RYMAN HEALTHCARE

Consolidated interim financial statements

30 SEPTEMBER 2024

Consolidated income statement

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

	Note	6 MONTHS Sep 2024	6 MONTHS Sep 2023 (restated)	12 MONTHS Mar 2024 (restated)
		$000	$000	$000
Care and village fees		277,016	249,014	510,380
Deferred management fees (DMF)		65,798	67,657	140,154
Interest received		1,112	1,274	2,326
Imputed income on refundable accommodation deposits		15,715	10,671	24,455
Other income		6,622	5,017	12,571
Total revenue		**366,263**	**333,633**	**689,886**
Operating expenses	2	(351,706)	(297,332)	(651,883)
Depreciation and amortisation expenses		(25,403)	(21,710)	(43,803)
Finance costs		(53,204)	(21,702)	(50,642)
Imputed interest charge on refundable accommodation deposits		(15,715)	(10,671)	(24,455)
Impairment loss		-	-	(32,771)
Total expenses		**(446,028)**	**(351,415)**	**(803,554)**
Loss before income tax and fair-value movements (PBTF)		**(79,765)**	**(17,782)**	**(113,668)**
Fair-value movement of investment properties	4,5	254,570	141,411	(71,907)
Profit/(loss) before income tax		**174,805**	**123,629**	**(185,575)**
Income tax (expense)/credit	3	(80,440)	63,450	107,165
Net profit/(loss) after tax (NPAT)		**94,365**	**187,079**	**(78,410)**
Earnings per share (cents per share)				
Basic	6	13.7	27.2	(11.4)
Diluted	6	13.6	27.2	(11.4)

The financial statements for the period ended 31 March 2024 were audited by Deloitte Limited, and certain balances have been restated. The effects of these restatements for all periods are outlined in note 1.

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

The accompanying notes form part of these consolidated interim financial statements.

Consolidated statement of comprehensive income

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

	6 MONTHS Sep 2024	6 MONTHS Sep 2023 (restated)	12 MONTHS Mar 2024 (restated)
	$000	$000	$000
Net profit/(loss) after tax	**94,365**	**187,079**	**(78,410)**
Items that will not be later reclassified to profit or loss			
Revaluation of property, plant and equipment	-	-	(251,774)
	-	-	(251,774)
Items that may be later reclassified to profit or loss			
Fair-value movement and reclassification of cash flow hedge reserve	(31,433)	17,015	(15,977)
Deferred tax movement recognised in cash flow hedge reserve	8,687	(4,859)	5,796
Gain/(loss) on hedge of foreign-owned subsidiary net assets	175	(257)	(1,552)
(Loss)/gain on translation of foreign operations	(1,402)	1,839	12,795
	(23,973)	13,738	1,062
Other comprehensive income/(loss)	**(23,973)**	**13,738**	**(250,712)**
Total comprehensive income/(loss)	**70,392**	**200,817**	**(329,122)**

The financial statements for the period ended 31 March 2024 were audited by Deloitte Limited, and certain balances have been restated. The effects of these restatements for all periods are outlined in note 1.

The accompanying notes form part of these consolidated interim financial statements.

Consolidated statement of changes in equity

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

	Issued capital	Asset revaluation reserve	Cash flow hedge reserve	Foreign translation reserve	Treasury stock	Share based payments reserve	Retained earnings	Total equity
	$000	$000	$000	$000	$000	$000	$000	$000
As at 1 April 2023 – reported	**953,239**	**610,341**	**30,955**	**(7,136)**	**(34,729)**	**-**	**3,111,227**	**4,663,897**
Adjustment for prior period	-	-	-	-	-	-	(108,317)	(108,317)
As at 1 April 2023 – restated	**953,239**	**610,341**	**30,955**	**(7,136)**	**(34,729)**	**-**	**3,002,910**	**4,555,580**
Net profit after tax	-	-	-	-	-	-	187,079	187,079
Other comprehensive income	-	-	12,156	1,582	-	-	-	13,738
Total comprehensive income	-	-	12,156	1,582	-	-	187,079	200,817
Share issue – subsequent costs	(352)	-	-	-	-		-	(352)
Treasury stock movement	-	-	-	-	(1)	-	-	(1)
As at 30 September 2023 - restated	**952,887**	**610,341**	**43,111**	**(5,554)**	**(34,730)**	**-**	**3,189,989**	**4,756,044**
As at 1 April 2023 – reported	**953,239**	**610,341**	**30,955**	**(7,136)**	**(34,729)**	**-**	**3,111,227**	**4,663,897**
Adjustment for prior period	-	-	-	-	-	-	(108,317)	(108,317)
As at 1 April 2023 – restated	**953,239**	**610,341**	**30,955**	**(7,136)**	**(34,729)**	**-**	**3,002,910**	**4,555,580**
Net loss after tax	-	-	-	-	-	-	(78,410)	(78,410)
Other comprehensive income/(loss)	-	(251,774)	(10,181)	11,243	-	-	-	(250,712)
Total comprehensive income/(loss)	-	(251,774)	(10,181)	11,243	-	-	(78,410)	(329,122)
Share issue – subsequent costs	(352)	-	-	-	-		-	(352)
Treasury stock movement	-	-	-	-	(1)	-	-	(1)
As at 31 March 2024 - restated	**952,887**	**358,567**	**20,774**	**4,107**	**(34,730)**	**-**	**2,924,500**	**4,226,105**

The financial statements for the period ended 31 March 2024 were audited by Deloitte Limited, and certain balances have been restated. The effects of these restatements for all periods are outlined in note 1.

The accompanying notes form part of these consolidated interim financial statements.

Consolidated statement of changes in equity

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

	Issued capital	Asset revaluation reserve	Cash flow hedge reserve	Foreign translation reserve	Treasury stock	Share based payments reserve	Retained earnings	Total equity
	$000	$000	$000	$000	$000	$000	$000	$000
As at 1 April 2024 – reported	**952,887**	**358,567**	**20,774**	**4,107**	**(34,730)**	**-**	**3,116,002**	**4,417,607**
Adjustment for prior period	-	-	-	-	-	-	(191,502)	(191,502)
As at 1 April 2024 - restated	**952,887**	**358,567**	**20,774**	**4,107**	**(34,730)**	**-**	**2,924,500**	**4,226,105**
Net profit after tax	-	-	-	-	-	-	94,365	94,365
Other comprehensive income/(loss)	-	-	(22,746)	(1,227)	-	-	-	(23,973)
Total comprehensive income/(loss)	-	-	(22,746)	(1,227)	-	-	94,365	70,392
Treasury stock movement	-	-	-	-	11,735	-	(8,389)	3,346
Equity-settled share-based payment	-	-	-	-	-	127	-	127
As at 30 September 2024	**952,887**	**358,567**	**(1,972)**	**2,880**	**(22,995)**	**127**	**3,010,476**	**4,299,970**

The financial statements for the period ended 31 March 2024 were audited by Deloitte Limited, and certain balances have been restated. The effects of these restatements for all periods are outlined in note 1.

