Caring is our calling

Annual Report 2023

We Care About Care

Contents

This report is dated 28 June 2023. The annual report has been approved by the Board and is signed on behalf of Radius Residential Care Limited by Brien Cree, Executive Chair, and Hamish Stevens, Director.

Brien Cree

Hamish Stevens

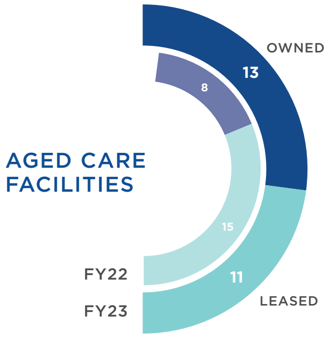
Over the last 19 years, Radius Care has become New Zealand's *leading provider of specialised high-acuity* aged care services. We know that New Zealand has an ageing population and want to ensure that everyday Kiwis feel safe, knowing that we are here if they need help or support to live a full life. ***We care about care.*** Whether it's for our residents, their families and friends, our staff or our local communities.

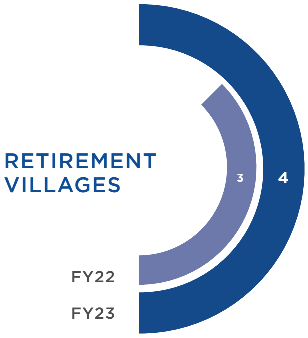
We are focused on ***optimising and future-proofing*** our business and steadily increasing our revenue.

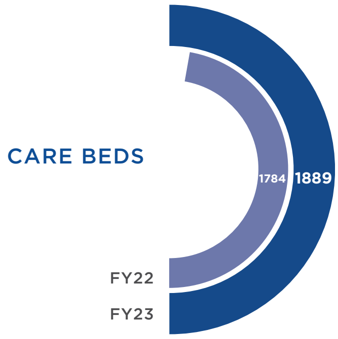
We aim to maintain our position as New Zealand's leader in high-acuity care, continuously improving our provision of care, supporting residents and their families, and ensuring that the ***elderly remain a part of their community.***

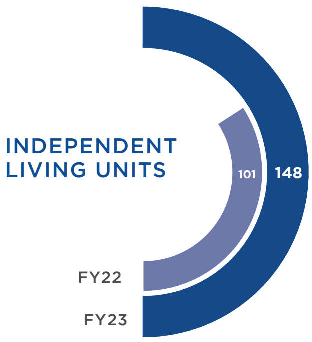
Valuing Exceptional Care

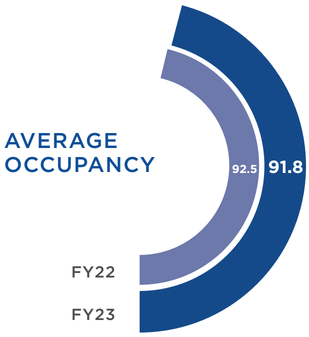
Delivering portfolio growth and an expanded service offering across New Zealand

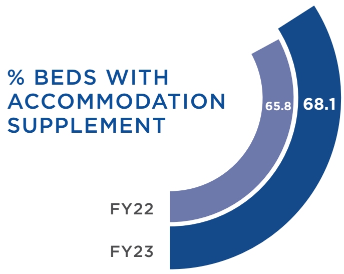












PEOPLE HIGHLIGHTS

Commitment and compassion of our exceptional people to deliver the highest quality of care strongly on display during a period heavily impacted by COVID-19 and floods and storms in early 2023.

Successfully recruited over 140 international nurses via direct channels filling many vacancies in the portfolio arising from domestic nursing shortages.

RConnect

The success of the international nurse recruitment programme has led Radius Care to set up a subsidiary to provide bureau nursing services and reduce the cost of sourcing nurses from other agencies.

Innovative approaches to support our people, such as introducing virtual nurses to our offering and enabling experienced nurses to assist in remote care and alleviate staffing pressures.

PROPERTY PORTFOLIO

Completion of a 24-care bed extension at Radius Thornleigh Park in New Plymouth.

Settlement of acquisition of four properties previously leased comprising 339 beds and an additional 80 to 100 care beds/ suites added to the development pipeline.

Acquisition of 46 unit, 81 care bed Matamata Country Lodge together with three neighbouring properties.

SUSTAINABILITY AND CARBON REPORTING

Expansion of the Company-wide sustainability programme.

Implementation of a carbon emissions measurement programme.

Planning for adoption of and reporting under Aotearoa New Zealand Climate Standard 1 for the 2024 financial year.

FY23
Financial Overview

10%
FROM $133.4M
$146.3M
TOTAL REVENUE

5%
FROM $4.2M
$4.0M
AVAILABLE FUNDS FROM OPERATIONS (AFFO)*

179%
FROM $2.7M
$(2.1)M
NET PROFIT/(LOSS) AFTER TAX

32%
FROM $10.7M
$14.2M
UNDERLYING EBITDA*

59%
FROM $9.9M
$4.0M
OPERATING CASH FLOW

17%
FROM $6.8M
$7.9M
ACCOMMODATION SUPPLEMENTS

0%
FROM $19.9K
$19.9K
UNDERLYING EBITDA* PER CARE BED

**Earnings before interest, tax, depreciation and amortisation. Underlying EBITDA and AFFO are non-GAAP[1] (unaudited) financial measures and were reconciled to GAAP measures in the Investor Presentation dated 29 May 2023.*

4%
FROM $70.1M
$72.9M
NET ASSETS

23%
FROM $290.1M
$356.6M
TOTAL ASSETS

Capitalising on a Strong Market Demand

Radius Care provides unique exposure to a market with strong demand growth, high barriers to entry, growing per bed profitability and a focused land acquisition strategy.

