these have been captured as short-term employee benefits as they were unrelated to the redundancy process.

There are no loan amounts owed by the Senior Executive Team for vested shares related to the historical leadership share scheme (note 26). The 2024 balance included within 'Advances to employees' in the statement of financial position was \$0.3 million.

## Notes to the consolidated financial statements

### FOR THE YEAR ENDED 31 MARCH 2025

#### Directors

At 31 March 2025 all directors were non-executive and are not involved in the day-to-day operations of the Group (2024: all directors).

Following the resignation of the Group Chief Executive Officer in 2024 the Chair of the Board assumed the role of Executive Chair on 22 April 2024 until a new Chief Executive Officer was recruited. The Board determined that Dean Hamilton would be a non-independent director whilst he was the Executive Chair and would not receive director fees. A sub-committee of the Board oversaw the performance of the Executive Chair function comprising independent directors Paula Jeffs (Chair and lead independent director), Anthony Leighs and James Miller. Dean Hamilton returned to the independent Chair role in November 2024 with the commencement of Naomi James as Chief Executive Officer.

There are seven directors at balance date (2024: seven directors). The number of directors fluctuated during the financial year. The average number of directors was seven in the current year (2024: seven directors).

## 26. EMPLOYEE SHARE SCHEMES

#### Accounting policy: Treasury stock

Shares purchased on market under the leadership share scheme are treated as treasury stock on acquisition at cost. On vesting to an employee, treasury stock shares are credited to equity and an employee advance is recorded initially at fair value and later at amortised cost.

Any loss on disposal if the treasury shares are sold by the Company (for example, when the employee leaves before the end of the restrictive period) is taken directly against equity.

Due to the features of the scheme, it is accounted for as share options under NZ IFRS 2 – Share-based Payment. Under NZ IFRS 2 the Group measures the fair value of the services received by reference to the fair value of the share options granted.

#### Retirement of the leadership share scheme

Until 2022, the Group operated a limited recourse loan funded leadership share scheme for certain senior employees, other than non-executive directors, to purchase ordinary shares in the Company. This scheme has been retired and no offers have been made under this scheme since, in the current financial year.

#### *Transition of participants from the retired scheme*

The directors resolved to make an offer to eligible employees in connection with winding down existing participation in the scheme. The offer was accepted by 92% of eligible participants and the associated costs have been recognised as an expense in the profit or loss for the year (note 4).

At balance date, the Company has gross advances to employees (in relation to vested shares) totalling \$4.3 million (2024: \$9.4 million). Although these loans are full recourse in nature, the Company has provided for an impairment loss of \$2.6 million (2024: \$2.8 million) against these advances taking into account the share price at 31 March 2025 of \$2.76 (2024: \$4.55).

In accordance with NZ IFRS 2, the loans in relation to unvested shares are not recorded on the statement of financial position within advances to employees. These are accounted for within the Treasury Stock reserve. Accordingly, no impairment loss has been provided against these loans.



## Notes to the consolidated financial statements

### FOR THE YEAR ENDED 31 MARCH 2025

#### Treasury stock and share options

At balance date, the scheme holds 1,170,990 fully allocated (unvested) shares, which represents 0.12% of the total shares on issue (2024: 2,494,282 fully allocated shares, which represented 0.36% of the total shares on issue). The following table reconciles the shares purchased on market under the scheme at the beginning and end of the financial year. The weighted average exercise price is calculated based on the share price on the purchase date less any net dividends received since the purchase date.