The accompanying notes form part of these consolidated interim financial statements.

Consolidated statement of financial position

AS AT 30 SEPTEMBER 2024

	Note	Sep 2024	Sep 2023 (restated)	Mar 2024 (restated)	Mar 2023 (restated)
		$000	$000	$000	$000
Assets					
Cash and cash equivalents		22,573	33,295	41,809	27,879
Trade and other receivables	7	174,539	172,955	172,583	140,243
Inventory		1,875	8,350	2,386	14,618
Advances to employees		4,649	12,948	6,169	14,217
Derivative financial instruments	10	-	48,156	10,331	36,474
Assets held for sale	4	53,460	70,719	86,424	31,379
Property, plant and equipment		1,515,188	1,724,878	1,470,596	1,681,565
Investment properties	5	10,797,712	10,131,711	10,261,809	9,652,392
Intangible assets		77,500	85,710	85,065	84,832
Deferred tax asset	3	167,382	183,784	239,593	125,152
Total assets		**12,814,878**	**12,472,506**	**12,376,765**	**11,808,751**
Equity					
Issued capital	6	952,887	952,887	952,887	953,239
Reserves		336,607	613,168	348,718	599,431
Retained earnings		3,010,476	3,189,989	2,924,500	3,002,910
Total equity		**4,299,970**	**4,756,044**	**4,226,105**	**4,555,580**
Liabilities					
Trade and other payables	8	148,289	146,054	150,620	205,784
Employee entitlements		80,477	55,214	76,289	49,773
Revenue in advance		160,841	118,657	140,857	99,271
Refundable accommodation deposits		469,124	364,183	423,163	300,314
Derivative financial instruments	10	29,951	7,150	5,688	5,988
Interest-bearing loans and borrowings	9	2,579,647	2,496,710	2,546,947	2,330,950
Occupancy advances (non-interest bearing)	11	5,023,200	4,514,124	4,784,979	4,247,304
Lease liabilities		23,379	14,370	22,117	13,787
Total liabilities		**8,514,908**	**7,716,462**	**8,150,660**	**7,253,171**
Total equity and liabilities		**12,814,878**	**12,472,506**	**12,376,765**	**11,808,751**

The financial statements for the period ended 31 March 2024 were audited by Deloitte Limited, and certain balances have been restated. The effects of these restatements for all periods are outlined in note 1.

The accompanying notes form part of these consolidated interim financial statements.

Consolidated statement of cash flows

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

	6 MONTHS Sep 2024	6 MONTHS Sep 2023 (restated)	12 MONTHS Mar 2024 (restated)
	$000	$000	$000
Operating activities			
Receipts from residents			
• Care and village fees	284,131	251,641	518,781
• Net refundable accommodation deposits	51,445	54,495	108,651
• New sale and resales of occupation rights	611,686	562,796	1,145,967
Interest received	1,163	1,302	2,394
Payments to suppliers and employees	(343,892)	(294,262)	(624,518)
Repayment of occupational rights	(272,834)	(220,970)	(459,194)
Interest paid	(48,908)	(21,564)	(33,599)
Net operating cash flows	**282,791**	**333,438**	**658,482**
Investing activities			
Purchase of property, plant and equipment	(72,481)	(53,654)	(95,653)
Purchase of land	(18,304)	(55,394)	(56,998)
Proceeds from land sales	7,128	-	15,284
Purchase of intangible assets	(2,510)	(8,479)	(15,482)
Purchase of investment properties	(220,002)	(320,828)	(586,617)
Capitalised interest paid	(31,598)	(53,518)	(107,703)
Repayments from employees	828	69	5,116
Net investing cash flows	**(336,939)**	**(491,804)**	**(842,053)**
Financing activities			
Subsequent costs from equity raise	-	(352)	(352)
Drawdown of bank loans (net)	33,246	166,000	201,218
Sale of treasury stock (net)	3,763	-	-
Repayment of lease liabilities	(2,097)	(1,866)	(3,365)
Net financing cash flows	**34,912**	**163,782**	**197,501**
Net (decrease)/increase in cash and cash equivalents	**(19,236)**	**5,416**	**13,930**
Cash and cash equivalents at the beginning of the period	41,809	27,879	27,879
Cash and cash equivalents at the end of the period	**22,573**	**33,295**	**41,809**

The financial statements for the period ended 31 March 2024 were audited by Deloitte Limited, and certain balances have been restated. The effects of these restatements for all periods are outlined in note 1.

The accompanying notes form part of these consolidated interim financial statements.

Consolidated statement of cash flows (continued)

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

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

	6 MONTHS Sep 2024	6 MONTHS Sep 2023 (restated)	12 MONTHS Mar 2024 (restated)
	$000	$000	$000
Net profit/(loss) after tax	**94,365**	**187,079**	**(78,410)**
Adjusted for:			
Movements in statement of financial position items			
Occupancy advances	305,435	335,138	678,119
Deferred management fees	(56,772)	(66,681)	(136,677)
Refundable accommodation deposits	51,445	54,495	108,651
Revenue in advance	19,984	19,387	41,586
Trade and other payables	13,984	3,549	(2,025)
Trade and other receivables	(6,801)	(26,934)	(21,976)
Inventory	511	6,267	12,232
Employee entitlements	4,188	5,441	26,516
Non-cash or non-operating items			
Depreciation and amortisation	24,221	20,794	41,946
Depreciation of right-of-use assets	1,182	916	1,857
Close out of employee share scheme	1,078	1,200	2,931
Share based payment reserve	127	-	-
Impairment	-	-	32,771
Inventory write off	1,878	-	-
Deferred tax	80,440	(63,450)	(107,165)
Unrealised foreign exchange loss/(gain)	2,096	(2,352)	(13,781)
Fair-value movement of investment properties	(254,570)	(141,411)	71,907
Net operating cash flows	**282,791**	**333,438**	**658,482**

Net operating cash flows includes the following:

	6 MONTHS Sep 2024	6 MONTHS Sep 2023	12 MONTHS Mar 2024
	$000	$000	$000
Deferred management fees collected	41,434	33,033	66,530

The financial statements for the period ended 31 March 2024 were audited by Deloitte Limited, and certain balances have been restated. The effects of these restatements for all periods are outlined in note 1.

The accompanying notes form part of these consolidated interim financial statements.

Notes to the consolidated interim financial statements

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

1. GENERAL INFORMATION

The consolidated interim financial statements presented are those of Ryman Healthcare Limited (the Company) and its subsidiaries (the Group). These consolidated interim financial statements were approved by the Board of Directors on 27 November 2024.

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

Statement of compliance

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

The consolidated interim financial statements have been prepared in accordance with Generally Accepted Accounting Principles in New Zealand (NZ GAAP). The statements comply with New Zealand equivalents to International Accounting Standard 34 (NZ IAS 34) *Interim Financial Reporting* and International Accounting Standard 34 (IAS 34) *Interim Financial Reporting*.