New Zealand has an ageing population with longer average life expectancy.

Increasing levels of dependency underpins strong forecast growth for aged care, particularly high acuity and specialist care.

Continuity of care allowing ageing in place.

Our portfolio is highly specialised and oriented to high acuity and specialist care, the highest margin, most needs-based segment of the care market.

Extensive industry knowledge developed over a long period of time creates high barriers to entry.

Compliance with healthcare regulations combined with property development and management.

Providing a choice of room types at each care home ensures wide market appeal.

Growth rate in resident payments for premium room facilities is strong.

Premium revenue diversifies revenue away from reliance on core Government-funded contracts.

Radius Shop and new bureau services provide alternative but aligned revenue streams.

Purchase the land and buildings of strategically important leased facilities.

Develop existing sites to add additional beds or village units.

Leverage existing capabilities to develop greenfield sites.

Acquire high quality facilities from third parties.

Demonstrating Profitable Growth

Brien Cree
Executive Chair

Andrew Peskett
Chief Executive Officer

We are very proud to present the annual report for the year ended 31 March 2023 which saw us making significant progress on a number of fronts. While FY23 has not been without its challenges, Radius Care has ended the year on a positive note. We have emerged from the challenges of the COVID-19 affected past three years in a strong position, and with substantial growth opportunities ahead of us. For this we owe enormous thanks to our amazing residents and their families for their support and to our exceptional people for their resilience and delivery of care.

We have delivered a record underlying earnings performance in the 2023 financial year. Our occupancy levels are up and our residents are increasingly choosing to pay for additional personalised services over and above what are covered by government contracts. We have executed on two significant property transactions in line with our stated strategy further strengthening our property portfolio.

To achieve what we have requires all parts of the operations to be working in unison. With the restructured management team in place since August 2022, we have assessed the business holistically and identified areas where there are opportunities to do things differently, where investing capital can deliver stronger outcomes and where Radius Care's experience is supporting practices that are already optimal and market leading. In a number of areas our performance is significantly better than both the industry average and several of Radius's major competitors and once again in FY23 this was the case.

The theme adopted for this report is we care about care. Time and time again we hear from our residents and their families that Radius Care has a very special culture and offers an extremely high level of care for its residents. We are delighted to hear this feedback that so often comes to us completely unprompted. We trust you will get a strong sense of the Radius Care way in this report.

Our Exceptional People

While the impact of COVID-19 diminished during the period we would still like to acknowledge the commitment and compassion of our people to deliver the highest quality of care during a period heavily impacted by COVID-19 outbreaks and extreme weather events.

LABOUR PRESSURES REMAIN

A key area of focus for Radius Care is work force planning, as we ensure we have front-line nurses and caregivers available 24/7 in our care homes and that those members of staff are well supported by management across the regions and our Auckland-based support centre. The Ministry recognised during the year that the disparity in wages between nurses in the private and public sectors was unsustainable and unjustified leading to a pay disparity payment for nurses at the end of the year. While this helped to close the gap there is still some way to go before aged care nurses have true pay parity with those in public hospitals.

The operating environment was made more challenging by the New Zealand-wide shortage in nurses estimated to have peaked at 5,000, with around 1,000 in the aged care sector alone. In order to address these challenges Radius Care bought its nurse recruitment in-house levering existing capability and this has seen us recruit more nurses to work in New Zealand than there are positions available to be filled. The nurses started arriving in early 2023. We are pleased that we now have a number of our internationally qualified nurses working as nurses across the Company. This is critical to supporting our existing teams and improving staff wellbeing.

INNOVATION

Given the success of the recruitment programme Radius Care has recently established a bureau nurse division that places available nurses in other companies' facilities as well as internally providing an alternative revenue stream for the business. Radius Care also established a virtual nurse network to assist in remote care and alleviate staffing pressures.

188,385
SHARES GIFTED

During the year, a one-off issue of shares to the value of $1,000 was made to each Radius Care employee with a tenure of 10 or more years. This employee loyalty bonus will continue into the future. The shares were issued and allocated to 57 employees, recognising the support and commitment of this highly valued group of staff members.

Strategy Update

Radius Care's strategy is to acquire facilities it leases, acquire value accretive aged care homes from third parties, develop new facilities and expand its existing facilities. In the past financial year, Radius Care was able to demonstrate its ability to execute this strategy and deliver growth across its main strategic pillars.

PROPERTY ACQUISITIONS

In the past two years, Radius Care has completed four large property transactions, acquiring the land and buildings of eight of its leased care homes and two acquisitions of integrated care homes and retirement villages. The aim of these transactions is to maximise value and drive value-enhancing development opportunities. Radius Care now owns 13 of its 24 care home and retirement village assets which is a substantial shift in its ownership model.

In September 2022 Radius Care acquired Matamata Country Lodge, a beautiful care home in the centre of Matamata converted from an old maternity hospital. The package of an 81 bed care home, 46 unit/apartment retirement village together with three neighbouring properties will enable us to, in time, add more units to the site. Matamata has a high net latent demand for aged care due to there being few major competitors in the area.

DEVELOPMENT

With Radius Care now owning the land and buildings at a number of sites, this has increased the opportunity for brownfield developments to expand these facilities without adding significant additional fixed overhead.

Building consents are in place or underway for brownfields developments at Taupaki Gables in West Auckland and Lexham Park in Katikati to extend both sites, and for a greenfield development of a full-service retirement and care home in Belfast, Christchurch. Matamata Country Lodge has development potential for further villas. The construction commencement date for all developments is subject to review given the need to ensure suitable debt levels and a strong capital structure.