	2025	2025	2024	2024
	Number of shares	Weighted average exercise price	Number of shares	Weighted average exercise price
Balance at beginning of the financial year	2,494,282	13.52	2,494,282	13.57
Purchased on market during the year	-	-	-	-
Forfeited during the financial year	(1,323,292)	-	-	-
Vested during the financial year	-	-	-	-
Repayment	-	-	-	(0.05)
<b>Balance at end of the financial year</b>	<b>1,170,990</b>	<b>13.52</b>	<b>2,494,282</b>	<b>13.52</b>
Represented by:				
Shares granted in August 2019	360,132	12.83	736,291	12.81
Shares granted in August 2020	377,936	13.12	793,292	13.10
Shares granted in August 2021	432,922	14.44	964,699	14.42
<b>Balance at end of the financial year</b>	<b>1,170,990</b>	<b>13.52</b>	<b>2,494,282</b>	<b>13.52</b>

The restrictive period was extended on each tranche of unvested shares until the earlier of the aggregate market value of the shares in that tranche being at least equal to their purchase price or 1 November 2026, in the directors' sole discretion.

## 27. EQUITY-SETTLED SHARE-BASED PAYMENTS

The Group issued three tranches of performance share rights to eligible members of its Senior Executive Team pursuant to the recently established long-term incentive plan. The grant of share rights was approved by the Board on 23 September 2024.

### Tranche I

This tranche represents a small allocation of share rights issued as part of the transition from the leadership share scheme to the new Long Term Incentive Scheme. The first tranche of 32,592 share rights is eligible for vesting over two years (50% on 31 August 2025 and 50% on 31 August 2026). Tranche I does not include any contracted performance hurdles; it only requires that the participant remains employed by the Group for the duration of the term.

As it is assumed that there will be no dividends during the term of the share right, the share price on the valuation date is expected to represent the most accurate estimate of the share rights, on the assumption that the share price on valuation date will increase at the Cost of Equity (COE) during the term of the share rights, and then is discounted back to the valuation date using the same COE.

## Notes to the consolidated financial statements

### FOR THE YEAR ENDED 31 MARCH 2025

#### Tranche 2 and 3

Tranche 2 was issued in lieu of the 2023 leadership share scheme, which was not offered while the scheme was under review and subsequently retired. The performance period for the second tranche of 25,639 share rights is 13 November 2023 to 13 November 2026. Vesting of these share rights is conditional upon meeting targets in relation to relative total shareholder return and absolute total shareholder return.

Tranche 3 was the long term incentive offer for eligible members of the Senior Executive Team for 2024. Under Tranche 3, a total of 467,130 share rights are granted. Of these, 113,108 share rights are allocated to the new Chief Executive Officer, for which the performance period is from 4 November 2024 to 30 June 2027. The remaining 343,158 Share rights have a performance period that spans from 1 July 2024 to 30 June 2027. Vesting of the share rights under Tranche 3 is conditional upon meeting targets in relation to relative total shareholder return and absolute total shareholder return.

The fair value of the share options is estimated at the grant date using the Monte Carlo Simulation Model, taking into account the terms and conditions on which the share options were granted. Valuation is on a per Grant basis, does not account for any non-market condition, e.g. the service condition.

The model simulates the vesting dates' 10-day Volume Weighted Average Price (VWAP) and closing share price of the NZX50 companies (including Ryman Healthcare Limited) using the 10-day VWAP. The model compares the simulated TSR against the NZX50 companies. The correlation among the two series is accounted for during the simulation.

#### For all tranches (1, 2, 3)

The long-term incentive plan grants eligible members performance rights that will, if hurdles are achieved, vest as Ryman Healthcare Limited shares. Accordingly, the exercise price and contractual term for share rights granted under the long-term incentive plan is nil.

There are no cash settlement alternatives for the employees. The Group does not have a past practice of cash settlement for these awards.

The Group accounts for the options granted under the long term investment plan as an equity-settled plan.

The fair-value of the share rights at grant date is expensed on a straight-line basis over the respective vesting period. The expense recognised for employee services received during the year is shown in the following table:

	2025
	\$000
Expense arising from equity-settled share-based payment transactions	338

There were no cancellations or modifications to the awards in the year ended 31 March 2025.

## Notes to the consolidated financial statements

### FOR THE YEAR ENDED 31 MARCH 2025

#### Movements during the year

The following table illustrates the movements in options issued under long-term incentive plan during the year:

	2025
	Number outstanding
Outstanding at 1 April	-
Granted during the year	525,361
Forfeited during the year	-
Expired during the year	-
<b>Outstanding at 31 March</b>	<b>525,361</b>

#### Key assumptions

The following tables list the inputs to the models used for the share rights granted under long term investment plan.