Basis of preparation

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

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

The consolidated interim financial statements for the six months ended 30 September 2024 and the comparative six months ended 30 September 2023 are unaudited. The periods ended 31 March 2024 and 31 March 2023 were subject to external audit by Deloitte Limited; however, balances have been restated. NZ IAS 34 – *Interim Financial Reporting* does not require the presentation of the opening balance sheet position, however this has been included as additional information to assist the reader of the consolidated interim financial statements.

These consolidated interim financial statements do not include all the notes included in the Group's financial statements. Accordingly, these consolidated interim financial statements should be read in conjunction with the financial statements and related notes included in the Group's Annual Report for the year ended 31 March 2024.

In applying the Group's accounting policies, the Board makes judgements, estimates and assumptions that may have an impact on the Group. The significant judgements, estimates and assumptions made in the preparation of these consolidated interim financial statements were the same as those applied to the consolidated financial statements as at and for the year ended 31 March 2024, except as otherwise stated.

Notes to the consolidated interim financial statements

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

Changes in financial reporting

The Group is continuing an extensive review of its financial reporting with the goal of enhancing the transparency of its results and ensuring greater comparability with others in the sector.

Changes at 31 March 2024 related to investment property and property, plant and equipment, including the removal of the directors' range assumption (market participant assumption), no longer including an allowance for value provided by the care facility to independent residents and inclusion of completed unsold investment property in the valuation.

Further changes have been implemented in the current period. These have been summarised below, with the impact of these on the comparative periods reported in the table following.

(a) Investment properties

The carrying value of completed investment property and investment property under development, where fair value is able to be reliably measured, is based on the independent valuers' reports and also includes occupancy advances liability, adjusted for accrued deferred management fees and revenue in advance. As required by NZ IAS 40 – *Investment Property*, the fair value was adjusted for assets and liabilities already recognised on the balance sheet which are also reflected in the cash flow analysis. This included the impact of discounting the accrued deferred management fees within the valuation.

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

(b) Recognition of occupancy advance receivable and liability

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

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

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

The Group has assessed the impact of this change on the fair value of its investment property and determined it is immaterial. This assessment is supported by external valuers' views and sample testing of the valuations as at 31 March 2024, using the revised population of unit contracts. The effect of the change is limited to adjustments within the investment property reconciliation, as shown in note 5.

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

(c) Development land classification and measurement

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

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

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

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

(d) Assets held for sale measurement

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

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

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

(e) Revenue recognition of deferred management fees

Deferred management fees are recognised on a straight-line basis over the periods of service. The period of service is determined as being the greater of the expected period of tenure and the contractual right to deferred management fees. Previously the expected periods of tenure, based on historical experience across our villages, was estimated to be 7 years for independent units and 3 years for serviced units.

Following a review of the existing modelling methodology, the Group applied alternative techniques, including the use of actuarial tables and analysis of customer mix trends. This resulted in a revised estimate of 9 years for independent units and 4.5 years for serviced units. The internal modelling underwent an independent external review to ensure it was fit for purpose.

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

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

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

In addition to the above, a historical cumulative $8.3 million overstatement of deferred management fee revenue due to the incorrect inclusion of GST has been identified and corrected in the current period. This created a timing difference in the financial statements, although tax obligations were correctly reported. The adjustment is not material to the Group financial statements and has not been retrospectively restated.

(f) Reclassifications

Certain comparative balances have been reclassified to ensure consistency with the classification in the 31 March 2024 financial statements which disclosed these changes.

1. In accordance with NZ IFRS 16 – *Leases*, the fair value of non-cash consideration, in the form of an interest-free loan received from a resident who has elected to pay a refundable accommodation deposit, must be recognised as income. A corresponding interest expense is also recognised, resulting in no net impact on the income statement. This was first disclosed by the Group at 31 March 2024. Imputed interest income and expense on refundable accommodation deposits has been reclassified for 30 September 2023 totalling $10.7 million.
2. Prior period capitalised depreciation has been reclassified from operating expenses to depreciation for prior interim periods, ensuring a more accurate reflection of net depreciation expense. This reclassification was adjusted and disclosed in the 31 March 2024 financial statements. The adjustment to 30 September 2023 totalled $4.5 million.
3. Additional breakdown within the statement of cash flows to align with the enhanced categorisation disclosed in the 31 March 2024 financial statements.
4. The Group reclassified issue costs for bank loans from trade and other receivables to interest-bearing loans and borrowings in the 31 March 2024 financial statements. Issue costs for bank loans have been reclassified for 30 September 2023 totalling $3.0 million.

Notes to the consolidated interim financial statements
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

Comparative period impact – consolidated statement of financial position

	Note	Sep 2023	Mar 2024	Mar 2023
		$000	$000	$000
Assets				
Trade and other receivables – reported		677,698	688,398	719,121
Adjustment – occupancy advance recognition	1b	(501,782)	(515,815)	(578,878)
Reclassification – bank issue costs	1f.4	(2,961)	-	-
Trade and other receivables – restated		172,955	172,583	140,243
Held for sale – reported		70,719	75,514	31,379
Adjustment – Nellie Melba land	1d	-	10,910	-
Held for sale – restated		70,719	86,424	31,379
Property, plant and equipment – reported		2,237,723	1,936,969	2,205,428
Adjustment – development land	1c	(512,845)	(466,373)	(523,863)
Property, plant and equipment – restated		1,724,878	1,470,596	1,681,565
Investment properties – reported		9,833,045	10,041,369	9,322,902
Adjustment – discount of accrued DMF	1a	(214,179)	(235,023)	(194,373)
Adjustment – development land	1c	512,845	466,373	523,863
Adjustment – Nellie Melba land	1d	-	(10,910)	-
Investment properties – restated		10,131,711	10,261,809	9,652,392
Deferred tax asset – reported		77,528	196,072	53,774
Adjustment – discount of accrued DMF	1a	106,256	43,521	71,378
Deferred tax asset – restated		183,784	239,593	125,152
Liabilities				
Net occupancy advances – reported		5,015,906	5,300,794	4,826,182
Adjustment – occupancy advance recognition	1b	(501,782)	(515,815)	(578,878)
Net occupancy advances – restated		4,514,124	4,784,979	4,247,304
Deferred tax liability – reported		-	-	14,678
Adjustment – discount of accrued DMF	1a	-	-	(14,678)
Deferred tax liability – restated		-	-	-
Interest-bearing loans and borrowings – reported		2,499,671	2,546,947	2,330,950
Reclassification – bank issue costs	1f.4	(2,961)	-	-
Interest-bearing loans and borrowings – restated		2,496,710	2,546,947	2,330,950

Notes to the consolidated interim financial statements
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

	Note	Sep 2023	Mar 2024	Mar 2023
		$000	$000	$000
Retained earnings				
Retained earnings – reported		3,297,912	3,116,002	3,111,227
Adjustment		(107,923)	(191,502)	(108,317)
Retained earnings – restated		3,189,989	2,924,500	3,002,910