24
NEW ROOMS

In early 2023 we were pleased to complete an expansion at Radius Thornleigh Park, a 63 bed care home in New Plymouth. An additional net 24 premium care rooms were completed on budget and opened in February 2023 elevating it to a best-in-class facility.

RADIUS THORNLEIGH PARK WING OPENING

RADIUS MATAMATA COUNTRY LODGE VILLAGE

Caring for our environment has seen a number of new work streams implemented. We have been delighted by the high level of engagement from staff across the country and the ideas put forward. We are continuing to develop the detail and nature of our sustainability disclosures and are working towards our first report on carbon emissions. Further information on this is in the Sustainability section of this report.

Capital Management

BORROWINGS

Radius Care was successful in extending its short-term banking facilities with ASB at the end of the 2023 financial year to provide more time for capital structure initiatives to be pursued. The Company was also able to extend the terms for the repayment of the vendor loan put in place for the Matamata Country Lodge acquisition. The Company has recently developed a debt management programme as an alternative or in addition to an equity raise to help with the repayment of these facilities.

DIVIDEND

In FY23 Radius Care paid a gross interim dividend of 0.7c per share totalling $1.4m. Radius Care will not pay a final dividend in respect of the FY23 financial year.

A dividend reinvestment plan was implemented for the interim dividend paid in January 2023. The scheme offers shareholders the opportunity to reinvest their dividends in new shares in the Company that are issued without brokerage. Shareholders can change their election at any time by notifying Radius Care's share registrar, Computershare. To change their election shareholders simply log on to Computershare's website and go to the 'Reinvestment Plans' under the 'My Profile' section or notify Computershare in writing of their preference. A link to Computershare's website is available at the Investor Centre page on the Radius Care website.

Sustainability

Sustainability at Radius Care is an area that has seen a considerable increase in focus. Sustainability within our business involves treating our people well, treating the environment well and ensuring that there is transparency at all stages of our supply chain.

Our Sustainability Committee represents all facets of the business from facilities management to Board level representation. There is no shortage of desire to partner with sustainable suppliers, reduce our waste to landfill and our energy consumption, and to reduce our overall carbon impact on our communities. By drawing on the skills of champions within our facilities together with those who have governance responsibilities on behalf of shareholders, we know we have a high level of engagement across our business.

We have expanded the sustainability section within this report and are on track to meet the requirements of NZ CS1, the XRB's carbon reporting standard for the 2024 year.

Notable recent achievements have included the first-time measurement of our carbon emissions data, new recycling initiatives for a variety of frequently-used items and the introduction of a supplier Code of Conduct.

RADIUS MATAMATA COUNTRY LODGE

Governance and Leadership

BOARD

Radius Care's Board comprises five Directors of whom three are independent and two are executives. Director tenure ranges from just over two years to 19 years. As part of our annual governance work programme, the Board monitors and considers Board composition, performance and succession. During the year a full evaluation of the Board was carried out and the results were considered by the Board. Some specific recommendations coming out of that review are the introduction of risk deep dives at Board meetings, post-acquisition and event learnings presentations, and to continue to have more visibility of senior management at Board meetings.

At this stage of the Company's growth path it is the Board's view that it possesses the right balance and mix of director skills, experience and diversity. In line with the skills matrix included in the Corporate Governance Statement, when a new appointment is made the Board will give consideration to looking for candidates with expertise in sustainability, development and construction management.

A full review of the Board's governance policies was undertaken during the year.

EXECUTIVE TEAM


The recruitment of Wendy Jenkins as Chief Financial Officer and Richard Callander as Chief Operations Officer completed the senior executive team based out of Radius Care's support office. The Board's Remuneration and People Committee oversaw the development of both a short-term incentive plan and a long-term incentive plan for the senior executive team designed to incentivise the performance of this group of senior leaders of the business. Further details of the plans are set out in the full Corporate Governance Statement available at www.radiuscare.co.nz/investor-centre in the Investor Centre on Radius Care's website.

Looking Forward

The 2023 financial year was a year where we saw the Radius Care business achieve a record operational performance and deliver against its strategy. Looking ahead, Radius Care is pursuing initiatives to set itself up for ongoing success. The Company has recently commenced on a business improvement programme including streamlining operations and portfolio optimisation. The fundamental industry drivers of increased demand for high acuity and specialist care services place Radius Care in a strong position to continue to drive market leading returns and we look forward to updating you further on Radius Care's performance at the Annual Shareholders Meeting on 3 August 2023.

The Board and senior executive team wish to extend our thanks to our dedicated team members across New Zealand, each and every one of whom is a valued member of an exceptional team.

Brien Cree
EXECUTIVE CHAIR

Andrew Peskett
CHIEF EXECUTIVE

Creating a Better Tomorrow

The Resources We Employ

Our knowledge.

Our intellectual property and experience developed over 19+ years.

Our health sector funded by the Government.

Guaranteed income streams and support.

Our world-class team.

The talent, skill and experience of our team.

Our aged care services in demand.

More than a million people aged 65+ by 2028[1].

Our operating environment.

A focus on high acuity and specialist care.

Our growth-supporting strategy.

A clear direction forward.

Our Value Drivers

Technology & Innovation
Elevating our resident and employee experience while adapting to a changing environment.

People
Upskilling, professional development and training creates exceptional people, identifying new talent and retaining existing leads to growth.

Sustainability
Utilising and creating technologies and the efficient use of resources reducing our carbon footprint.

radius care

To bring good old-fashioned Kiwi values back into aged care and positively influence the lives of residents and their families

Customer and Stakeholders
Further strengthening relationships with families and residents, regulators and suppliers. Ensuring stakeholders share our values of Courage, Commitment and Compassion.

