Financial Statements 2025

CONSOLIDATED
Statement of Comprehensive Income

For the year ended *In thousands of New Zealand dollars*	NOTE	31 March 2025	31 March 2024
REVENUE			
Revenue	2.1	175,286	168,739
Deferred management fees	2.1	2,129	2,495
Total revenue		**177,415**	**171,234**
Change in fair value of investment property	3.1	3,088	2,703
Interest income		148	136
Total revenue and other income		**180,651**	**174,073**
EXPENSES			
Employee costs		(106,282)	(105,744)
Depreciation expense	2.2	(10,398)	(9,942)
Finance costs	2.2	(12,153)	(15,637)
Other expenses	2.2	(41,344)	(39,151)
Total expenses		**(170,177)**	**(170,474)**
Profit before income tax		**10,474**	**3,599**
Income tax expense	5.1	(3,075)	(12,087)
Profit/(loss) for the year		**7,399**	**(8,488)**
OTHER COMPREHENSIVE INCOME FOR THE YEAR			
Items that will be reclassified subsequently to profit and loss			
Fair value loss on hedged interest rate swaps	4.4	(282)	–
Other comprehensive income for the year		**(282)**	**–**
Total comprehensive income/(loss)		**7,117**	**(8,488)**
PROFIT/(LOSS) ATTRIBUTABLE TO			
Owners of the company		7,034	(8,488)
Non-controlling interests		365	–
Total profit/(loss)		**7,399**	**(8,488)**
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO			
Owners of the company		6,752	(8,488)
Non-controlling interests		365	–
Total comprehensive income/(loss)		**7,117**	**(8,488)**
EARNINGS PER SHARE			
Basic and diluted earnings/(loss) per share (cents per share)	4.2	2.60	(2.98)

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

CONSOLIDATED
Statement of Changes in Equity

For the year ended 31 March 2025 *In thousands of New Zealand dollars*	NOTE	Contributed Equity	Other Reserves	Retained Earnings	Total	Non-Controlling Interest	Total Equity
BALANCE AS AT 1 APRIL 2024		56,820	9,578	(1,966)	64,432	—	64,432
Profit/(Loss) for the year		—	—	7,034	7,034	365	7,399
Cash flow hedges — effective portion of changes in fair value	4.4	—	(282)	—	(282)	—	(282)
Total comprehensive income for the year		**—**	**(282)**	**7,034**	**6,752**	**365**	**7,117**
Transactions with owners							
Share buyback	4.1	(38)	—	—	(38)	—	(38)
Share based payments	4.1	12	48	—	60	—	60
Dividends paid	4.1	—	—	(3,846)	(3,846)	—	(3,846)
Total transactions with owners		**(26)**	**48**	**(3,846)**	**(3,824)**	**—**	**(3,824)**
Other changes in equity							
Acquisition of subsidiary with a NCI[1] interest	5.6	—	—	—	—	(124)	(124)
Put option to purchase the NCI's of a subsidiary	4.1, 5.6	—	(1,127)	—	(1,127)	—	(1,127)
Total other changes in equity		**—**	**(1,127)**	**—**	**(1,127)**	**(124)**	**(1,251)**
BALANCE AS AT 31 MARCH 2025		**56,794**	**8,217**	**1,222**	**66,233**	**241**	**66,474**

	NOTE	Contributed Equity	Other Reserves	Retained Earnings	Total	Non-Controlling Interest	Total Equity
BALANCE AS AT 1 APRIL 2023		56,813	9,529	6,522	72,864	—	72,864
Profit/(Loss) for the year		—	—	(8,488)	(8,488)	—	(8,488)
Other comprehensive income for the year		—	—	—	—	—	—
Total comprehensive income for the year		**—**	**—**	**(8,488)**	**(8,488)**	—	**(8,488)**
Transactions with owners							
Share based payments		7	49	—	55	—	55
Dividends paid	4.1	—	—	—	—	—	—
Total transactions with owners		**7**	**49**	**—**	**55**	**—**	**55**
BALANCE AS AT 31 MARCH 2024		**56,820**	**9,578**	**(1,966)**	**64,432**	—	**64,432**

1. Non-controlling interest

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

CONSOLIDATED

Statement of Financial Position

As at *In thousands of New Zealand dollars*	NOTE	31 March 2025	31 March 2024
ASSETS			
Cash and cash equivalents		2,571	2,350
Trade and other receivables	5.3	13,485	15,002
Inventories		579	554
Investment properties	3.1	77,124	73,528
Property, plant and equipment	3.2	118,214	117,310
Right-of-use assets	3.4	109,529	109,906
Intangible assets	5.2	18,068	16,063
Total assets		**339,570**	**334,713**
LIABILITIES			
Trade and other payables	5.4	22,860	19,990
Current tax liabilities		2,490	1,621
Interest rate swaps	4.4	282	—
Borrowings	4.3	70,301	75,869
Deferred management fees	3.3	7,357	7,608
Refundable occupation right agreements	3.3	37,843	37,425
Put option to purchase the non-controlling interest	5.6	1,127	—
Lease liabilities	3.4	122,697	121,086
Deferred tax liabilities	5.1	8,139	6,682
Total liabilities		**273,096**	**270,281**
NET ASSETS		**66,474**	**64,432**
EQUITY			
Share capital	4.1	56,794	56,820
Reserves	4.1	8,217	9,578
Retained earnings		1,463	(1,966)
COMPRISING OF			
Equity attributable to owners of the Group		66,233	64,432
Non-controlling interests	5.7	241	—
Total equity		**66,474**	**64,432**

The Board of Directors of the Company authorised these consolidated financial statements for issue on 21 May 2025.

For and on behalf of the Board.

Brien Cree
Chair, Board of Directors

Hamish Stevens
Chair, Audit and Risk Committee

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

CONSOLIDATED
Statement of Cash Flows

For the year ended *In thousands of New Zealand dollars*		**31 March 2025**	**31 March 2024**
Receipts from residents for care fees and village fees		176,188	168,430
Payments to suppliers and employees		(145,644)	(147,285)
Proceeds from the sale of Refundable Occupation Right Agreements		7,140	10,938
Payments for the repurchase of Refundable Occupation Right Agreements		(4,639)	(4,072)
Interest received		148	136
Interest paid - borrowings		(6,065)	(9,388)
Interest paid - lease liabilities		(5,934)	(5,962)
Income tax (paid)/refunded		(1,141)	1,303
Net cash provided by operating activities		**20,053**	**14,100**
Proceeds from the sale of care home		—	18,300
Proceeds from the sale of property, plant and equipment		19	989
Payment for acquisition of businesses	5.6	(1,938)	—
Cash acquired in business acquisition	5.6	999	—
Payments for the purchase of property, plant and equipment		(5,843)	(3,451)
Payments for village developments		(508)	(682)
Net cash provided by/(used in) investing activities		**(7,271)**	**15,156**
Repurchase of shares	4.1	(38)	—
Proceeds from borrowings		5,350	18,500
Repayments of borrowings		(11,095)	(40,318)
Principal payments of lease liabilities		(2,932)	(2,709)
Dividends paid	4.1	(3,846)	—
Net cash provided by/(used in) financing activities		**(12,561)**	**(24,527)**
Cash and cash equivalents at beginning of the year		2,350	(2,379)
Net (decrease)/increase in cash and cash equivalents held		221	4,729
Cash and cash equivalents at end of year		**2,571**	**2,350**

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

CONSOLIDATED
Statement of Cash Flows (continued)

For the year ended *In thousands of New Zealand dollars*	31 March 2025	31 March 2024
RECONCILIATION OF PROFIT FOR THE YEAR TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Profit/(Loss) for the year	7,399	(8,488)
ADJUSTMENTS FOR NON-CASH ITEMS		
Depreciation and amortisation	10,398	9,942
Share based payments	60	55
Net loss/(gain) on disposal of property, plant and equipment	—	227
Fair value adjustment to investment properties	(3,088)	(2,703)
Movement in deferred tax	1,438	10,452
Goodwill on business acquisition	(253)	—
CHANGES IN OPERATING ASSETS AND LIABILITIES		
Trade and other receivables and other assets	856	(1,970)
Inventories	71	201
Trade and other payables and other liabilities	2,005	125
Current tax liabilities	749	2,938
Refundable Occupation Right Agreements	418	3,321
Net cash provided by operating activities	**20,053**	**14,100**