Comparative period impact – consolidated income statement

	Note	6 MONTHS Sep 2023	12 MONTHS Mar 2024
		$000	$000
Expenses			
Operating expenses – reported		(292,853)	(651,883)
Reclassification – capitalised depreciation	1f.2	(4,479)	-
Operating expenses – restated		(297,332)	(651,883)
Depreciation and amortisation expenses – reported		(26,189)	(43,803)
Reclassification – capitalised depreciation	1f.2	4,479	-
Depreciation and amortisation expenses – restated		(21,710)	(43,803)
Impairment loss – reported		(15,824)	(243,573)
Adjustment – write down of development WIP	1c	-	147,472
Adjustment – write down on held for sale land	1d	15,824	63,330
Impairment loss – restated		-	(32,771)
Fair value movement			
Fair-value movement of investment properties – reported		177,041	179,545
Adjustment – discount of accrued DMF	1a	(19,806)	(40,650)
Adjustment – development land WIP	1c	-	(147,472)
Adjustment – write down on held for sale land	1d	(15,824)	(63,330)
Fair-value movement of investment properties – restated		141,411	(71,907)
Income tax			
Income tax credit – reported		43,250	149,700
Adjustment – discount of accrued DMF	1a	20,200	(42,535)
Income tax credit – restated		63,450	107,165

Notes to the consolidated interim financial statements

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

Comparative period impact – consolidated statement of cash flows

	Note	6 MONTHS Sep 2023 $000	12 MONTHS Mar 2024 $000
Operating activities			
Payments to suppliers and employees – reported		(289,783)	(624,518)
Reclassification – capitalised depreciation	1f.2	(4,479)	-
Payments to suppliers and employees – restated		(294,262)	(624,518)
Investing activities			
Purchase of property, plant and equipment – reported		(131,178)	(99,719)
Reclassification – capitalised depreciation	1f.2	-	(8,477)
Reclassification – purchase of land	1f.3	55,394	-
Adjustment – development land	1c	22,130	12,543
Purchase of property, plant and equipment – restated		(53,654)	(95,653)
Purchase of land – reported		-	(56,998)
Reclassification – purchase of land	1f.3	(55,394)	-
Purchase of land – restated		(55,394)	(56,998)
Purchase of investment property – reported		(303,177)	(582,551)
Reclassification – capitalised depreciation	1f.2	4,479	8,477
Adjustment – development land	1c	(22,130)	(12,543)
Purchase of investment property – restated		(320,828)	(586,617)

Comparative period impact – earnings per share (EPS)

	Note	6 MONTHS Sep 2023 $000	12 MONTHS Mar 2024 $000
Net profit after tax – reported		186,685	4,775
Adjustments		394	(83,185)
Net profit after tax – restated	6	187,079	(78,410)
Weighted average number of shares (in ’000)	6	687,642	687,642
Basic and diluted EPS – reported		27.1	0.7
Basic and diluted EPS – restated	6	27.2	(11.4)

Notes to the consolidated interim financial statements

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

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

	Note	6 MONTHS Sep 2023 $000	12 MONTHS Mar 2024 $000
NTA ($000) – reported		4,700,729	4,136,470
Adjustments		(214,179)	(235,023)
NTA ($000) – restated	6	4,486,550	3,901,447
Ordinary shares at reporting date (in '000)	6	687,642	687,642
NTA per share (cents per share) – reported		683.6	601.5
NTA per share (cents per share) – restated	6	652.5	567.4

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

New and amended standards and interpretations

The Group adopted all mandatory new and amended NZ IFRS Standards and Interpretations in the current period. None had a material impact on these consolidated interim financial statements.

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

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

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

Climate change risk

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

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

These risks are specifically addressed in the selection of new development sites, the design and construction of new retirement villages and aged care centres, and the refurbishment and enhancement of the existing portfolio of villages.

While there currently is no significant impact identified for asset valuations, this may change in the future.

For more information the Group's climate-related disclosure was published in the 2024 annual report.

Notes to the consolidated interim financial statements
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

Seismic risk

New Zealand is susceptible to seismic activity due to its position along the boundary of the Pacific and Australian tectonic plates. With buildings located across New Zealand, the Group is continuing to take steps to assess its buildings against relevant seismic standards and guidance. This could result in significant costs if the Group is required to carry out seismic strengthening works on its buildings. In addition, future changes to seismic requirements, or the interpretation and application of existing seismic standards, or changes in science and knowledge relating to earthquakes and the performance of buildings or geotechnical conditions could result in the Group's buildings no longer meeting the minimum seismic standards. The valuation of investment properties has not made adjustment for any seismic strengthening which could be required. None of the Group's properties have been notified to Ryman by a territorial authority in New Zealand as being potentially 'earthquake prone'.

2. OPERATING EXPENSES

	6 MONTHS Sep 2024	6 MONTHS Sep 2023 (restated)	12 MONTHS Mar 2024 (restated)
	$000	$000	$000
Employee expenses	247,275	221,166	484,880
Operations	43,320	42,175	88,184
Building and grounds	46,784	37,748	75,449
Direct selling expenses	11,851	9,229	28,422
Marketing	11,210	8,789	21,145
Software and technology	11,337	12,044	24,339
Administration	13,946	14,348	25,684
Gross operating expenses	**385,723**	**345,499**	**748,103**
Capitalised to qualifying assets	(34,017)	(48,167)	(96,220)
Reported operating expenses	**351,706**	**297,332**	**651,883**

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

Notes to the consolidated interim financial statements

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

3. INCOME TAX

The income tax expense recognised during the period is primarily attributable to an increase in the expected future taxable cash flows (deferred management fees) from the Group's investment properties, resulting in additional deferred tax liability for investment properties. The expected future taxable cash flows are determined based on data provided by independent valuers using an assumed contract type for future residents. In September 2024, the Group announced a change in the Group's pricing structure, effective from 1 October 2024, which changed the standard contractual deferred management fee from 20% to a choice between 30% or 25% deferred management fee, the latter with a higher entry price. The independent valuers have assumed that all future residents will have a maximum 30% deferred management fee. At 31 March 2024, the independent valuers had assumed all future residents were subject to a 20% deferred management fee, consistent with the Group's standard pricing structure at the time.

The tax expense is partially offset by a deferred tax benefit recognised for the write-down of work-in-progress asset within investment properties and for additional hedge losses in respect of the Group's interest rate derivatives.