Assets and Development
Acquiring facilities, villages and leased properties, as well as the development of existing properties.

[1]*Stats NZ data 2022*

Our Unique Output

Market-leading care quality.

Development of beds.

Innovation in staffing.

Long-term growth in financial returns.

Measuring our carbon and creating new initiatives.

Improved employment opportunities, health infrastructure, aged care support and housing for our local communities.

The Value We Create

Improved health and wellbeing for residents and staff.

Optimising our assets and developments.

Safe, engaged and empowered team.

Stronger and healthier communities.

Making sustainable changes.

We care about care.

Robust Growth and Strong Performance

We're pleased to report that Radius Care has been able to deliver growth across a number of key metrics measuring business performance in the 2023 financial year.

Radius Care delivers a record underlying profit and maintains market leading returns

FINANCIAL PERFORMANCE

We regard underlying EBITDA and underlying EBITDAR per bed as the most important performance metrics for our business. For FY23 we recorded a 32% increase in underlying EBITDA to $14.2m, a record result for the Company. A large contributing factor to the operating performance was the increase of 10% to $146.3m. A significant contributor to revenue growth has been an uplift in demand for Radius Care's premium service packages. These are payments made by residents for facilities or services over and above those delivered under the contracts with the Ministry of Health.

Radius Care's business model is somewhat different to others in that around 86% of our revenue comes from long-term contracts with the Government to provide beds for some of New Zealand's highest needs citizens. This underpins the operating performance of the business with direct private revenue sources being accommodation supplements, retirement village revenues, Radius Shop revenue and other privately paid revenues.

EBITDA

Underlying EBITDAR per care bed remained stable at $19.9k and continues to be market leading relative to key listed peers and industry averages.

Overall expenses increased $20.1m to $153.0m. With some 1,756 staff employed, labour represents our largest single area of cost. Employment costs increased 13% to $93.1m and have increased an average of 7.7% per annum over the past three years. We are pleased to see the Government will provide additional funding towards nursing costs from FY24 onwards even if it still will not bridge the gap to nurse wages of those working in public hospitals.

Net loss after tax was ($2.1m) a reduction from a net profit after tax of $2.7m in FY22. This was largely due to higher interest costs from higher levels of debt and higher interest rates and property valuation movements.

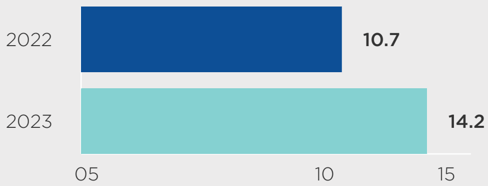
BALANCE SHEET

In May 2022 Radius Care settled the $46.7m purchase of four properties committed in FY22 with a new $23.7m loan facility and $23m of bridge facilities. Radius Care recently confirmed the bridge facilities put in place on 6 May 2022 for the purchase of these four properties had been extended to 6 October 2023. In September 2022 Radius Care settled the $17.1m purchase of Matamata Country Lodge through the issue of shares to the value of $5m and vendor loans of $11.5m. The Company has received an extension on the vendor loan to 21 October 2023.

CASH FLOW

Cash flow from operating activities was $4.0m, down $5.9m compared with FY22's $9.9m. Net cash used in investing activities was $59.2m, up $6.4m on the prior year. Net cash provided by financing activities was $50.7m up $8.5m compared with FY22's $42.2m.

UNDERLYING EBITDA



ACCOMMODATION SUPPLEMENTS
$7.9M
Increase of 17%

TOTAL ASSETS
$356.6M
Up $66.5m

INVESTMENT PROPERTIES OWNED
$70.1M
Up $24.1m

PROPERTY, PLANT & EQUIPMENT
$133.8M
Up $60.0m

LEASE LIABILITIES
$121.5M
Down $21.0m

MEET TRISH EVERS - TACKLING STAFF SHORTAGES

Using Technology to Reshape Aged Care

Trish Evers, the General Manager People at Radius Care, has been with the Company for over five years. Growing up, she often visited rest homes with her mother who worked as a caregiver. This allowed her to see first-hand the challenges that come with providing quality care to an ageing population while dealing with staff shortages in the health sector. But she used this experience to set up an initiative to help deal with this issue: the Virtual Nurses programme.

Like the rest of the country, Radius Care experienced a severe shortage of nurses in 2022. Radius Care had recruited nurses from overseas, but care homes needed urgent support in the meantime. Trish and her team quickly realised a common problem that many of the staff faced: support when dealing with complex cases. This is particularly true for nurses who were new to aged care and didn't have the same level of experience as their colleagues who have been working in the field for years. To address this challenge, Trish's team introduced a new initiative to Radius Care, virtual nurses. A virtual pool of highly experienced senior nurses who are available to provide support, guidance and advice to healthcare staff around the clock.

As the programme provides peer review service, it has been particularly helpful for nurses on the ground in terms of giving them the support they need to do their jobs well. "All the care homes have access to the Virtual Nurses programme, whether it's night shifts or weekend shifts. It has led to a significant improvement in our clinical outcomes and patient care," Trish explains. Staff who used to be unfamiliar with the types of conditions they see in older patients, or the appropriate course of action for a particular case, now have ready support. For those who are new to aged care, the programme has proven to be an invaluable resource. "The programme offers our staff the support of always having someone to call if they're not quite sure."

"The programme offers our staff the support of always having someone to call if they're not quite sure."

It's not just the nurses who benefit from the programme, it has also enabled a flexible role for the virtual senior nurses based around New Zealand. Trish notes that the programme has also been a relief for managers, who could take a break from being on-call. "I've got feedback from the managers who all love Virtual Nurses because basically it reduces their on-call time," Trish says. "It means that there's always a virtual nurse that's available to provide support."