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

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

In thousands of New Zealand dollars	Borrowings	Lease Liabilities	Total
BALANCE AS AT 1 APRIL 2024	75,869	121,086	196,955
Proceeds from borrowings	5,350	—	5,350
Repayment of borrowings and lease liabilities	(11,095)	(2,932)	(14,027)
Loan acquired in business acquisition	177	—	177
Total changes from financing cash flows	**(5,568)**	**(2,932)**	**(8,500)**
Non-cash changes			
Remeasurements	—	4,543	4,543
Balance as at 31 March 2025	**70,301**	**122,697**	**192,998**
BALANCE AS AT 1 APRIL 2023	97,687	121,530	219,217
Proceeds from borrowings	18,500	—	18,500
Repayment of borrowings and lease liabilities	(40,318)	(2,709)	(43,027)
Total changes from financing cash flows	**(21,818)**	**(2,709)**	**(24,527)**
Non-cash changes			
Remeasurements	—	2,265	2,265
Balance as at 31 March 2024	**75,869**	**121,086**	**196,955**

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

Notes

1. GENERAL INFORMATION

1.1. Basis of Preparation

Reporting Entity

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

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

Statutory Basis and Statement of Compliance

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

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

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

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

Functional and Presentation Currency

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

Measurement Basis

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

Key Estimates and Judgements

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

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

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

- Valuation of investment properties (note 3.1)
- Valuation of land and buildings (note 3.2)
- Impairment testing of right-of-use assets (note 3.4)
- Recognition of deferred tax assets and liabilities (note 5.1)
- Impairment testing of goodwill (note 5.2)
- Business combinations (note 5.6)

New and Amended Accounting Standards and Interpretations

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

Classification of Liabilities as Current or Non Current and Non Current Liabilities with Covenants

The Group has adopted Classification of Liabilities as Current or Non Current (Amendments to IAS 1) and Non current liabilities with Covenants (amendments to IAS 1) from 1 April 2024. The amendments apply retrospectively and clarify certain requirements for determining whether a liability should be classified as current or non current and require new disclosures for non current loan liabilities that are subject to covenants within 12 months after reporting date.

The Group has adopted this new amendment for the financial reporting period beginning 1 April 2024. The adoption of this new standard did not have a financial impact on the Group's financial statements or the accounting estimates disclosed in the Group's financial statements with the exception of minor disclosure amendments.

None of the other new and amendments to standards and interpretations are expected to have a material impact on the Group.

Accounting Standards Issued But Not Yet Effective

IFRS 18 *Presentation and Disclosure in Financial Statements* (IFRS 18) will replace IAS 1 *Presentation of Financial Statements* and applies for annual reporting periods beginning on or after 1 April 2027. The new standard introduces the following key new requirements:

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities' net profit will not change.
- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method. The Group is still in the process of assessing the impact of the new standard, particularly with respect to the structure of the Group's statement of profit or loss, the statement of cash flows and the additional disclosures required for MPMs.

The Group is also assessing the impact on how information is grouped in the financial statements, including for items currently labelled as 'other'.

There are a number of other new and amended accounting standards issued but not yet effective. These are not expected to have a significant impact on the Group's consolidated financial statements.

Segment Reporting

An operating segment is a component of an entity that engages in business activities which earn revenue and incur expenses and where the chief operating decision maker reviews the operating results on a regular basis and makes decisions on resource allocation.

The Group operates in one operating segment being the provision of aged care in New Zealand. The chief operating decision maker, the Board of Directors, reviews the operating results on a regular basis and makes decisions on resource allocation based on the review of Group results and cash flows as a whole. The nature of the services provided and the type and class of residents have similar characteristics within the operating segment. The Ministry of Health is a significant customer of the Group as disclosed in note 2.1, as the Group derives care fee revenue in respect of eligible Government subsidised aged care residents. No other customers individually contribute a significant proportion of the Group's revenue. All revenue earned and assets held are in New Zealand.

1.2. Accounting Policies

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

Measurement of Fair Value

For financial reporting purposes, 'fair value' is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants (under current market conditions) at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

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

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

Further information about the assumptions made in measuring fair values is included in notes 3.1, 3.2, 4.1 and 5.6 and 5.7.

1.3. Climate Change Risk

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

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

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

The Group is in the process of implementing measures to increase energy efficiency, reduce its carbon footprint, and contribute to a more sustainable future. It is identifying the sources of its greenhouse gas emissions and is taking steps to reduce them. However, the Group acknowledges that complete mitigation of these risks cannot be guaranteed, and failure to do so could have a material adverse effect on its financial performance.

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

1.4. Market Capitalisation

At balance date the market capitalisation of the Group (being the 31 March 2025 closing share price, as quoted on the NZX Main Board, multiplied by the number of shares on issue) was below the carrying amount of the Group's net assets and shareholders' funds. The Group has undertaken an assessment of the recoverable amount of its assets/CGUs. Management believes that no reasonably possible changes in any of the above key assumptions would cause the carrying value of the non-financial assets to be materially lower than their recoverable amount.

As at the date of the signing of these consolidated financial statements, the market capitalisation of the Group was above the carrying amount of the Group's net assets and shareholders' funds.

2. OPERATING PERFORMANCE

2.1. Revenue

Revenue from Contracts with Customers

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

Care and Village Fees and Recoveries Income

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

The Group derives care fee revenue in respect of eligible Government subsidised aged care residents who receive rest home, dementia or hospital level care. Government aged care subsidies received from Health New Zealand included in care fees and village services amounted to $104.8m (2024: $101.7m).

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

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

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

For the year ended *In thousands of New Zealand dollars*	**31 March 2025**	**31 March 2024**
Rest home, hospital and dementia fees	142,288	142,209
Accommodation Supplements	10,850	9,795
Village service fees	1,215	1,173
Rental income	118	165
Catering revenue	3,503	–
Other services provided to residents	17,312	15,397
	175,286	**168,739**

Lease Income

Deferred Management Fees

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

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

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

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

Key Accounting Estimates and Judgements

The deferred management fee represents the difference between the management fees receivable under the ORA and the portion of the management fee accrued which is recognised on a straight-line basis over the longer of the term specified in a resident's ORA or the average expected occupancy for the relevant accommodation i.e. eight years for villas and three to four years for serviced apartments and villas (2024: Eight years for villas and three to four years for serviced apartments).

2.2. Expenses

For the year ended *In thousands of New Zealand dollars*	NOTE	31 March 2025	31 March 2024
DEPRECIATION OF PROPERTY, PLANT AND EQUIPMENT			
Buildings	3.2	1,344	1,424
Motor vehicles	3.2	158	115
Furniture, fixtures and fittings	3.2	2,910	2,704
Information technology	3.2	714	718
Medical equipment	3.2	262	159
AMORTISATION OF INTANGIBLE ASSETS			
Customer relationships	5.2	90	—
		5,478	**5,120**
DEPRECIATION OF RIGHT-OF-USE ASSETS			
Land and buildings	3.4	4,920	4,822
		4,920	**4,822**
Total depreciation		**10,398**	**9,942**
FINANCE COSTS			
Interest — bank and vendor financing		6,219	9,675
Interest — lease liabilities	3.4	5,934	5,962
Total finance costs		**12,153**	**15,637**
OTHER EXPENSES			
Fees paid to Auditors			
Audit of consolidated financial statements[1]		236	296
Tax compliance services		28	30
Agreed upon procedures engagement[2]		10	—
Total fees paid to auditor		**274**	**326**
Care home operating expenses		26,065	27,885
Operating rental expenses relating to low value and short-term leases		37	41
Directors' fees		981	579
Donations and sponsorships		25	12
Loss/(gain) on sale of property, plant and equipment		(4)	243
Other expenses (no items of individual significance)		13,966	10,065
Total other expenses		**41,344**	**39,151**

1. The comparative 2024 year included a review engagement over the consolidated interim financial statements.

2. The 2025 year includes an agreed upon procedures engagement which was performed over the consolidated interim financial statements.

3. PROPERTY ASSETS

3.1. Investment Properties

Accounting Policy

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

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

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

As at *In thousands of New Zealand dollars*	NOTE	31 March 2025	31 March 2024
INVESTMENT PROPERTIES			
Opening carrying amount		73,528	70,143
Net fair value gain		3,088	2,703
Occupation Right Agreements settled		(6,659)	(9,158)
Occupation Right Agreements entered		6,659	9,158
Purchases		508	682
Closing carrying amount		**77,124**	**73,528**

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

Valuation of operator's interest		28,850	25,500
Refundable Occupation Right Agreements	3.3	37,843	37,425
Deferred management fees	3.3	7,357	7,608
Unsold/vacant units		1,100	750
Residential properties		1,974	2,245
		77,124	**73,528**

Valuation Process and Key Inputs

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

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

Unsold Units

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

Key Accounting Estimates and Judgements

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

Valuation Uncertainty

As at 31 March 2025

The Group's four investment properties were revalued on 31 March 2025 and did not include a valuation uncertainty clause in their valuation report.

As at 31 March 2024

Refer to the published consolidated financial statements for the years ended 31 March 2024 for further information on prior year valuation uncertainty.