Deferred tax asset/liability

	Opening balance	Recognised in income	Recognised in equity	Closing balance
	$000	$000	$000	$000
6 MONTHS Sep 2024				
Property, plant and equipment	(104,499)	2,050	12	(102,437)
Investment properties	24,432	(88,223)	(16)	(63,807)
Deferred management fee	(137,690)	3,354	55	(134,281)
Derivative financial instruments	(2,897)	-	9,864	6,967
Other	18,633	940	15	19,588
Tax losses carry-forwards recognised	441,614	1,439	(1,701)	441,352
Total deferred tax asset	**239,593**	**(80,440)**	**8,229**	**167,382**

	Opening balance	Recognised in income	Recognised in equity	Closing balance
	$000	$000	$000	$000
6 MONTHS Sep 2023 (restated)				
Property, plant and equipment	(67,333)	(985)	(6)	(68,324)
Investment properties	(43,610)	31,051	(10)	(12,569)
Deferred management fee	(111,821)	(12,091)	(30)	(123,942)
Derivative financial instruments	(12,158)	-	(4,868)	(17,026)
Other	11,718	50	(1)	11,767
Tax losses carry-forwards recognised	348,356	45,425	97	393,878
Total deferred tax asset	**125,152**	**63,450**	**(4,818)**	**183,784**

Notes to the consolidated interim financial statements

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

	Opening balance	Recognised in income	Recognised in equity	Closing balance
	$000	$000	$000	$000
12 MONTHS Mar 2024 (restated)				
Property, plant and equipment	(67,333)	(37,047)	(119)	(104,499)
Investment properties	(43,610)	67,918	124	24,432
Deferred management fee	(111,821)	(25,439)	(430)	(137,690)
Derivative financial instruments	(12,158)	-	9,261	(2,897)
Other	11,718	6,891	24	18,633
Tax losses carry-forwards recognised	348,356	94,842	(1,584)	441,614
Total deferred tax asset	**125,152**	**107,165**	**7,276**	**239,593**

Unrecognised deductible temporary differences – tax losses

During the period, the Group has decided to not recognise any further deferred tax asset on additional tax losses generated in New Zealand and Australia. The Group continues to recognise deferred tax asset on previously generated tax losses based on management's internal forecasts of expected taxable earnings in future periods. One of the key drivers for this will be the uplift in the taxable deferred management fees as new occupation rights are entered into at higher prices within the next 15–20 years and the increase in the deferred management fee percentage captured through the new standard contractual terms. The Group also expects improved profitability from its care business as villages move into a mature phase. The Group can carry forward these tax losses indefinitely subject to the Group maintaining the required shareholding continuity threshold or satisfying the business continuity test.

The table below shows the amounts of tax losses available to the Group in New Zealand and Australia, along with the amounts of recognised and unrecognised tax losses.

New Zealand	6 MONTHS Sep 2024	6 MONTHS Sep 2023	12 MONTHS Mar 2024
	$000	$000	$000
Tax losses – revenue	1,247,066	1,073,543	1,168,442
Tax losses – capital	-	-	-
Total tax losses available	**1,247,066**	**1,073,543**	**1,168,442**
Recognised tax losses	1,168,442	1,073,543	1,168,442
Unrecognised tax losses	78,624	-	-
Total tax losses	**1,247,066**	**1,073,543**	**1,168,442**

Notes to the consolidated interim financial statements

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

Australia	6 MONTHS Sep 2024	6 MONTHS Sep 2023	12 MONTHS Mar 2024
	A$000	A$000	A$000
Tax losses – revenue	377,305	289,972	349,606
Tax losses – capital	25,619	-	25,605
Total tax losses available	**402,924**	**289,972**	**375,211**
Recognised tax losses	349,606	289,972	349,606
Unrecognised tax losses	53,318	-	25,605
Total tax losses	**402,924**	**289,972**	**375,211**

Unrecognised deductible temporary differences – other

In Australia, the Treasury Laws Amendment (Making Multinationals Pay Their Fair Share – Integrity and Transparency) Act 2024, which received royal assent in April 2024, introduced amended thin capitalisation interest limitation rules which came into effect for the Group's Australian subsidiaries from 1 April 2024. These rules limit net interest deductions to 30% of an entity's tax EBITDA (which is broadly based on the concept of taxable income before interest and depreciation). The Australian subsidiaries' current tax profile means they are denied a deduction for their net interest costs in the current period but are permitted to carry forward the denied interest deductions for up to 15 years. The Group has decided to not recognise a deferred tax asset in respect of its denied net interest deductions balance of A$25.9 million.

4. ASSETS HELD FOR SALE

Investment property held for sale is measured at fair value. Revaluations to fair value are based on an independent valuation report prepared by registered valuers, CBRE Limited, at the reporting date in line with NZ IFRS 13 – *Fair Value Measurement*.

The land at Karori (Wellington, New Zealand) and Kohimarama (Auckland, New Zealand) continues to be held for sale. Expressions of interest for the Karori land were solicited through a competitive process, and the outcome of this process was not determined at balance date. The land at Kohimarama has not received any formal offers. As at 30 September 2024, the surplus land at Nellie Melba (Melbourne, Australia) was subject to a conditional sale and purchase agreement and valued based on the agreed sale price at that time. Settlement took place in September 2024 for the land at Newtown (Wellington, New Zealand).

	6 MONTHS Sept 2024	6 MONTHS Sept 2023	12 MONTHS Mar 2024 (restated)
	$000	$000	$000
Opening balance	86,424	31,379	31,379
Net additions/(disposals)	(6,966)	677	(14,766)
Transfer from investment property	-	38,663	79,685
Fair value movement	(25,998)	-	(9,874)
Closing balance	**53,460**	**70,719**	**86,424**

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

Notes to the consolidated interim financial statements

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

5. INVESTMENT PROPERTIES

	6 MONTHS Sept 2024	6 MONTHS Sept 2023 (restated)	12 MONTHS Mar 2024 (restated)
	$000	$000	$000
Opening balance	10,261,809	9,652,392	9,652,392
Additions (including transfers to/from property, plant and equipment)	259,518	331,666	633,748
Fair-value movement	280,568	141,411	(62,033)
Net foreign-currency exchange differences	(4,183)	6,242	37,702
Closing balance	**10,797,712**	**10,131,711**	**10,261,809**

The Group has revised its accounting policy, now recognising development land within investment property. This was previously included in property, plant and equipment. The Group has restated the comparative period, with further detail in note 1.

Nellie Melba land has been held for sale since March 2024 but was previously incorrectly included in investment property. The March 2024 balance has been restated to correctly reflect this as held for sale.

Property under development

There may be two components to development land: the land itself and capitalised WIP. Capitalised WIP for investment property under development is carried at cost until its fair value becomes reliably measurable or when the development is completed, whichever is earlier. It is subject to impairment testing and is monitored for any indicators of impairment, such as if the development is no longer feasible.

Following a review in the period, the Group has impaired the value of capitalised WIP at some sites, which is included in the fair-value movement in the period. This relates to Park Terrace (Christchurch, New Zealand) $26.2 million, Jean Sandel extension (New Plymouth, New Zealand) $4.2 million where the current site plans do not meet the required financial hurdles and Murray Halberg (Auckland, New Zealand) $21.3 million where the decision has been made to suspend future development on the site. Additional costs spent in relation to the Takapuna site (Auckland, New Zealand) $6.5 million as part of the process to decontaminate and secure the site have also been impaired to bring the site back to the fair value of the land in line with the accounting treatment at 31 March 2024.