	Tranche 1
Weighted average fair values at the measurement date	\$3.56
Commencement date	1 July 2024
Valuation date	23 September 2024
Dividend yield (%)	0%
Annualised implied volatility (%)	27% to 37%
Risk-free interest rate (%)	4.57% for the portion vesting at 31 August 2025 and 3.85% for the portion vesting at 31 August 2026

	Tranche 2	Tranche 3 (excl CEO)	Tranche 3 (CEO)
Weighted average fair values at the measurement date	\$0.49	\$2.42	\$2.80
Commencement date	13 November 2023	1 July 2024	1 July 2024
Valuation date	23 September 2024	23 September 2024	4 November 2024
VWAP at valuation date	\$4.56	\$4.56	\$4.60
VWAP at commencement date	\$5.74	\$3.73	\$3.73
VWAP volatility (%)	34%	35%	34%
Dividend reinvestment factor (%)	100%	100%	100%
Dividend yield	0%	0%	0%

The volatility assumption is representative of the level of uncertainty expected in the movements of the Group's share price over the life of the options. VWAP volatilities are based on the Group's VWAP returns over a historical period from the valuation date that matches the remaining duration of the respective tranches.

## Notes to the consolidated financial statements

### FOR THE YEAR ENDED 31 MARCH 2025

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#### 28. COMMITMENTS

The Group had commitments relating to construction contracts amounting to \$88.0 million at 31 March 2025 (2024: \$217.2 million).

The Group has an ongoing commitment to maintaining the land and buildings of the integrated retirement villages, rest homes and hospitals.

Commitments relating to leases have been disclosed in note 22.

#### 29. CONTINGENT LIABILITIES

There are no material contingent liabilities at 31 March 2025 (2024: none).

#### 30. SUBSEQUENT EVENTS

There have been no other events subsequent to 31 March 2025 that materially impact on the results reported.



## Independent auditor's report

To the shareholders of Ryman Healthcare Limited

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### Our opinion

In our opinion, the accompanying consolidated financial statements (the financial statements) of Ryman Healthcare Limited (the Company), including its subsidiaries (the Group), present fairly, in all material respects, the financial position of the Group as at 31 March 2025, its financial performance, and its cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and International Financial Reporting Standards Accounting Standards (IFRS Accounting Standards).

### What we have audited

The Group's financial statements comprise:

- the consolidated statement of financial position as at 31 March 2025;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

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### Basis for opinion

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

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

### Independence

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

In our capacity as auditor and assurance practitioner, our firm provides other assurance services. Our firm also carries out other services relating to the provision of whistleblower services to the Group. In addition, certain partners and employees of our firm may deal with the Group on normal terms within the ordinary course of trading activities of the business. The firm has no other relationship with, or interests in, the Group.