Trish and her team are exploring the possibility of offering the Virtual Nurses programme to smaller rest homes who may be shorter on resources. "We want to look at how we can actually support smaller rest homes that don't have enough nurses across the whole shift." For Trish, what's particularly exciting about this initiative is that it demonstrates how innovation and a commitment to excellence can go hand-in-hand.

"Radius Care is a company that is always open to innovative solutions." This willingness to think outside the box has led to a programme that is making a real difference to the lives of staff and residents alike. As New Zealand's population continues to age, initiatives like the Virtual Nurses programme will become increasingly important in providing quality care to those who need it most.

MEET DARRELL SHAW - FACILITY MANAGER

A Passionate Leader

Matamata Country Lodge, a beautiful retirement village and residential aged care home, was purchased by Radius Care in 2022. Since then, Darrell Shaw, the manager at Matamata Country Lodge, has been working tirelessly to ensure a smooth transition into the Radius Care family. With 30 years of management and leadership experience, including 17 years in the health sector in New Zealand and the United Kingdom, Darrell brings a wealth of knowledge and expertise to his role.

Having visited aged care facilities overseas, he was inspired to move into aged care. Matamata Country Lodge, which is a combined retirement village and a residential aged care home, was the perfect fit. “I was particularly drawn to Matamata Country Lodge because of its unique position in the community and its history as a former maternity hospital, as several residents became parents here, and some of the team were even born here,” said Darrell.

“I was particularly drawn to Matamata Country Lodge because of its unique position in the community.."

Darrell has worked hard to ensure excellent care for residents while also embracing being a part of a leading aged care provider like Radius Care. He notes that being part of the Radius Care family has given Matamata Country Lodge access to a wider pool of knowledge and resources, which has been invaluable for the care home.

Having more people involved in the decision-making process also allows for a more collaborative and informed approach to leading the care home. This has fostered a strong sense of community and teamwork among the staff at Matamata Country Lodge, who are all dedicated to providing the best care possible for their residents.

One of the highlights of Darrell's tenure at Matamata Country Lodge was the fantastic Christmas lights display last December. All of the residents, family, visitors and staff enjoyed the dazzling lights holiday experience, both inside and outside the care home. “Great feedback continued throughout the Christmas season, and we plan to build on this success for future displays,” he said.

Looking ahead, Darrell's goal for Matamata Country Lodge in 2023 is to achieve the 4-year accreditation for rest homes from the Ministry of Health. As someone who is committed to enabling and supporting individuals and teams to be their very best, Darrell Shaw is an asset to Matamata Country Lodge and the aged care industry. With his passion for aged care and his commitment to the well-being of residents and staff, Darrell is sure to continue leading the team at Matamata Country Lodge to great success in the years to come. Thank you Darrell.


radius
care

Celebrating our People and Operational Achievements

COVID-19 AND WEATHER EVENTS

While most of the world would like to forget the pandemic and move on, in the aged care industry we still have to take great care to keep our residents safe. Central to health and safety efforts for the past year has been ongoing COVID-19 management. The Radius Care team has had to soldier on through adhering to long-standing but important strict infection control procedures such as continued mask wearing and RAT testing while also managing occasional outbreaks. We remain very grateful to our resident families for their understanding and support as we did our best to keep the lines of communication open with their loved ones even if they could not visit in person.

Even though the threat of COVID-19 began to diminish in 2023, New Zealand has also had to deal with some significantly challenging weather events. The Radius Care values of Commitment, Courage and Compassion were displayed in an extraordinary way during the floods and storms of early 2023. The care teams at our care homes in regions affected by weather events including Cyclone Gabrielle made the Radius Care residents their priority. Staff came to work even when their own homes were in danger or stayed overnight to make sure care homes were well-staffed and residents were well supported. The Support Office team moved to being available 24/7 to support our care homes. Emergency communications systems were activated and a generator was installed at Hampton Court in Taradale, Napier to provide electricity for the days when normal service was unavailable.

We are very proud of the Radius Care team working through COVID restrictions as well as flooding and storms, constantly displaying the Radius Care values. Thank you team!

WELLBEING

Pastoral care and staff well-being has been a high priority area of focus for the People team this year to ensure our international and local recruits feel they are valued members of the Radius Care team and given the stressors that have occurred in the past year, particularly with COVID-19. Wellbeing measures are continuously being improved.

One such initiative is the roll out of the Take a Breath platform, an application which focuses on effective breathing as a means of reducing stress and improving wellbeing outcomes. A financial wellbeing support module is also being developed.

ENGAGEMENT

In January 2022, Radius Care started carrying out a regular staff engagement survey. These surveys use standard Net Promoter Score methodologies for measuring satisfaction and are now carried out every six months. The results indicate steady increases in staff satisfaction, evidence that the new staff wellbeing programmes and support is working as intended.

NURSE

RECRUITMENT

Over the past few years, the shortage of nurses in New Zealand has been well-publicised. Radius Care's difficulty in attracting staff has been no different to any other industry operator. Our People team was determined to find a solution. The team was ready with a plan when New Zealand's borders reopened in mid-2022. That plan has had impressive success at addressing the staff shortage issue for Radius Care.

Despite the difficulties of immigration and the delays in obtaining visas following the pandemic, the team has successfully recruited internationally and we have managed to substantially fill all registered nurse vacancies. Building on that success, we now have established pipelines to enable ongoing recruitment of overseas nurses, and we are now in the strong position of being able to explore how we can support the recruitment of registered nurses within the wider sector in New Zealand.