Notes to the consolidated interim financial statements

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

Valuation reconciliation

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

	6 MONTHS Sept 2024	6 MONTHS Sept 2023 (restated)	12 MONTHS Mar 2024 (restated)
	$000	$000	$000
Subject to valuation			
Independent valuation – units occupied at least once	3,963,885	-	-
Independent valuation – units subject to occupancy agreement	-	3,872,458	3,552,034
Transaction costs included in independent valuation	-	32,573	30,770
Independent valuation – completed never occupied units	392,744	-	-
Independent valuation – completed stock not subject to agreement to occupy	-	-	224,668
Development land – land bank	338,495	-	-
Development land – construction sites	80,171	-	-
Held at cost			
Completed stock not subject to agreement to occupy	-	119,083	-
Development land – land bank	-	318,823	331,210
Development land – land bank WIP	128,135	194,022	135,162
Work in progress – construction WIP	481,571	928,622	691,877
Adjustments			
Revenue in advance	160,841	118,657	140,857
Gross occupancy advance	5,901,249	5,253,936	5,596,912
Accrued DMF	(766,183)	(651,547)	(713,757)
Occupancy advance adjustments	116,804	265,190	272,076
Allowance for the value provided by care facilities	-	(320,106)	-
Total investment property	**10,797,712**	**10,131,711**	**10,261,809**

The occupancy advance adjustments relate to differences between the value of net occupancy advances included for future repayment within the independent valuation and the net occupancy advances on the balance sheet. These differences may arise when an occupancy advance has been repaid but is still included in the valuation or when a unit has multiple occupancy advances and only the most recent occupancy advance is included within the valuation cash flows. This adjustment is made to ensure the total adjustment to the independent valuation of completed units is consistent with the liabilities included within the independent valuation of completed units.

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FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

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

Number of units	6 MONTHS Sep 2024	6 MONTHS Sep 2023	12 MONTHS Mar 2024
Units included in the valuation			
Able to be occupied at reporting date and fair value is judged as being able to be reliably measured	9,011	8,780	8,949
Completed never occupied units	564	-	-
Completed but not yet subject to occupancy agreement	-	-	238
Under development at reporting date and fair value is judged as being able to be reliably measured	-	26	63
Total units included in the valuation	**9,575**	**8,806**	**9,250**

Independent valuation

Fair value is determined by independent registered valuers, CBRE Limited and Jones Lang LaSalle Advisory Services Pty Ltd, at the reporting date. All valuers are registered valuers and industry specialists in valuing the aged care sector. These valuations consider the requirement of NZ IFRS 13 – *Fair Value Measurement* to assume that market participants act in their economic best interests. The valuation performed was a desktop review based on the full valuations completed at 31 March 2024, except for development land which underwent a full valuation as it had not been previously valued for financial reporting purposes. Previously, transaction costs were included in independent valuations and the Group made an adjustment to add these back in accordance with NZ IFRS 13 – *Fair Value Measurement*. No transaction costs have been included in the 30 September 2024 independent valuations.

Where fair value is able to be reliably measured, valuers utilise a discounted cash flow approach to assess the fair value of retirement-village units. As the fair value of investment property is determined using inputs that are unobservable, the Group has categorised investment property as Level 3 under the fair-value hierarchy, in line with NZ IFRS 13 – *Fair Value Measurement*. NZ IFRS 13 requires that the inputs are consistent with the characteristics of the asset that a market participant would take into account in a transaction for the asset.

The valuers used a range of significant assumptions as follows:

	6 MONTHS Sep 2024	6 MONTHS Sep 2023	12 MONTHS Mar 2024
	%	%	%
Growth rate (nominal)	0.00–3.50	0.50–6.30	0.50–4.70
Discount rate	13.00–16.50	12.00–16.50	12.00–16.50

The land and building valuation within property, plant and equipment previously contained an allowance for the value provided by a care facility to the Group's independent-living and serviced apartment residents. The value of this allowance was determined based on a portion of the deferred management fees paid by the Group's independent-living and serviced apartment residents. This portion of deferred management fees was excluded from the investment property value. At 31 March 2024 the allocation was reduced to zero, and continues to be zero.

Sensitivity

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

	0.5% decrease	0.5% increase
	$000	$000
Growth rate (nominal)	(244,032)	267,503
Discount rate	169,831	(158,091)

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

Market risk

The valuers comment that property markets both nationally and globally are being heavily impacted by the high interest rate environment instigated by central banks to combat high inflation. Markets are also impacted by ongoing geopolitical instability in certain regions. The valuers reiterate that their conclusions are based on data and market sentiment as at the date of valuation. For the avoidance of doubt, this does not constitute a 'material valuation uncertainty'.

Impact of climate change

The Group has considered the impact of climate change on the business and valuation of investment property.

The independent valuers have made no explicit adjustments to valuations in respect of climate change.

Operating expenses

Direct operating expenses arising from investment property that generated income from deferred management fees during the period amounted to $37.4 million (six months ended 30 September 2023: $29.7 million and year ended 31 March 2024: $70.7 million). All investment property generated income for the Group from deferred management fees, except for investment property work in progress and development land.

Security

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

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FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

6. SHARE CAPITAL

Issued and paid-up capital consists of 687,641,738 fully paid ordinary shares (30 September 2023: 687,641,738 and 31 March 2024: 687,641,738) less treasury stock of 1,651,093 shares (30 September 2023: 2,494,282 and 31 March 2024: 2,494,282). All shares rank equally in all respects.

Shares purchased on market under the leadership share scheme are treated as treasury stock until they are vested to the employees.

Basic and diluted earnings per share (EPS)

	6 MONTHS Sep 2024	6 MONTHS Sep 2023 (restated)	12 MONTHS Mar 2024 (restated)
Net profit after tax ($000)	94,365	187,079	(78,410)
Weighted average number of shares (in '000)	687,642	687,642	687,642
Basic EPS (cents per share)	**13.7**	**27.2**	**(11.4)**
Net profit after tax ($000)	93,578	187,079	(78,410)
Weighted average number of shares (in '000)	687,642	687,642	687,642
Diluted EPS (cents per share)	**13.6**	**27.2**	**(11.4)**

Diluted earnings per share has been calculated with the assumption that shares are purchased from market to settle the share rights, rather than issuing new shares. The Board has not yet determined their preferred approach. The purchase of shares from the market to settle share rights does not affect the number of outstanding ordinary shares or the income statement. However, it does impact equity and is considered dilutive when the share rights are out of the money.

Net tangible asset (NTA) per share

	6 MONTHS Sep 2024	6 MONTHS Sep 2023 (restated)	12 MONTHS Mar 2024 (restated)
NTA ($000)	4,055,088	4,486,550	3,901,447
Ordinary shares at reporting date (in '000)	687,642	687,642	687,642
NTA per share (cents per share)	**589.7**	**652.5**	**567.4**

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

Notes to the consolidated interim financial statements

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

7. TRADE AND OTHER RECEIVABLES

	6 MONTHS Sep 2024	6 MONTHS Sep 2023 (restated)	12 MONTHS Mar 2024 (restated)
	$000	$000	$000
New sale occupancy advance debtors	29,289	25,012	27,357
Resale occupancy advance debtors	83,511	80,353	87,597
Care and village fees receivables	21,328	18,594	21,677
Refundable accommodation deposit receivables	13,246	16,466	18,091
Prepayments and other receivables	27,165	32,530	17,861
Total trade and other receivables	**174,539**	**172,955**	**172,583**

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

8. TRADE AND OTHER PAYABLES

	6 MONTHS Sep 2024	6 MONTHS Sep 2023	12 MONTHS Mar 2024
	$000	$000	$000
Trade payables	122,268	113,878	117,502
Land purchase accruals	9,500	21,272	27,819
Other payables	16,521	10,904	5,299
Total trade and other payables	**148,289**	**146,054**	**150,620**

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

Land purchase accruals relate to acquisitions where the Group has settled the purchase but negotiated deferred payment terms as part of the purchase agreement.