Significant Unobservable Inputs

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

The following assumptions have been used to determine fair value:

	Significant Input	Description	Inter-relationship Between the Key Inputs and Fair Value Measurement	2025	2024
Discount rate	Villas and serviced apartments	The pre-tax discount rate	A significant increase/(decrease) in the discount rate would result in a significantly (lower)/higher fair value measurement.	15.5% - 19.0%	15.5% - 19.0%
Property price growth rate	Villas and serviced apartments	Anticipated annual property price growth over the cash flow period 0 - 4 years	A significant increase/(decrease) in the property price growth rate would result in a significantly higher/(lower) fair value measurement.	0.5% - 2.5%	0% - 2.5%
	Villas	Anticipated annual property price growth over the cash flow period 5+ years	A significant increase/(decrease) in the property price growth rate would result in a significantly higher/(lower) fair value measurement.	2.50%	2.25% - 2.50%
	Serviced apartments			2.50%	2.25%

Sensitivities

	Adopted Value of Operator's Interest	Discount Rate		Property Growth Rates	
AS AT 31 MARCH 2025		+0.5%	-0.5%	+0.25%	-0.25%
Valuation $NZ000's	28,850				
Difference $NZ000's		(950)	900	1,050	(1,250)
Difference %		(3.3%)	3.1%	3.6%	(4.3%)
AS AT 31 MARCH 2024		+0.5%	-0.5%	+0.25%	-0.25%
Valuation $NZ000's	25,500				
Difference $NZ000's		(800)	850	1,150	(1,000)
Difference %		(3.1%)	3.3%	4.5%	(3.9%)

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

Significant Input

As at	31 March 2025	31 March 2024
Stabilised occupancy period — villas	8.0 yrs - 9.0 yrs	8.0 yrs - 9.0 yrs
Stabilised occupancy period — serviced apartments	3-4 yrs	4 yrs

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

3.2. Property, Plant and Equipment

Accounting Policy

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

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

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

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

Carrying Value of Assets at Historical Cost

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

As at *In thousands of New Zealand dollars*	31 March 2025	31 March 2024
Land and buildings	91,322	91,322
Accumulated Depreciation	(3,972)	(2,785)
Total	**87,350**	**88,537**

Reconciliation of Carrying Amount

In thousands of New Zealand dollars	Land and Buildings	Motor Vehicles	Furniture, Fixtures and Fittings	Information Technology	Medical Equipment	Work in Progress	Total
YEAR ENDED 31 MARCH 2025							
Opening net book value	97,646	347	10,799	1,123	718	6,677	117,310
Additions	—	80	3,462	512	601	1,180	5,835
Business combination	—	167	309	—	—	—	476
Reclassification	(286)	—	286	—	—	—	—
Transfers	—	—	148	517	—	(665)	—
Disposals	—	—	(10)	(9)	—	—	(19)
Depreciation	(1,344)	(158)	(2,910)	(714)	(262)	—	(5,388)
Closing net book value	**96,016**	**436**	**12,084**	**1,429**	**1,057**	**7,192**	**118,214**
AS AT 31 MARCH 2025							
Cost	98,691	1,802	42,921	7,577	2,057	7,192	160,240
Accumulated Depreciation	(2,675)	(1,366)	(30,837)	(6,148)	(1,000)	—	(42,026)
Net book value	**96,016**	**436**	**12,084**	**1,429**	**1,057**	**7,192**	**118,214**

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

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

Valuations

The Group's twelve properties included in land and buildings were revalued on 31 March 2023. Management assessed that these freehold land and buildings have not experienced any significant and volatile changes in fair value necessitating a revaluation as at 31 March 2025 or 31 March 2024. This assessment was informed by advice provided by the Group's land and buildings Valuer, LVC Limited (LVC) (who provides valuation services to the Group) who provided a valuation update report confirming that the carrying amounts of these freehold land and buildings did not differ materially from that which would be determined using fair value as at 31 March 2023.

The comparison was made against the carrying amounts subsequent to depreciation of the buildings component for the financial years ended 31 March 2024 and 31 March 2025, in accordance with the Group's depreciation policy.

Valuation Uncertainty

As at 31 March 2025

As at 31 March 2025, the valuer of all twelve properties has not included a valuation uncertainty clause in their desktop valuation report.

As at 31 March 2024 and 31 March 2023

Refer to the published consolidated financial statements for the years ended 31 March 2024 and 31 March 2023 for information on prior year valuation uncertainty.

Key Accounting Estimates and Judgements

Property measurements are categorised as Level 3 (2024: Level 3) of the fair value measurement hierarchy as the fair value is determined using inputs that are unobservable.

Significant Unobservable Inputs

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

Sensitivities

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

3.3. Refundable Occupation Right Agreements

Accounting Policy

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

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

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

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

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

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

The deferred management fee represents the difference between the management fees receivable under the ORA and the portion of the management fee accrued which is recognised on a straight-line basis over the longer of the term specified in a resident's ORA or the average expected occupancy for the relevant accommodation i.e. eight years for villas and three to four years for serviced apartments (2024: Eight years for villas and three to four years for serviced apartments).

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

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

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

As at *In thousands of New Zealand dollars*	NOTE	31 March 2025	31 March 2024
REFUNDABLE OCCUPATION RIGHT AGREEMENTS			
Refundable occupation right agreements		53,418	52,572
Less: Management fee receivable (per contract)		(15,575)	(15,147)
Refundable Occupation Right Agreements		**37,843**	**37,425**
RECONCILIATION OF MANAGEMENT FEES RECOGNISED UNDER NZ IFRS AND PER ORA			
Management fee receivable (per contract)		(15,575)	(15,147)
Deferred management fees	2.1	7,357	7,608
Management fee receivable (per NZ IFRS)		**(8,218)**	**(7,539)**
COMPRISING OF			
Current deferred management fees		*2,038*	*1,918*
Non-current deferred management fees		*5,319*	*5,690*
Deferred management fees		**7,357**	**7,608**

3.4. Leases

Right-of-use Assets

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

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

Lease Liabilities

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

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

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

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

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

Key Accounting Estimates and Judgements

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

The weighted average incremental borrowing rates applied by the Group is 5% (2024: 5%). No new leases were entered into during the year (2024: None) and no leases were cancelled or modified during the year (2024: None).

As at *In thousands of New Zealand dollars*	31 March 2025	31 March 2024
(A) RIGHT-OF-USE ASSETS		
Land and buildings under lease	137,359	132,816
Accumulated depreciation	(27,830)	(22,910)
Total carrying amount of right-of-use assets	**109,529**	**109,906**
RECONCILIATIONS		
Reconciliation of the carrying amount of right-of-use assets at the beginning and end of the financial year:		
Land and buildings		
Opening carrying amount	109,906	112,464
Depreciation	(4,920)	(4,822)
Remeasurements	4,543	2,264
Closing carrying amount	**109,529**	**109,906**
(B) LEASE LIABILITIES		
Current land and buildings	2,868	2,670
Non-current land and buildings	119,829	118,416
Total	**122,697**	**121,086**

For the year ended *In thousands of New Zealand dollars*	31 March 2025	31 March 2024
(C) LEASE EXPENSES AND CASH FLOWS		
Interest expense on lease liabilities	5,934	5,962
Depreciation expense on right-of-use assets	4,920	4,822
Cash outflow in relation to leases	8,865	8,671
(D) MATURITY ANALYSIS — CONTRACTUAL UNDISCOUNTED CASH FLOWS		
Not later than 1 year	8,992	8,702
Later than 1 year and not later than 5 years	35,832	34,340
Later than 5 years	178,413	181,677
Total	**223,237**	**224,719**

4. SHAREHOLDER EQUITY AND FUNDING

4.1. Shareholder Equity and Reserves

	2025		2024	
	Shares	$000	Shares	$000
SHARE CAPITAL				
Authorised, issued and fully paid up capital	284,737,253	56,794	284,876,742	56,820
Total contributed equity	**284,737,253**	**56,794**	**284,876,742**	**56,820**
MOVEMENTS				
Opening balance of ordinary shares issued	284,876,742	56,820	284,848,644	56,813
Shares issued to employees	57,864	12	28,098	7
Share buyback scheme	(197,353)	(38)	–	–
Closing balance of ordinary shares issued	**284,737,253**	**56,794**	**284,876,742**	**56,820**

All ordinary shares are authorised and rank equally with one vote attached to each fully paid ordinary share. The shares have no par value. The Group incurred no transaction costs issuing shares during the year (2024:Nil).

During the year ended 31 March 2025, 197,353 were repurchased on market as part of the Group's on-market share buyback programme to purchase up to 0.7% if its ordinary shares from 23 December 2024 for a period of 12 months.