When recruiting international candidates, pastoral care is top of mind for us. We want to ensure that our new team members have a great first impression and feel secure in their career choice when moving to New Zealand to join Radius Care. Starting from their decision to immigrate, we support them through every step of the process, ensuring each nurse who walks in the door of our facilities is fully qualified to work in New Zealand. The induction package we have designed welcomes internationally qualified nurses to New Zealand and assists them with the adjustment to Kiwi life.

As an example, Radius Baycare, located at Haruru Falls just a few minutes from Paihia, has employed a group of nurses who have come to us from the Marshall Islands. Rental accommodation in Paihia is in short supply so Radius Care has arranged shared accommodation for these employees. Following the culture shock of a move to New Zealand, being able to live together has eased the transition and given the nursing team a comforting sense of community.

INNOVATION

Radius Care's focus on innovation to support its front-line nursing staff delivered another successful solution with the implementation of a virtual nurse programme. Our virtual nurses are experienced professionals who require more flexible work situations and are no longer available to work on-site or in-person. The creation of this pool enables them to provide online healthcare advice to our on-site nurses and healthcare assistants.

Due to the fabulous work done by our People and Recruitment team in recruiting nurses we can now provide support to other aged care facilities looking for staff. We have leveraged this into a new opportunity for us, a nursing bureau. Our nursing bureau, RConnect is specialising in supplying desperately needed aged care nurses to Radius Care homes and beyond to the wider industry.

2023 has seen substantial progress being made on systems and processes for supporting the delivery of excellence in care right across the business.

During FY23 our Learning and Development team has successfully transitioned the majority of Radius Care's orientation and learning modules to an online platform. The platform is used by staff, with cultural training recently being introduced in relation to the new Nga Paerewa Standards. Continuing education is an important feature of each member of Radius Care's team and the online platform provides flexibility to allow each person to do their training at a time that suits their work responsibilities and individual learning programme.

The Radius Care Quality team is excited about the implementation of Medimap, an electronic medication management system. The new system is now available in all Radius Care facilities. Medimap is specifically designed for aged care. It is cost effective, and ensures any risk of errors in prescribing, dispensing and administration are minimised.

NGĀ PAEREWA STANDARDS

The Ngā Paerewa Health and Disability Services standard is a health care audit standard that is being implemented across New Zealand and replaces the previous set of standards under which Radius Care's facilities and delivery of care was assessed. The first audits under the new standard were conducted in late 2022.

The standard requires inclusion of Māori in decision-making and implementation across Te Whatu Ora services. This enables delivery of the standard's protocols in relation to health care services and to ensure equity of experience and outcomes for Māori.

Examples of how Radius Care has adapted its services in line with the standard include:

- Development of a Māori Health Strategy for governance level;
- Incorporating Māori Health initiatives into our Strategic Plan and Business/Quality Plan;
- Implementation of a National Cultural Committee with representatives from support office and facilities;
- Improving our gathering of ethnicity data for residents and staff. This includes education and training for office staff to ensure our ethnicity data aligns with the Ministry of Health ethnicity data protocols;
- Encouraging all facilities to incorporate Māori cultural activities into the everyday life of our residents; and
- Using the ethnicity data to develop programmes and quality activities to reduce health inequity for Māori and Pacific Island peoples.

MEET BERNIE AKE - DIVERSIONAL THERAPIST

A Precious Taonga
Honouring the Cultural Heritage of Korowai Aroha

Culture and diversity is keenly expressed by our multi-cultural staff and the ways in which they incorporate their cultural roots into their roles at Radius Care.

Bernie Ake has been the Diversional Therapist at Radius Althorp for over 16 years. She is bright, humorous, and incredibly humble to chat with. Bernie says that her Māori heritage "means everything to me, it defines who I am, my culture is the maanaki culture, we look after people." Maanaki is central to Māori culture and means to cherish, conserve, and sustain. These values clearly follow Bernie in her work. She describes her recent meeting with the team at Althorp where she discussed how to welcome new residents gently. People of all ethnicities are welcomed through a whakatō. Whakatō means to plant, a wonderfully accurate concept for welcoming a new resident, planting them into the community so they can grow and belong. The whakatō is generally meeting fellow residents in an informal setting, Bernie explains, and that this gentle introduction means there is no intimidation, breaks barriers and creates a sense of belonging.

"I made it for the residents...it stays here."

Another way Bernie draws Māori culture into Althorp is through introducing tours at Te Wānanga o Aotearoa. Te Wānanga o Aotearoa's teaching and research aims to maintain, advance and disseminate knowledge and application of āhuatanga Māori (tradition) according to tikanga Māori (custom). Groups of residents from Radius Althorp have visited Te Wānanga o Aotearoa annually for over five years to view students work. The visits have become so popular that Bernie took three separate groups from Althorp in FY23.

Bernie recently completed hand-crafting a Korowai (traditional Māori cloak). She has named it: Korowai Aroha. Aroha means to love, feel compassion and empathy in Māori. And that is exactly what Bernie's Korowai represents at Radius Althorp. Bernie was inspired to take on the project due to the clinical and pōuri (sad) feeling of saying final goodbyes to those who pass away at the care home, and a Korowai is the highest honour for the deceased, and is steeped in mana (respect, spiritual power).

The tikanga behind Korowai Aroha is to be used in Althorp's walk-out ceremony. When a resident passes away, staff, friends and whanau walk the departed out of the care home. The Korowai Aroha is laid over the body and Bernie will karanga the departed from the care home. Friends and whanau are invited to say a karakia. Korowai Aroha is as important for sending off the departed correctly as it is for comforting those still living. Bernie insists that the Korowai Aroha belongs to Althorp's residents now, "I made it for the residents," she says, "it stays here."

These ceremonies are always special occasions. Thank you teams.