Notes to the consolidated interim financial statements

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

9. INTEREST-BEARING LOANS AND BORROWINGS

At reporting date, interest-bearing loans and borrowings include secured bank loans, an institutional term loan and unsubordinated fixed-rate retail bonds.

	6 MONTHS Sep 2024	6 MONTHS Sep 2023 (restated)	12 MONTHS Mar 2024
	$000	$000	$000
Bank loans	2,168,869	2,091,487	2,137,079
Institutional term loan	272,183	268,183	272,807
Retail bonds – RYM010	150,000	150,000	150,000
Total loans and borrowings at face value	**2,591,052**	**2,509,670**	**2,559,886**
Issue costs for bank loans capitalised	(3,244)	(2,961)	(3,805)
Issue costs for the institutional term loan capitalised	(2,188)	(657)	(1,717)
Issue costs for the retail bonds capitalised	(1,276)	(1,838)	(1,557)
Total loans and borrowings at amortised cost	**2,584,344**	**2,504,214**	**2,552,807**
Revaluation of institutional term loan debt in fair value hedge relationship	(4,697)	(7,504)	(5,860)
Total loans and borrowings	**2,579,647**	**2,496,710**	**2,546,947**

During the year ended 31 March 2024, the Group reclassified issue costs for bank loans from trade and other receivables to align with the treatment of the issue costs for the institutional term loan and retail bond. The Group has reclassified the 30 September 2023 balance to also align.

At 30 September 2024, the Group had total debt facilities of $3,023.5 million across its bank syndicate, institutional term loan and retail bonds.

Security

The bank loans, institutional term loan and retail bonds are secured by a general security agreement over the parent and subsidiary companies and supported by first mortgages over the freehold land and buildings (excluding retirement-village unit titles provided as security to residents – note 5).

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

Covenants

The Group is subject to capital requirements imposed by its bank and the lenders included in the banking syndicate through covenants agreed as part of the lending facility arrangements, and bond holders through covenants in the Master Trust Deed.

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In September 2024, the Group's banking syndicate and institutional term loan lenders agreed to amend the Interest Coverage Ratio covenant included in the lending facility agreements to 1.50x until 31 March 2025, increasing to 1.75x at 30 September 2025, 2.00x at 31 March 2026 and 2.25x at 30 September 2026. The retail bonds are not subject to the Interest Coverage Ratio covenant.

Fair value

Below is a comparison of the carrying amounts and fair values of the interest-bearing loans and borrowings. The carrying amounts of bank loans are the same as their fair values in all material aspects due to their interest rate profiles.

	6 MONTHS Sep 2024		6 MONTHS Sep 2023		12 MONTHS Mar 2024	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
	$000	$000	$000	$000	$000	$000
Institutional term loan	265,298	278,836	260,022	260,330	265,230	269,505
Retail bond	148,724	140,490	148,162	129,870	148,443	134,910

The fair value of the fixed-rate portion of the institutional term loan has been determined at balance date on a discounted cash flow basis and by applying discount factors to the future Australian dollar interest payment and principal payment cash flows. The fair value of the floating rate portion is assumed to be the same as its carrying amount. The fair value of the institutional term loan is categorised as Level 2 under the fair value hierarchy in accordance with NZ IFRS 13 – *Fair Value Measurement*.

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

10. DERIVATIVE FINANCIAL INSTRUMENTS

At reporting date, the Group's derivative financial instruments consist of interest rate swaps, caps, floors and collars.

Fair value

These derivatives are initially recognised at fair value on the dates the derivative contract are entered into and remeasured to their fair values at each reporting date. The fair values of these derivatives are categorised as Level 2 under the fair value hierarchy in NZ IFRS 13 – *Fair Value Measurement*. The fair values of these derivative instruments are derived using inputs supplied by third parties that are observable, either directly (prices) or indirectly (derived from prices). The fair value of interest rate swaps is determined by discounting the future cash flows using the yield curves at the end of the reporting period and the credit risk inherent in the contract.

Modified interest rate swaps

In June 2024, the Group modified five further interest rate swaps that had been designated in a cash flow hedge relationship to reduce near-term interest costs. The modification resulted in a higher notional principal amount covered and a reduction in the remaining maturities of those swaps.

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The modification resulted in the original hedge relationship being discontinued. Immediately prior to discontinuation, there were gains of $7.5 million (excluding tax effects) in the cash flow hedge reserve for these swaps. As the hedged cash flows are still expected to occur, and notwithstanding the modified swaps have matured during the current year, these gains remain in the cash flow hedge reserve and will be reclassified to profit or loss over the original hedge period. All modified swaps have matured as at 30 September 2024.

In total, the Group has modified eight interest rate swaps. The amounts reclassified to profit or loss during the period are NZ$2.4 million and A$0.7 million (totalling NZ$3.2 million). At 30 September 2024, the unamortised balance in the cash flow hedge reserve for the amended swaps is NZ$17.7 million and A$3.0 million (excluding tax effects).

11. OCCUPANCY ADVANCES (NON-INTEREST BEARING)

	6 MONTHS Sep 2024	6 MONTHS Sep 2023 (restated)	12 MONTHS Mar 2024 (restated)
	$000	$000	$000
Gross occupancy advances			
Opening balance	5,596,912	4,919,142	4,919,142
Plus increases in occupancy advances:			
• new retirement-village units (gross)	214,134	218,965	419,284
• existing retirement-village units (net)	115,950	120,863	233,330
Net foreign-currency exchange differences	(2,369)	2,660	16,067
(Decrease)/increase in occupancy advance balances	(23,378)	(7,694)	9,089
Closing balance	**5,901,249**	**5,253,936**	**5,596,912**
Net occupancy advances			
Less deferred management fees	(766,183)	(651,547)	(713,757)
Less suspended contributions (resident loans)	(111,866)	(88,265)	(98,176)
Closing balance	**5,023,200**	**4,514,124**	**4,784,979**

Occupancy advances are non-interest bearing and recorded as a liability in the statement of financial position, net of deferred management fees and suspended contributions receivable. The occupancy advance is initially recognised at fair value and later at amortised cost.

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

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12. SEGMENT INFORMATION

In late 2023, the Group announced that underlying profit will no longer be a key performance measure, instead performance measurement will be focused on cash flow from existing operations, cash flow from development and IFRS profit before tax and fair value movements. As a result, all references to underlying profit have been removed from the segment note and replaced by the new performance measurements. All other segmentation remains consistent with 31 March 2024.