Dividends

Dividend distributions to shareholders are recognised as a liability in the period in which dividends are declared. On 22 April 2024 a final cash dividend of 0.70 cents per share (fully imputed) was declared in relation to the year ended 31 March 2024 and was paid on 16 May 2024. On 25 November 2024 a cash interim dividend of 0.65 cents per share (fully imputed) was declared in relation to the year ended 31 March 2025 and paid on 19 December 2024.

On 21 May 2025 a final cash dividend of 0.80 cents per share (fully imputed) was declared and will be paid on 19 June 2025.

	2025		2024	
	Cents per share	Total $000	Cents per share	Total $000
RECOGNISED AMOUNTS:				
Prior year final dividend	0.70	1,994	–	–
Interim dividend	0.65	1,852	–	–
	1.35	3,846	–	–
Final dividend declared	**0.80**	**2,278**	**0.70**	**1,994**

Other Reserves

Asset Revaluation Reserve

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

Share Based Payments Reserve

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

Cash Flow Hedge Reserve

The cash flow hedge reserve is used to record the effective portion of gains or losses on hedging instruments that are designated and qualify as cash flow hedges. Amounts are reclassified to profit or loss when the hedged forecast transactions affect profit or loss.

Put Option Reserve

The Put Option Reserve records the initial debit to equity arising from the Group's recognition of a financial liability in respect of the written put option over the remaining 49% non-controlling interest in Cibus Catering Limited. Under the Group's accounting policy (refer Note 5.6), which applies the present-access method, this reserve also captures any subsequent remeasurements of the liability. In accordance with NZ IAS 32 and consistent with IFRIC guidance, changes in the liability are recognised directly in equity, rather than through profit or loss.

As at *In thousands of New Zealand dollars*	NOTE	31 March 2025	31 March 2024
Asset revaluation reserve		9,496	9,496
Share based payments reserve		130	82
Cash flow hedge reserve	4.4	(282)	—
Put option reserve	5.6	(1,127)	—
Total		**8,217**	**9,578**

4.2. Earnings per share

Basic and Diluted

Basic earnings per share is calculated by dividing the profit after tax of the Group by the weighted average number of ordinary shares outstanding during the year. As at 31 March 2025, there were no shares with a dilutive effect (31 March 2024: None) and therefore basic and diluted earnings per share were the same.

For the year ended *In thousands of New Zealand dollars*	31 March 2025	31 March 2024
Profit/(Loss) after tax	7,399	(8,488)
Weighted average number of ordinary shares outstanding ('000s)	284,874	284,871
Cents per share	**2.60**	**(2.98)**

4.3. Borrowings

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

As at *In thousands of New Zealand dollars*	31 March 2025	31 March 2024
SECURED LIABILITIES		
Current		
Bank loans	—	—
Other loans[1]	132	—
Non-current		
Bank loans	70,169	75,869
	70,301	**75,869**

1. Other loans represent equipment and vehicle finance loans held by Cibus Catering Limited with Westpac New Zealand Limited ($64k) and UDC Finance ($68k). These are secured by way of equipment and vehicles themselves, and the Westpac loans also include a general security agreement over the assets and all present and after-acquired property of Cibus Catering Limited.

Terms and Conditions and Assets Pledged as Security

	Current $000	Non-current $000	Facility Limit $000	Effective Interest Rate %	Expiry Date
31 MARCH 2025					
ASB Facility - A	—	11,700	20,000	7.29	1 November 2026
ASB Facility - B	—	9,694	9,700	6.78	1 November 2026
ASB Facility - C	—	14,500	14,500	6.56	1 November 2026
ASB Facility - D	—	23,675	23,675	7.95	6 May 2027
ASB Facility - F	—	10,600	10,600	8.15	28 March 2027
Other loans	132	—	132		
	132	**70,169**	**78,607**		
31 MARCH 2024					
ASB Facility - A	—	16,500	20,000	7.80	1 November 2026
ASB Facility - B	—	9,694	9,700	7.33	1 November 2026
ASB Facility - C	—	14,500	14,500	7.30	1 November 2026
ASB Facility - D	—	23,675	23,675	8.80	6 May 2027
ASB Facility - F	—	11,500	11,500	8.69	28 March 2027
	—	**75,869**	**79,375**		

ASB Bank Limited Loans

Security

The ASB Bank Limited bank committed money market loans of the Group are guaranteed by certain Group entities and secured by mortgages over the Group's care centre freehold land and buildings and rank second behind the Statutory Supervisors when the land and buildings are classified as investment property and investment property under development.

As at 31 March 2025 the balance of the bank loans over which the properties are held as security is $70.2m (31 March 2024: $75.9m), the total commitment as at 31 March 2025 is $78.6m (31 March 2024: $79.4).

Other

As at 31 March 2025, the Group has a Corporate Banking Overdraft Facility Agreement with ASB Bank Limited for $2m (31 March 2024: $2m). This facility bears interest at an effective interest rate of 7.60% (31 March 2024: 8.82%) and is secured over the assets of the Group and guaranteed by certain Group entities. At 31 March 2025 no balance was drawn down (31 March 2024: Nil).

Covenants

As at 31 March 2025, the Group classified its secured borrowings of $70.2 million (31 March 2024: $75.9 million) as non-current liabilities. These borrowings are subject to financial covenants under the Group's financing arrangements with ASB Bank Limited, which are tested and reported quarterly. The ASB Bank have set predetermined ratios within the financing arrangements for each of the following covenants:

- Fixed Charge Cover ratio;
- Leverage ratio; and
- Equity ratio.

For covenant purposes, Adjusted EBITDA and Net Interest are calculated based on accounting policies applied prior to the adoption of NZ IFRS 16 *Leases*, excluding the impact of right-of-use assets and lease liabilities.

The Group complied with all covenant requirements during the reporting period and as at 31 March 2025. Based on management's forecast and assessment, continued compliance is expected for at least the next 12 months, and there is no material risk that the non-current borrowings will become repayable within that period.

4.4. Interest Rate Swaps

The Group uses interest rate swaps to manage its risk associated with interest rate fluctuations. Interest rate swaps are initially recognised at fair value on the date a contract is entered into and are subsequently measured at fair value on each reporting date. The fair values of the interest rate swaps are determined based on cash flows discounted to present value using current market interest rates. The non-current portion of interest rate swaps comprised of $0.3 million in liabilities (2024: Nil). The Group has 43% (2024: Nil) of interest-bearing borrowings covered by fixed interest rate swap agreements.

Cash Flow Hedges

The Group has entered into interest rate swaps to manage its interest rate risk in relation to its floating rate debt. These interest rate swaps qualify for cash flow hedge accounting. When interest rate swaps meet the criteria for cash flow hedge accounting, the effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income, while the ineffective portion is recognised in the income statement. Amounts taken to reserves are transferred out of reserves and included in the measurement of the hedged transaction when the forecast transaction occurs. When interest rate swaps do not meet the criteria for cash flow hedge accounting, all movements in fair value of the hedging instrument are recognised in the income statement. Under the interest rate swap agreements that qualify for cash flow hedge accounting, the Group has a right to receive interest at variable rates and to pay interest at fixed rates ("payer interest rate swap agreements"). These agreements effectively change the Group's interest exposure on the principal covered by the interest rate swaps from a floating rate to fixed rates, which range between 3.71% and 4.31% (2024: Nil). At 31 March 2025, the Group had interest rate swap agreements in place with a total notional principal amount of $30 million. Of the swaps in place, at 31 March 2025, all were active.