People and Operations Highlights

19% IMPROVEMENT IN NPS SCORE	**92%** OF FACILITY MANAGERS ARE FEMALE	**2.9+** AVERAGE YEARS OF SERVICE
60 NATIONALITIES	**83** INTERNATIONALLY QUALIFIED NURSES COMPLETED NZ TRAINING	**19+** LONGEST INDIVIDUAL YEARS OF SERVICE
27 CURRENTLY COMPLETING NURSING TRAINING	**33%** SITES WITH 4-YEAR CERTIFICATION	**63%** SITES WITH 3-YEAR CERTIFICATION

FACILITY AUDIT RESULTS

All Radius Care sites have 3-year and 4-year certifications (except Matamata Country Lodge which expects a 4-year certification following its post acquisition audit).

Radius Care has a high level of Continuous Improvement Awards, recognising commendable elements above the required levels of performance.

Building Assets and Enriching Communities

OUR PROPERTY STRATEGY

Acquire strategically important facilities operated by Radius Care.

Acquire opportunistic aged care facilities from third parties.

Develop new facilities and expand its existing facilities.

Radius Care aims to acquire facilities it leases, acquire value accretive aged care facilities from third parties, develop new facilities and expand its existing facilities. In the last financial year Radius Care was able to demonstrate its ability to execute on this strategy and deliver growth across its main strategic pillars.

Radius Care has now undertaken four large property transactions in the past two years acquiring the land and buildings of eight of its leased facilities and two acquisitions of integrated care facilities and retirement villages.

Ownership of key facilities is important to maximise value and drive value-enhancing development opportunities. Radius Care's portfolio has grown to 24 facilities of which 13 are owned and 11 leased.

There were 1,889 available beds as at 31 March 2023, an increase of 105 during the year. Occupancy levels have remained strong and significantly above industry averages. Radius Care's development bank is now 76 care beds and 311 units or care suites at the end of the period.

Bringing life to the strategy means assessing the opportunity to add new units and additional beds to our care portfolio. When we look at acquiring facilities we currently lease, we carefully assess the size of the opportunity to deliver more from the site. The property portfolio is always under review to ensure that Radius holds the properties which offer the best revenue and development opportunities.

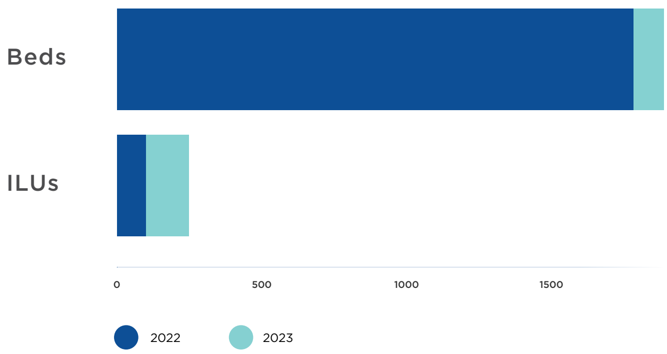
The factors we take into account in building a case for a care home or retirement village development involves us considering the property size, the availability or likely availability of adjacent properties together with the demographics of the local community and the existing availability of care facilities. While there are strong demand factors driving the aged care industry in New Zealand not all areas offer equal opportunities.

More recently we have also needed to consider building costs, availability of builders and the direction of the property market.

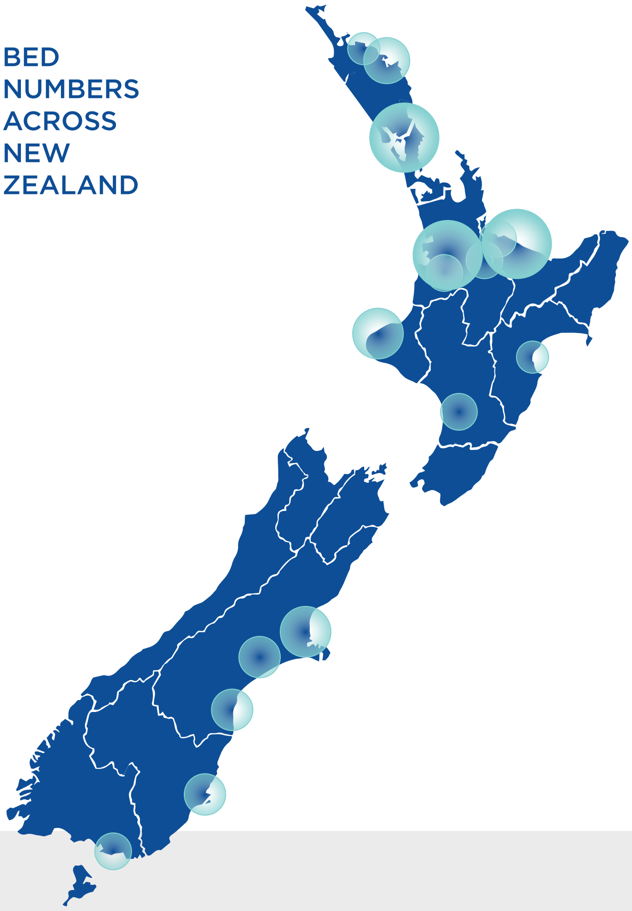
Our development programme sees us take a carefully considered approach to increasing the number of care beds, as well as premium care suites, in both brownfield and greenfield developments.

Property Overview

GROWTH



BED NUMBERS ACROSS NEW ZEALAND



ACQUISITIONS & DEVELOPMENT

May 2022

Settlement of UCG acquisition consisting of four strategic leased sites in Auckland, Hamilton, Palmerston North and Dunedin with an option to buy a fifth site in Hamilton.