	New Zealand	Australia	Other	Group
	$000	$000	$000	$000
6 MONTHS Sep 2024				
Core revenue (care fees, DMF, other)	277,496	71,143	797	349,436
Interest received	924	188	-	1,112
Imputed interest income on refundable accommodation deposits	4,701	11,014	-	15,715
Total revenue	**283,121**	**82,345**	**797**	**366,263**
Operating expenses	(246,992)	(73,472)	(31,242)	(351,706)
Depreciation and amortisation	(8,805)	(4,881)	(11,717)	(25,403)
Finance costs	(39,266)	(13,938)	-	(53,204)
Imputed interest charge on refundable accommodation deposits	(4,701)	(11,014)	-	(15,715)
Impairment loss	-	-	-	-
Total expenses	**(299,764)**	**(103,305)**	**(42,959)**	**(446,028)**
Loss before income tax and fair-value movements (PBTF)	**(16,643)**	**(20,960)**	**(42,162)**	**(79,765)**
Fair-value movement of investment properties	206,773	47,797	-	254,570
Income tax (expense)/credit	(88,499)	8,059	-	(80,440)
Net profit after tax	**101,631**	**34,896**	**(42,162)**	**94,365**
Non-current assets	9,617,078	2,668,793	104,529	12,390,400
Loans and borrowings	1,699,416	880,231	-	2,579,647

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	New Zealand	Australia	Other	Group
	$000	$000	$000	$000
6 MONTHS Sep 2023 – restated				
Core revenue (care fees, DMF, other)	269,243	52,057	388	321,688
Interest received	809	465	-	1,274
Imputed interest income on refundable accommodation deposits	3,491	7,180	-	10,671
Total revenue	**273,543**	**59,702**	**388**	**333,633**
Operating expenses	(224,075)	(56,079)	(17,178)	(297,332)
Depreciation and amortisation	(8,766)	(5,301)	(7,643)	(21,710)
Finance costs	(17,614)	(4,088)	-	(21,702)
Imputed interest charge on refundable accommodation deposits	(3,491)	(7,180)	-	(10,671)
Impairment loss	-	-	-	-
Total expenses	**(253,946)**	**(72,648)**	**(24,821)**	**(351,415)**
Loss before income tax and fair-value movements (PBTF)	**19,597**	**(12,946)**	**(24,433)**	**(17,782)**
Fair-value movement of investment properties	92,181	49,230	-	141,411
Income tax credit	47,717	15,733	-	63,450
Net profit after tax	**159,495**	**52,017**	**(24,433)**	**187,079**
Non-current assets	9,374,312	2,461,588	106,399	11,942,299
Loans and borrowings	1,636,205	860,505	-	2,496,710

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	New Zealand $000	Australia $000	Other $000	Group $000
12 MONTHS Mar 2024 – restated				
Core revenue (care fees, DMF, other)	547,116	115,403	586	663,105
Interest received	1,758	568	-	2,326
Imputed interest income on refundable accommodation deposits	7,626	16,829	-	24,455
Total revenue	**556,500**	**132,800**	**586**	**689,886**
Operating expenses	(481,903)	(125,710)	(44,270)	(651,883)
Depreciation and amortisation	(17,458)	(8,194)	(18,151)	(43,803)
Finance costs	(40,228)	(10,414)	-	(50,642)
Imputed interest charge on refundable accommodation deposits	(7,626)	(16,829)	-	(24,455)
Impairment loss	(31,020)	(1,751)	-	(32,771)
Total expenses	**(578,235)**	**(162,898)**	**(62,421)**	**(803,554)**
Loss before income tax and fair-value movements (PBTF)	**(21,735)**	**(30,098)**	**(61,835)**	**(113,668)**
Fair-value movement of investment properties	(49,309)	(22,598)	-	(71,907)
Income tax credit	69,163	38,002	-	107,165
Net profit after tax	**(1,881)**	**(14,694)**	**(61,835)**	**(78,410)**
Non-current assets	9,203,541	2,500,698	113,231	11,817,470
Loans and borrowings	1,705,651	841,296	-	2,546,947

13. EQUITY-SETTLED SHARE-BASED PAYMENTS

The Group issued three tranches of performance share rights to eligible members of its senior executive team pursuant to Ryman's recently established Long-Term Incentive Plan ('LTIP'). The grant of Share Rights was approved by the Board on 23 September 2024.

Tranche 1

The first tranche of 32,592 Share Rights is eligible for vesting over two years (50% on 31 August 2025 and 50% on 31 August 2026). Tranche 1 does not include any contracted performance hurdles; it only requires that the Participant remains employed at Ryman for the duration of the term.

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

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Tranche 2 and 3

The performance period for the second tranche of 25,639 Share Rights is 13 November 2023 to 13 November 2026. Vesting of these Share Rights is conditional upon meeting targets in relation to relative total shareholder return and absolute total shareholder return.

Under Tranche 3, a total of 467,130 Share Rights are granted. Of these, 113,108 Share Rights are allocated to the new CEO, starting from 4 November 2024. The remaining 354,022 Share Rights, excluding those granted to the CEO, have a performance period that spans from 1 July 2024 to 30 June 2027. Vesting of the Share Rights under Tranche 3 is conditional upon meeting targets in relation to relative total shareholder return and absolute total shareholder return.

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

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

For all tranches (1, 2, 3)

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

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

Ryman accounts for the options granted under LTIP as an equity-settled plan.

The expense recognised for employee services received during the year is shown in the following table:

	6 MONTHS Sep 2024	6 MONTHS Sep 2023	12 MONTHS Mar 2024
	$000	$000	$000
Expense arising from equity-settled share-based payment transactions	112	-	-

Key assumptions

The following tables list the inputs to the models used for the share rights granted under LTIP.

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

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

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

14. COMMITMENTS

The Group had commitments relating to construction contracts amounting to $167.0 million at 30 September 2024 (30 September 2023: $222.6 million and 31 March 2024: $217.2 million).

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

15. CONTINGENT LIABILITIES

There are no material contingent liabilities at 30 September 2024 (30 September 2023: nil and 31 March 2024: $6.0 million).

16. SUBSEQUENT EVENTS

As announced on 2 September 2024, the Group is transitioning to a new services and support structure. A provision has been recorded for those redundancies which had been confirmed at reporting date. Consultation for remaining teams commenced after the reporting date. Costs associated with the business improvement programme to date, including redundancies, are approximately $10.0 million, with $6.5 million recognised during the period to 30 September 2024.

The Nellie Melba land sale is now unconditional, with a settlement date of December 2025.

The directors have determined that no final dividend will be paid relating to the interim period.

There have been no other events subsequent to 30 September 2024 that materially impact on the results reported.

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17. AUTHORISATION

The directors authorised the issue of these consolidated interim financial statements on 27 November 2024.

Dean Hamilton
Executive Chair

James Miller
Chair of Audit, Finance and Risk committee