The fair value of these agreements at 31 March 2025 is a $0.3 million liability. The agreements cover notional amounts for terms of up to three years. The notional principal amounts and the period of expiry of the cash flow hedge interest rate swap contracts are as follows:

As at *In thousands of New Zealand dollars*	31 March 2025	31 March 2024
Less than 1 year	–	–
Between 1 and 2 years	10,000	–
Between 2 and 3 years	20,000	–
Total	**30,000**	**–**

5. OTHER DISCLOSURES

5.1. Income Tax

Key Accounting Estimates and Judgements

Deferred Tax on Investment Property

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

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

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

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

Deferred Tax on Buildings

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

For the year ended *In thousands of New Zealand dollars*	31 March 2025	31 March 2024
(A) COMPONENTS OF TAX EXPENSE		
Current tax	1,618	1,635
Deferred tax	1,457	10,452
Total tax expense	**3,075**	**12,087**
(B) INCOME TAX RECONCILIATION		
The prima facie tax payable on profit before tax is reconciled to the income tax expense as follows:		
Prima facie income tax payable on profit before tax at 28.0%	2,933	1,008
Permanent differences	(269)	(264)
(Over)/Under provision for income tax in prior year	(396)	85
Deferred tax impact from reversal of depreciation on buildings	824	11,339
Other	(17)	(81)
Income tax expense attributable to profit	**3,075**	**12,087**

As at *In thousands of New Zealand dollars*	**31 March 2025**	**31 March 2024**
(C) DEFERRED TAX		
Deferred tax assets		
Lease liabilities	34,355	33,903
Provisions	3,231	2,696
Deferred management fee income	74	1,126
Tax losses	—	604
Total deferred tax asset	**37,660**	**38,329**
Deferred tax liabilities		
Property, plant and equipment	2,779	2,898
Customer relationships	228	—
Right-of-use assets	30,668	30,774
Deferred tax impact from reversal of depreciation on buildings	12,124	11,339
Total deferred tax liability	**45,799**	**45,011**
Net deferred tax assets/(liabilities)	**(8,139)**	**(6,682)**

For the year ended *In thousands of New Zealand dollars*	**31 March 2025**	**31 March 2024**
(D) DEFERRED INCOME TAX REVENUE COMPRISES:		
Through profit included in income tax expense		
Decrease/(Increase) in deferred tax assets	669	(390)
Decrease in deferred tax liabilities	535	10,842
Increase in deferred tax liabilities as a result of acquisition	253	—
	1,457	**10,452**
Through other comprehensive income		
Increase in deferred tax liabilities	—	—
	—	—

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

For the year ended *In thousands of New Zealand dollars*	**31 March 2025**	**31 March 2024**
(E) IMPUTATION CREDITS AVAILABLE FOR USE IN SUBSEQUENT PERIODS		
Balance at the beginning of the year	7,028	6,016
Dividends paid	(1,496)	—
New Zealand tax payments, net of refunds	2,601	1,012
Balance at the end of the year	**8,133**	**7,028**

5.2. Intangible Assets

Goodwill

As at *In thousands of New Zealand dollars*	31 March 2025	31 March 2024
Goodwill at cost	17,255	16,063
Customer relationships	813	—
Total	**18,068**	**16,063**
Goodwill by CGU		
Care	16,063	16,063
Catering business	1,192	—
Total	**17,255**	**16,063**

Key Accounting Estimates and Judgements

Goodwill is allocated to twenty one (2024: Twenty) individual CGUs within the Group (which are various individual residential care, village and a catering businesses acquired by the Group (refer to note 5.6) during the year as part of the acquisition of a 51% interest in Cibus Catering Limited on 1 October 2024), the Group recognised an intangible asset of $0.9 million attributable to goodwill.

Corporate office cash flows incurred by the Group is allocated to each CGU based on bed numbers.

Care CGUs Recoverable Amount

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

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

- The year one through five of the forecast cash flows are based on Management forecasts approved by the Board of Directors.
- The cash flow period used in the calculations was five years (2024: Five years).
- The post-tax discount rate applied in the calculations was between 10.5% and 12.0% (2024: Post-tax between 11.0% and 12.6%). The pre-tax discount rate applied in the calculations was between 13.6% and 15.7% (2024: Pre-tax between 14.3% and 16.6%).
- The terminal growth rate applied in the calculations was 2.0% (2024: 2.0%)
- Occupancy projections vary between CGU based on actual and expected occupancy rates.

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

The recoverable amount of the individual care sites as at 31 March 2025 has been determined based on fair value less costs of disposal, determined using discounted cash flows. As the recoverable amount of individual care sites was determined using inputs that are significant and unobservable, the Group has categorised these inputs as Level 3 under the fair value hierarchy in accordance with NZ IFRS 13 *Fair Value Measurement*. The significant unobservable inputs used in the fair value measurement of the recoverable amount of the Group's individual care sites were as described above, year one to five forecast cash flows, a pre-tax discount rate, a terminal growth rate and occupancy projections based on actual and expected occupancy rates.

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

Catering business CGU Recoverable Amount

The recoverable amount of the Cibus Catering business CGU has been determined as at reporting date using the Value in Use (VIU) method. The VIU calculation is based on a five-year discounted cash flow model, prepared using Board-approved forecasts, with a terminal growth rate applied thereafter. The model includes only third-party revenue and actual gross profit margins achieved in FY25.

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

- The year one through five of the forecast cash flows are based on Management forecasts approved by the Board of Directors.
- The cash flow period used in the calculations was five years.
- The post-tax discount rate applied in the calculations was between 10.5% and 12.0% The pre-tax discount rate applied in the calculations was between 13.6% and 15.7%.
- The terminal growth rate applied in the calculations was 2.0%.
- Management fee allocations reflect actual Cibus structure.

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

Customer Relationships

As at *In thousands of New Zealand dollars*	NOTE	31 March 2025	31 March 2024
CUSTOMER RELATIONSHIPS			
Opening balance		–	–
Additions	5.6	903	–
Amortisation		(90)	–
Closing net book value		**813**	–

The Group recognised an intangible asset of $0.9 million attributable to customer relationships. The asset reflects the present value of expected future gross profit from contracts with external customers over the 12-month period ending 31 March 2026 and is amortised over a five year's. Significant judgement was applied in determining the appropriate valuation approach. Management considered and ultimately did not apply a long-term forecast model, as Cibus' customer contracts are generally short-term and cancellable with three months' notice. The business operates in the aged care catering sector, which is characterised by competitive tender processes, high customer turnover, and limited long-term contractual lock-in. As a result, a valuation based on the expected gross profit from existing external customer contracts over a one-year period was deemed more appropriate than longer-term models reliant on renewal rates or customer retention forecasts. Internal customers within the Group were excluded from the valuation. Management used contract-level data and gross profit history to calculate the present value of the forecast earnings and considered this to be the best available estimate of the asset's fair value at the date of acquisition. No indicators of impairment were identified at 31 March 2025.

5.3. Trade and Other Receivables

Trade receivables are amounts due from residents and Government agencies in the ordinary course of business and are recognised initially at fair value being the transaction price plus any transaction costs. Subsequent to initial recognition, receivables from contracts with customers are measured at amortised cost using the effective interest method less impairment.

As at *In thousands of New Zealand dollars*	31 March 2025	31 March 2024
CURRENT		
Trade receivables	11,515	12,335
Allowance for credit losses	(672)	(522)
	10,843	**11,813**
NZX listing bond	75	75
Prepayments	1,904	2,816
Accrued Income	663	298
	2,642	**3,189**
	13,485	**15,002**

Recognition, Measurement and Judgements in Applying Accounting Policies

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

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

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

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

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

Expected Credit Losses

		Days Past Due			
	Not Past Due	31-60	61-90	91 & Over	Total
AS AT 31 MARCH 2025					
Estimated total gross carrying amount ($000)	7,616	827	322	2,750	11,515
Expected credit loss rate (%)	0.2%	0.4%	1.9%	23.5%	5.8%
Expected credit loss rate ($000)	**15**	**3**	**6**	**648**	**672**
AS AT 31 MARCH 2024					
Estimated total gross carrying amount ($000)	7,878	1,112	729	2,616	12,335
Expected credit loss rate (%)	0.2%	0.3%	1.8%	23.0%	4.4%
Expected credit loss rate ($000)	**16**	**3**	**13**	**490**	**522**

5.4. Trade and Other Payables and Provisions

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

As at *In thousands of New Zealand dollars*	31 March 2025	31 March 2024
CURRENT		
Unsecured trade and other payables		
Trade creditors	5,273	4,312
GST payable	1,414	1,184
Other payables	321	31
Accrued expenses	2,228	2,251
Provisions		
Annual leave	7,490	6,400
Other employee entitlements	6,134	5,812
	22,860	**19,990**

5.5. Related Party Transactions

The following are the Group's subsidiaries and are incorporated in New Zealand and have a balance date of 31 March.

Name of Entity	Principal Activities	Ownership Interests and Voting Rights 2025	2024	Class of Shares
Radius Arran Court Limited[1]	Previously dormant, amalgamated into Radius Residential Care Limited during the year.	0%	100%	Ordinary
Cibus Catering Limited[2]	Residential Catering – aged care and boarding schools	51%	0%	Ordinary
Clare House Retirement Village Limited	Operating entity for Clare House Retirement Village and property owning entity for the Clare House care home	100%	100%	Ordinary
Clare House Care Limited[1]	Previously operating entity for Clare House care home, amalgamated into Radius Residential Care Limited during the year.	0%	100%	Ordinary
Elloughton Grange Village Limited	Operating entity for Elloughton Retirement Village	100%	100%	Ordinary
Radius Care Holdings Limited	Property owning entity for St Helenas, Thornleigh Park, Lexham Park, Elloughton Gardens, Heatherlea, Windsor Court, Taupaki Gables, Peppertree, St Joans and Fulton care homes	100%	100%	Ordinary
Radius Care Limited (non-trading)	Dormant	100%	100%	Ordinary
R Connect Limited	Staff placement company providing short term staffing solutions	100%	100%	Ordinary
Radius SPV Limited	Property owning entity for Matamata Country Lodge and Matamata Retirement Village	100%	100%	Ordinary
Radius Matamata Retirement Village Limited	Operating entity for Matamata Retirement Village	100%	100%	Ordinary
Windsor Lifestyle Estate Limited	Operating entity for Windsor Retirement Village	100%	100%	Ordinary

1. On 2 September 2024, Radius Arran Court Limited and Clare House Care Limited were amalgamated into Radius Residential Care Limited.