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### Key audit matters

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

Description of the key audit matter	How our audit addressed the key audit matter
<p><b>Valuation of aged care facilities and investment properties</b></p> <p>The Group's retirement village portfolio, as disclosed in notes 11 and 12 of the financial statements, includes aged care facilities (encompassing freehold land, buildings and property under development) and investment properties with carrying values of \$936.4 million and \$10,812.5 million, respectively and represents the majority of the assets held by the Group as at 31 March 2025.</p> <p>Investment properties and aged care facilities are generally carried at fair value. Construction work in progress for investment properties and aged care facilities under development are carried at cost less any impairment until fair value becomes reliably measurable (in the case of investment properties).</p> <p>The valuation of the Group's investment properties and aged care facilities is inherently subjective due to, amongst other factors, inputs into the valuations that are unobservable through available market information, and also considers the individual characteristics of each village, its location, its resident profile and the expected future cash flows for that particular village.</p> <p>Given the existence of significant estimation uncertainty, coupled with the fact that only a small percentage difference in individual valuation assumptions, when aggregated, could result in a material misstatement, and considering the significance of investment properties and aged care facilities to the Group, we determined this to be a key audit matter.</p> <p>The valuations were performed by independent registered valuers (the Valuers). The Valuers engaged by the Group are experienced in the markets in which the Group operates.</p> <p>In preparing their valuations, the Valuers took into account property specific information such as unit prices, anticipated price growth rates, and discount rates for investment properties and capitalisation rates and market value per care bed for aged care facilities. The Valuers also considered the qualities of each property as a whole, including estimates for any forecast remediation works.</p> <p>The Valuers then applied these assumptions in conjunction with available market data and transactions, to arrive at a range of valuation outcomes, from which a point estimate was derived.</p> <p>The Group also implemented a number of accounting estimate changes and corrections that impacted the carrying values of investment properties and aged care facilities as at 31 March 2025 and restated the comparative periods where appropriate. These corrections, accounting estimate changes and restatements have been detailed in the section "Changes in financial reporting" within note 1 of the financial statements.</p>	<p>The valuation of aged care facilities and investment properties is inherently subjective given that there are assumptions, estimates and methodologies that may result in a range of values.</p> <p>We held discussions with management to understand the movements in the Group's investment properties and aged care facilities, changes in the condition of the properties, and the controls in place over the valuation process.</p> <p>In assessing the valuations, we read the valuation reports and held separate discussions with the Valuers in order to gain an understanding of the assumptions and estimates used and the valuation methodology applied.</p> <p>We carried out procedures, on a sample basis, to test whether the key inputs in the valuations that were supplied to the Valuers by the Group reflected the underlying records held by the Group. We considered the estimated cost of remediation works and agreed the forecast remediation costs to supporting evidence.</p> <p>We engaged our own in-house valuation expert to critique and independently assess the work performed and key assumptions used by the Valuers. In particular, we compared the key assumptions used by the Valuers to our in-house valuation expert's knowledge gained from reviewing valuations of similar properties, known transactions and market data.</p> <p>We also considered whether or not there was a bias in determining significant assumptions in individual valuations and found no evidence of bias.</p> <p>We also assessed the Valuers' qualifications, expertise, and objectivity, and we found no evidence to suggest that the objectivity of any Valuer, in their performance of the valuations, was compromised.</p> <p>We have assessed the accounting estimate changes, corrections and restatements that impacted the carrying values of investment properties and aged care facilities as at 31 March 2025 and the reported comparative periods.</p> <p>We confirmed that the valuation approach for each investment property and aged care facility was in accordance with relevant accounting standards and suitable for use in determining the fair value of investment properties and aged care facilities at 31 March 2025. We also considered the appropriateness of the related disclosures made in the financial statements.</p>

## Our audit approach

### Overview



Overall group materiality: \$21.3 million, which represents approximately 0.5% of net assets.

We chose net assets as the benchmark because, in our view, the objective of the Group is to provide the shareholder with a total return on the Group's net assets, taking into account both capital and income returns.

We performed a full scope audit over the consolidated financial information of the Group.

As reported above, we have one key audit matter, being valuation of aged care facilities and investment properties.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

#### Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance about whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They 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 the financial statements.

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

#### How we tailored our group audit scope

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

#### Other matter

The financial statements of Ryman Healthcare Limited for the year ended 31 March 2024, were audited by another auditor who expressed an unmodified opinion on those statements on 24 May 2024.

#### Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon and the Climate Statement. The Annual Report and the Climate Statement is expected to be made available to us after the date of this auditor's report.





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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the other information not yet received, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Directors and use our professional judgement to determine the appropriate action to take.

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#### **Responsibilities of the Directors for the financial statements**

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

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

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#### **Auditor's responsibilities for the audit of the financial statements**

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

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

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

This description forms part of our auditor's report.

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#### **Who we report to**

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

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

For and on behalf of:

A handwritten signature in black ink, appearing to read 'Samuel Shuttleworth', written over the printed name 'PricewaterhouseCoopers'.

PricewaterhouseCoopers  
29 May 2025

Auckland