2. On 1 October 2024, the Group acquired 51% of available shares in Cibus Catering Limited (refer Note 5.6).

Key Management Personnel Compensation and Other Related Parties

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

Related Party	Relationship
Brien Cree	Director and Ultimate Shareholder (via Wave Rider Holdings Limited)
Bret Jackson	Director and Ultimate Shareholder (via Takatimu Investments Limited)
Duncan Cook	Director and Shareholder
Hamish Stevens	Director and Shareholder
Mary Gardiner	Director
Tom Wilson	Director and Shareholder
Cibus Catering Limited	Common Director (Brien Cree) (up to 30 September 2024)
Main Family Trust	Shareholder
Neil Foster	Shareholder
Providence Trust	Trustee (Brien Cree)
Takatimu Investments Limited	Shareholder
Time Capital NZ Limited	Common Shareholder (Tom Wilson)
Valhalla Capital Limited	Common Director (Brien Cree)
Warehouse Storage Limited	Common Shareholder (Neil Foster)
Wave Rider Holdings Limited	Shareholder

Key Management Personnel Compensation

For the year ended *In thousands of New Zealand dollars*	31 March 2025	31 March 2024
Directors' remuneration and expenses[1]	981	579
Dividends to Director related entities	1,384	—
Key management personnel salaries and other short term employee benefits	3,554	3,132
Key management personnel dividends	2	—
Total Director and key management payments	**5,921**	**3,711**

1. Included within Directors remuneration and expenses were fees relating to additional services provided in regards to strategic projects.

OTHER RELATED PARTIES		
Catering services		
Cibus Catering Limited (up to 30 September 2024)	4,442	8,332
Consulting fees		
Duncan Cook[2]	250	237
Time Capital NZ Limited	—	10
Rent paid		
Warehouse Storage Limited	1,123	1,078
Rent received and utility recharges		
Cibus Catering Limited (up to 30 September 2024)	35	84
Personal guarantee fee		
Brien Cree	170	171
Business acquisition		
Valhalla Capital Ltd[3]	465	—
Vendor loan interest		
Main Family Trust	—	1,312
Related party loan interest		
Providence Trust	—	109

As at *In thousands of New Zealand dollars*	31 March 2025	31 March 2024
Trade creditors		
Cibus Catering Limited	—	703
Trade debtors		
Cibus Catering Limited	—	5

2. Predominately relates to services provided as General Counsel (2024: Predominately relates to services provided as General Counsel).

3. Related to the consideration for the purchase of the Cibus Catering business acquisition during the 2025 financial year (refer note 5.6). Valhalla Capital Limited previously held a 24% shareholding in Cibus Catering Limited. This shareholding, together with an additional 26% acquired from two other shareholders unrelated to the Group, was purchased by Radius Residential Care Limited.

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

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

The balance of the purchase price under the land sale and purchase agreement amounting to $5.5m is payable to the third party vendor on settlement, which will be completed when the title of the property is issued. It is currently expected that title will be issued in mid 2025.

5.6. Business Combinations

Summary of Acquisition

On 1 October 2024 the Company acquired 51% of the assets and liabilities of Cibus Catering Limited, a provider of catering serviced to the aged care sector.

Details of the purchase consideration, the net assets acquired and goodwill are as follows:

As at *In thousands of New Zealand dollars*	1 October 2024 Fair Values
Purchase consideration	
Cash paid	1,938
Total	**1,938**
The assets and liabilities recognised as a result of the acquisition are as follows:	
Property, plant and equipment	468
Cash and cash equivalents	999
Intangible assets — customer relationships	903
Trade and other receivables	398
Inventory	98
Trade and other payables	(1,694)
Current tax liabilities	(120)
Borrowings	(177)
Deferred tax liability	(253)
Put option to purchase the non-controlling interest's share of Cibus Catering Limited.	(1,127)
Put option reserve	1,127
Net assets and liabilities recognised	**622**
NCI, based on their proportionate interest in the amounts recognised of assets and liabilities of Cibus Catering Limited	124
Goodwill on acquisition	**1,192**

The goodwill is attributable primarily to the expected synergies from integrating Cibus' catering operations with the Group's existing aged care and healthcare network, as well as the skills and industry-specific experience of Cibus' workforce. None of the goodwill recognised is expected to be deductible for tax purposes.

Put Option to Purchase the Non-Controlling interest's Share of Cibus Catering Limited.

The acquisition is structured through a put/call option mechanism, enabling either party to facilitate the purchase/sale of the remaining 49% of the shares on the fifth anniversary of the initial transaction.

The option agreement allows the Group to buy the remaining shares from the non-controlling interest (NCI) at a specified multiple. The put option also enables NCI shareholders to require the Group to purchase their shares at the agreed pricing. This financial liability is recognised initially at the present value of the redemption amount and is remeasured in equity.

The transaction valuation employs an EV/EBITDA multiple, an appropriate valuation technique under NZ IFRS 13 *Fair Value Measurement,* leveraging market-based data to determine fair value. The option is accounted for using the present-access method, whereby a non-controlling interest in the company continues to be recognised in equity as the non-controlling shareholders maintain their current access to returns from their ownership interests.

The financial liability was recognised at acquisition on 1 October 2024 at $1.12 million, being the present value of the expected future redemption amount payable at the end of year five. This measurement required significant judgement, particularly in concluding that the structure of the agreement reflects a forward purchase arrangement, and therefore no option pricing model (e.g. Black-Scholes) was applied.

The Group has adopted a policy of remeasuring the liability through equity (as a Put option reserve), consistent with the nature of the instrument and its treatment at initial recognition.

As at 31 March 2025, there has been no change in the inputs or assumptions affecting the valuation of the put liability. Accordingly, no remeasurement adjustment has been recognised during the year.

Revenue and Profit Contribution

The acquired business contributed revenues of $3.6 million and profit after tax of $0.4 million to the Group for the period from 1 October 2024 to 31 March 2025.

If the acquisition had occurred on 1 April 2024, the Group estimates the consolidated pro-forma revenue and profit after tax for the period ended 31 March 2025 would have been $7.3 million and $0.6 million respectively. These amounts have been calculated using the subsidiaries' results and adjusting them for any differences in accounting policies between the Group and the subsidiary.

Purchase Consideration — Cash Outflow to Acquire Subsidiary

As at *In thousands of New Zealand dollars*	31 March 2025 Fair Values
Cash	1,938
Net outflow of cash — investing activities	**1,938**

The business combination resulted in goodwill on acquisition as the purchase price exceeded the fair value of assets acquired and liabilities assumed.

5.7. Non-Controlling Interests

The following table summarises the information relating to each of the Group's subsidiaries that has material NCI, before any intra-group eliminations.

As at *In thousands of New Zealand dollars*	Cibus Catering Limited
ASSETS	
Cash and cash equivalents	1,679
Trade and other receivables	445
Inventories	119
Property, plant and equipment	455
Deferred tax asset	113
Total assets	**2,811**
LIABILITIES	
Trade and other payables	(1,875)
Current tax liabilities	(312)
Borrowings	(132)
Total liabilities	**(2,319)**
Net assets	**492**
Net assets attributable to NCI	241

For the year ended *In thousands of New Zealand dollars*	Cibus Catering Limited
Revenue from contracts with customers	8,038
Profit	744
Other comprehensive income (OCI)	—
Total comprehensive income	**744**
Profit allocated to NCI	365
OCI allocated to NCI	—
Cash flows from operating activities	765
Cash flows from investment activities	(39)
Cash flows from financing activities	(45)
Net (decrease)/ increase in cash and cash equivalents held	**681**
Net (decrease)/ increase in cash and cash equivalents held allocated to NCI	333

5.8. Long Term Incentive Plan (LTIP)

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

Performance Hurdles

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

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

Recognition and Measurement

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

During the period, no share rights were forfeited. No share rights were exercised or expired during the period. The fair value of the share rights were determined using the Monte Carlo valuation approach.

5.9. Financial Risk Management

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

a. Credit risk

b. Liquidity risk

c. Interest rate risk

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

As at *In thousands of New Zealand dollars*	NOTE	31 March 2025	31 March 2024
AMORTISED COST FINANCIAL ASSETS			
Cash and cash equivalents		2,571	2,350
Trade and other receivables	5.3	10,843	11,813
Total assets		**13,414**	**14,163**
AMORTISED COST FINANCIAL LIABILITIES			
Trade and other payables	5.4	9,236	7,778
Lease liabilities	3.4	122,697	121,086
Borrowings	4.3	70,301	75,869
Refundable Occupation Right Agreements	3.3	37,843	37,425
Total liabilities		**240,077**	**242,158**

(a) Credit Risk

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

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

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

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

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

Cash Deposits and Other Receivables

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

Trade Receivables

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

(b) Liquidity Risk

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

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

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

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

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

In thousands of New Zealand dollars	Less than 1 Year	Between 1 and 2 Years	Between 2 and 5 Years	Over 5 Years
AS AT 31 MARCH 2025				
Trade and other payables	9,236	—	—	—
Lease liabilities	8,992	9,008	26,824	178,413
Borrowings	—	—	70,169	—
Refundable Occupation Right Agreements[1]	37,843	—	—	—
	56,071	**9,008**	**96,993**	**178,413**
AS AT 31 MARCH 2024				
Trade and other payables	7,778	—	—	—
Lease liabilities	8,702	8,703	25,637	181,677
Borrowings	—	—	75,869	—
Refundable Occupation Right Agreements[1]	37,425	—	—	—
	53,905	**8,703**	**101,506**	**181,677**

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

c. Interest Rate Risk

The Group is exposed to interest rate risk in relation to its interest earning cash deposits and its interest bank borrowings. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. The Group manages interest rate risk by maintaining a mix of variable rate and fixed rate borrowings, including interest rate swaps described in note 4.4.

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

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

In thousands of New Zealand dollars	Interest Bearing	Non-interest Bearing	Total Carrying Amount	Weighted Average Effective Interest Rate
As at 31 March 2025				
FINANCIAL INSTRUMENTS				
Financial assets				
Cash	2,571	–	2,571	0.0% Fixed
Financial liabilities				
Bank and other loans	(70,301)	–	(70,301)	7.42%
Lease liabilities	(122,697)	–	(122,697)	5.0% Fixed
Total	**(192,998)**	**–**	**(192,998)**	
As at 31 March 2024				
FINANCIAL INSTRUMENTS				
Financial assets				
Cash	2,350	–	2,350	0.0% Fixed
Financial liabilities				
Bank and other loans	(75,869)	–	(75,869)	7.95%
Lease liabilities	(121,086)	–	(121,086)	5.0% Fixed
Total	**(196,955)**	**–**	**(196,955)**	

The interest rate on the Group's bank loans is fixed for a relevant 'Interest period' (being either 30, 60, 90 or 180 days) and comprised of the Base Rate (equal to the BKBM on the first day of the relevant Interest Period), plus a Margin and Line fee in accordance with the Group's agreement with the bank. The weighted average interest period term as at 31 March 2025 was 30 days (2024: 30 days).

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

Sensitivity

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

For the year ended *In thousands of New Zealand dollars*	31 March 2025	31 March 2024
+ / - 100 basis points		
Impact on profit after tax	(506)	(644)
Impact on equity	(142)	(180)

5.10. Contingent Liabilities

Lester Heights Business

26 June 2013, the Group entered into an agreement to sell the Lester Heights business. The sale was settled on 31 August 2013. One of the conditions of sale is that in the event that the new business owner defaults on the rental payments, the Group is required to guarantee the rent. No amounts have been paid to date, but in the event that a default occurs, the potential cost to the Group is an annual rent of $286,210 (2024: $286,210) per annum until 2029. The Group will likely assume operations at this care home, in the event of a default. At reporting date the Group has assessed the likelihood of the new business owner defaulting on the rental payment as not probable (2024: Not probable).

Other

There were no other material contingent liabilities at reporting date (2024: None).

5.11. Commitments

At 31 March 2025, the Group had capital commitments of $0.07m (2024: $0.03m).

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

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

The acquisition of the property is expected to be funded from available banking facilities and working capital.

5.12. Events Subsequent to Reporting Date

Dividends

On 21 May 2025, the Board declared a final dividend of 0.80 cents per share (fully imputed), that is due to be paid on 19 June 2025.

Acquisition of a Care Home

On 30 April 2025, the Group entered into an unconditional agreement to acquire the business and assets of the St Allisa care home in Christchurch for $14.7 million. The agreement is conditional only on usual regulatory approvals. Settlement is expected to take place on Friday 30 May 2025.

The acquisition includes a sale and leaseback of the land and buildings with Warehouse Storage Limited that would also be settled on 30 May 2025. The property will be sold for $13.6 million and leased back to the Group for an initial term of 30 years with two 10-year rights of renewal. The balance of the acquisition price of $1.1m will be funded from working capital.

The Group is yet to complete a purchase price allocation for the acquisition as at the date of signing of these consolidated financial statements.

Other

There has been no other matter or circumstance which has arisen since 31 March 2025 that has significantly affected or may significantly affect:

a. the operations, in financial years subsequent to 31 March 2025, of the Group; or
b. the results of those operations; or
c. the state of affairs, in financial years subsequent to 31 March 2025, of the Group.

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Radius Residential Care Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Radius Residential Care Limited and its subsidiaries ('the Group') on pages 2 to 37, which comprise the consolidated statement of financial position as at 31 March 2025, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

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

Basis for Opinion

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

Other than in our capacity as auditor and provider of other assurance services, we carried out an agreed-upon procedures engagement in accordance with International Standard on Related Services (New Zealand) ISRS (NZ) 4400 (Revised), *Agreed-Upon Procedures Engagements*, over the 30 September 2024 consolidated interim financial statements. Our firm also carried out other assignments for Radius Residential Care Limited and its subsidiaries in the area of taxation compliance services. The provision of these other services has not impaired our independence.

bakertilly STAPLES RODWAY

Key Audit Matters

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

<table>
<tr><th>Key Audit Matter</th><th>How our audit addressed the key audit matter</th></tr>
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Impairment testing of goodwill

As disclosed in Note 5.2 of the Group's consolidated financial statements, the Group has goodwill of $17.3m (2024: $16.1m) allocated across 21 (2024: 20) cash-generating units ('CGUs') (relating to various individual residential care, village and a catering businesses) as at 31 March 2025.

Goodwill was significant to our audit due to the size of the asset and the subjectivity, complexity and uncertainty inherent in the measurement of the recoverable amount of these CGUs for the purpose of the required annual impairment test. The measurement of a CGUs' recoverable amount includes the assessment and calculation of its 'fair value less costs of disposal'.

Management has completed the annual impairment test for all CGUs as at 31 March 2025.

This annual impairment test involves complex and subjective estimation and judgement by Management on the future performance of the CGUs, discount rates applied to the future cash flow forecasts, the terminal growth rates, costs of disposal and future market and economic conditions.

Management has also engaged an external valuation expert to assist in the annual impairment testing.

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Our audit procedures, among others, included:

- Understanding and evaluating the Group's internal controls relevant to the accounting estimates used to determine the recoverable value of the Group's CGUs.
- Evaluating Management's determination of the Group's CGUs based on our understanding of the nature of the Group's business and the economic environment in which the CGUs operate. We also analysed the internal reporting of the Group to assess how CGUs are monitored and reported.
- Evaluating the competence, capabilities, objectivity and expertise of Management's external valuation expert and the appropriateness of the expert's work as audit evidence for the relevant assertions.
- Challenging Management's assumptions and estimates used to determine the recoverable value of the Group's CGUs, including those relating to forecasted revenue, costs, capital expenditure, discount rates, by adjusting for future events and corroborating the key market-related assumptions to external data.

  Procedures included:

  - Evaluating the logic of the 'fair value less costs of disposal' calculations supporting Management's annual impairment test and testing the mathematical accuracy of these calculations;
  - Evaluating Management's process regarding the preparation and review of forecasts (balance sheet, income statement, and cash flow statement);
  - Comparing forecasts used in the calculations to Board approved forecasts;
  - Evaluating the accuracy of the Group's forecasting to actual historical performance;
  - Evaluating the forecast growth assumptions;
  - Evaluating the inputs to the calculation of the discount rates applied;
  - Engaging our own internal valuation experts to evaluate the logic of the 'fair value less costs of disposal' calculations and the inputs to the calculations of the discount rates applied;
  - Evaluating the forecasts, inputs and any underlying assumptions with a view to identifying Management bias;
  - Evaluating Management's sensitivity analysis for reasonably possible changes in key assumptions; and
  - Performing sensitivity analysis for reasonably possible changes in key assumptions, the two main assumptions being: the discount rate and forecast growth assumptions.
- Evaluating the related disclosures (including the accounting policies and accounting estimates) about goodwill assets in the Group's consolidated financial statements.

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Key Audit Matter	How our audit addressed the key audit matter
Valuation of investment properties As disclosed in Note 3.1 of the Group's consolidated financial statements, as at 31 March 2025, the Group has investment properties *(operated by the Group as retirement villages)* totalling $77.1m (2024: $73.5m) (referred to, together as 'the investment properties'). Investment properties were significant to our audit due to the size of the assets and the subjectivity, complexity and uncertainty inherent in estimating the fair value of the investment properties. Management has engaged an independent external valuer ('the Valuer') to determine the fair value of the Group's investment properties as at 31 March 2025. The Valuer performed their work in accordance with the International Valuation Standards and the Australia and New Zealand Valuation and Property Standards, NZ IFRS 13 *Fair Value Measurement* and NZ IAS 40 *Investment Property*. The Valuer engaged by the Group has appropriate experience in the sector in which the Group operates. For each investment property, the Valuer considered property-specific information such as the income generated by departures and the re-sale of independent living units. They then applied assumptions in relation to, the timing of unit re-sale, the length of occupancy of existing residents, the price paid by new residents, price movements, type of Occupancy Right Agreement, discount rate, growth rate and terminal yield. The Valuer also considered the individual characteristics of each village, its location, its nature, its resident profile and the expected future cash flows for that particular village. The Group has adopted the assessed values determined by the Valuer.	Our audit procedures, among others, included: • Understanding and evaluating the Group's internal controls relevant to the accounting estimates used to determine the fair value of the Group's investment properties. • Reading and evaluating the external valuation reports for the Group's investment properties as at 31 March 2025. • Confirming that the valuation approaches for the investment properties were in accordance with NZ IFRS 13 and NZ IAS 40, and suitable for determining the fair value of the Group's investment properties as at 31 March 2025. • Evaluating the competence, capabilities, objectivity and expertise of Management's external valuation expert and the appropriateness of the expert's work as audit evidence relevant to the valuation assertion. • Agreeing property-related data provided by Management to the Valuer, to the Group's records. • Engaging our own external property valuation expert to assist in understanding and evaluating the following, based on their specialist knowledge from performing and reviewing valuations of similar properties, known relevant transactional evidence and available market data: o the work and findings of the Group's external valuation expert engaged by Management; o the Group's valuation methods and assumptions to assist us in challenging the appropriateness of valuation methods and assumptions used by Management; and o the acceptable range of values considered reasonable to evaluate Management's adopted valuation estimate. This involved discussing and corresponding with Management, the Valuer engaged by the Group and our own external property valuation expert. • Evaluating the selection of valuation methods, inputs and assumptions with a view to identifying Management bias. • Agreeing the Adopted value of the Operators Interest to the external valuation reports and checking adjustment made in relation to Refundable Occupation Right Agreements and Deferred Management fees recognised separately on the consolidated statement of financial position. • Evaluating the disclosures (including the accounting policies and accounting estimates) related to the investment properties which are included in the Group's consolidated financial statements (including disclosure on the valuation uncertainty clauses included by Management's external valuation expert in their valuation reports).

Key Audit Matter	How our audit addressed the key audit matter
Valuation of freehold land and buildings As disclosed in Note 3.2 of the Group's consolidated financial statements, as at 31 March 2025, the Group has freehold land and buildings *(operated by the Group for provision of care services)* totalling $96.0m (2024: $97.6m) (referred to, together as 'the freehold land and buildings'). Freehold land and buildings were significant to our audit due to the size of the assets and the subjectivity, complexity and uncertainty inherent in estimating the fair value of the freehold land and buildings. Under the requirement of NZ IAS 16 *Property, Plant and Equipment*, revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. The frequency of revaluations depends upon the changes in fair values of the items of property, plant and equipment being revalued. When the fair value of a revalued asset differs materially from its carrying amount, a further revaluation is required. Some items of property, plant and equipment experience significant and volatile changes in fair value, thus necessitating annual revaluation. Such frequent revaluations are unnecessary for items of property, plant and equipment with only insignificant changes in fair value. Instead, it may be necessary to revalue the item only every three or five years. Management assessed that these freehold land and buildings had not experienced any significant and volatile changes in fair value necessitating a revaluation as at 31 March 2025. This assessment was informed by an external desktop valuation report provided by the Group's land and buildings Valuer, who advised that the carrying amounts of these freehold land and buildings did not differ materially from that which would be determined using fair value as at 31 March 2023. For each freehold land and building property, the Valuer considered property-specific information such as capitalisation rates and earnings per care bed. The Valuer also considered the individual characteristics of each property, its location, and its nature.	Our audit procedures, among others, included: • Understanding and evaluating the Group's internal controls relevant to the accounting estimates used to determine the fair value of the Group's freehold land and buildings. • Reading and evaluating the external desktop valuation reports for the Group's freehold land and buildings as at 31 March 2025 and external valuation reports as at the respective valuation dates. • Confirming that the valuation approach for the properties is in accordance with NZ IFRS 13 and NZ IAS 16, and suitable for determining the fair value of the Group's freehold land and building properties as at 31 March 2025. • Evaluating the competence, capabilities, objectivity and expertise of Management's external valuation expert and the appropriateness of the expert's work as audit evidence relevant to the valuation assertion. • Agreeing property-related data provided by Management to the Valuer to the Group's records. • Engaging our own external property valuation expert to assist in understanding and evaluating the following, based on their specialist knowledge from performing and reviewing valuations of similar properties, known relevant transactional evidence and available market data: o the work and findings of the Group's external valuation expert engaged by Management; o the Group's valuation methods and assumptions to assist us in challenging the appropriateness of valuation methods and assumptions used by Management; and o the acceptable range of values considered reasonable to evaluate Management's adopted valuation estimate. This involved discussing and corresponding with Management, the Valuer engaged by the Group and our own external property valuation expert. • Evaluating the selection of valuation methods, inputs and assumptions with a view to identifying Management bias. • Evaluating the disclosures (including the accounting policies and accounting estimates) related to the freehold land and buildings and income tax which are included in the Group's consolidated financial statements (including disclosure on the valuation uncertainty clauses included by Management's external valuation experts in their valuation reports).

Key Audit Matter	How our audit addressed the key audit matter
Valuation and completeness of lease liabilities and right-of-use assets As disclosed in Note 3.4 of the Group's consolidated financial statements, the Group has lease liabilities of $122.7m (2024: $121.1m), and, right-of-use assets of $109.5m (2024: $109.9m) as at 31 March 2025. Lease liabilities and right-of-use assets were significant to our audit due to the size of the assets and liabilities and the subjectivity, complexity and uncertainty inherent in the application of NZ IFRS 16 *Leases* and the assumptions required by Management for the calculations of the lease balances and interest and depreciation expenses. Management completed calculations of the lease balances for all leases for the year ended, and as at, 31 March 2025. These calculations required estimates regarding the lease term and the incremental borrowing rates. During the year ended 31 March 2025, no new leases were entered into. Management has exercised their judgement in determining the recoverability of right-of-use assets. No impairment has been recognised.	Our audit procedures, among others, included: • Understanding and evaluating the Group's internal controls relevant to the accounting estimates used to determine the expected term of the Group's leases and applicable incremental borrowing rates. • Evaluating Management's process relating to the identification, recording, recognition and measurement of leases within the scope of NZ IFRS 16. • For all leases: o Agreeing key inputs in the lease calculation to the underlying lease agreement(s); o Recalculating the lease liability and right-of-use assets based on the key inputs noted above and comparing our recalculations to the balances recognised by the Group; and o Checking the appropriateness of the classification of the lease liability between current and non-current based on the remaining term of the lease. • For all existing leases, evaluating Management's calculations for the subsequent measurement of the leases, including lease modifications and rent revisions. • Evaluating the completeness of identified lease contracts by checking that all leased facilities were included in the calculation. • Evaluating Management's estimates regarding the terms of the leases and Management's consideration of options to extend or terminate the leases. • Evaluating Management's assessment of the incremental borrowing rates applied to individual leases or portfolios of leases. • Evaluating the inputs and any underlying assumptions with a view to identifying Management bias. • Evaluating Management's assessment of any indicators of impairment for the right-of-use assets in accordance with NZ IAS 36 *Impairment of Assets*. • Evaluating the disclosures (including the accounting policies and accounting estimates) related to lease liabilities and right-of-use assets which are included in the Group's consolidated financial statements.

Responsibilities of the Directors for the Consolidated Financial Statements

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

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

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

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

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

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

Baker Tilly Staples Rodway

BAKER TILLY STAPLES RODWAY AUCKLAND

Auckland, New Zealand

21 May 2025