September 2022

Acquisition of the Matamata Country Lodge, an integrated care home and retirement village with 81 care beds and 46 independent living units.

February 2023

Completion of a net 24 care bed extension at Thornleigh Park in New Plymouth.

Growing our Value

MATAMATA COUNTRY LODGE

ACQUISITION

Radius Care acquired the beautiful Matamata Country Lodge in September 2022. A combination of an 81 bed care home and a 46 unit/apartment retirement village together with three neighbouring properties will enable us to, in time, add more units to the site. Matamata offers a great opportunity for Radius Care as there are few major competitors in the area. Radius Care has already realised cost efficiencies at the site and delivered a valuation uplift of $4.3m since acquisition.

THORNLEIGH PARK

BROWNFIELD DEVELOPMENTS

A highlight of the Radius Care calendar for FY23 was the opening of an additional 24 beds at Thornleigh Park in February 2023 on budget. The Thornleigh Park care home offers rest home care, hospital care, respite care, palliative care and young disabled care.

NORTHWOOD

GREENFIELD DEVELOPMENTS

Northwood is a development that will see a 4.3 hectare bare block in Belfast, Christchurch transformed into a comprehensive full service retirement and care home. The project has progressed to the stage of having a resource consent granted and building consents are progressing. The proposed 67 independent living villas, 27 apartments together with an aged care home with 100 beds including 30 care suites.

ADDITIONAL BROWNFIELD DEVELOPMENTS

Our development pipeline includes plans for development of an additional 128 beds/suites at our facilities in Ohaupo, Auckland, Hamilton and Palmerston North.

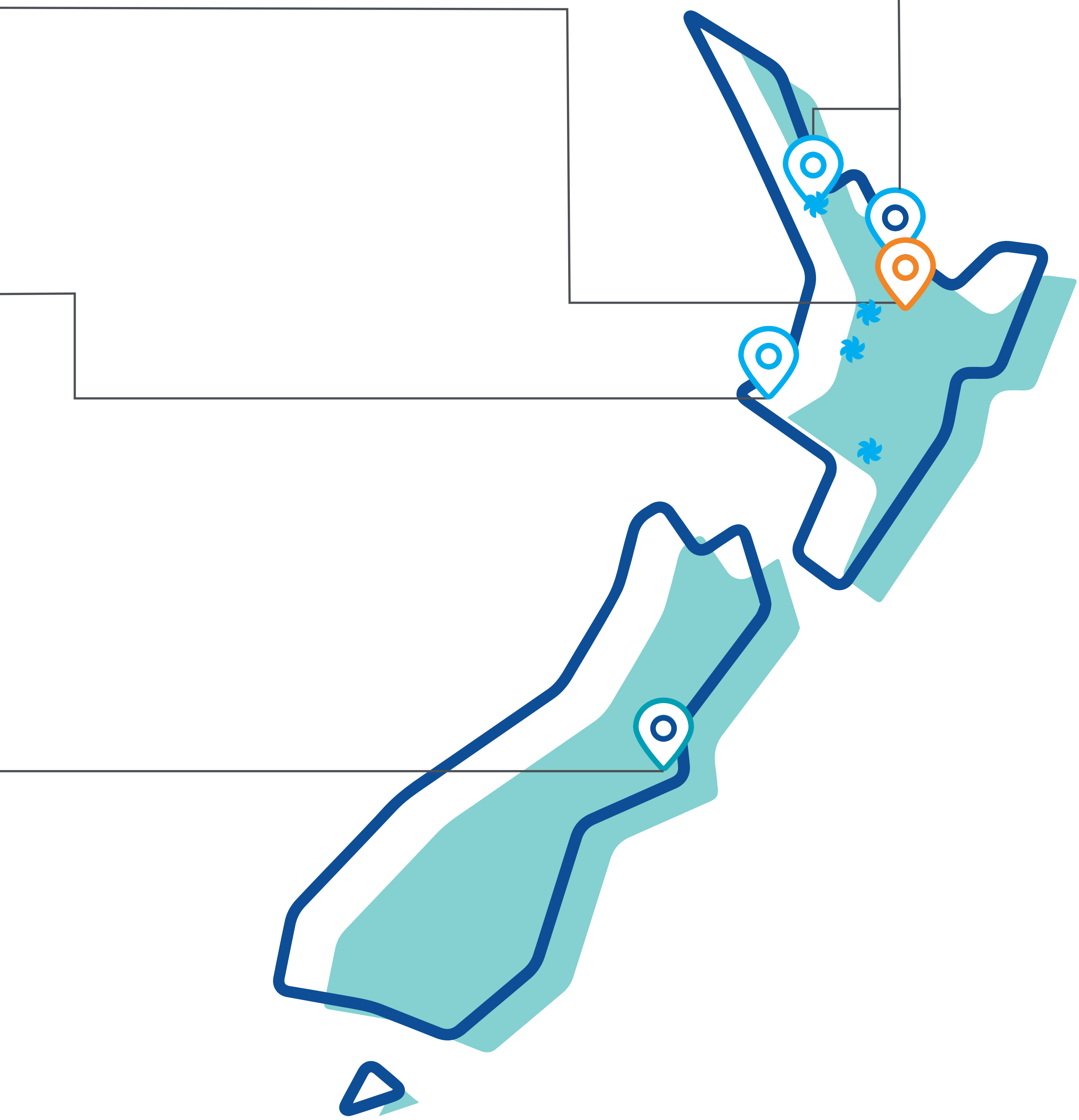
CARE SUITES

We expect to introduce care suites to our portfolio at Lexham Park in Katikati and also at Northwood in Christchurch. Residents who choose the care suite product will enter into an occupation rights agreement, giving the resident a long-term licence to occupy the room. Care suites are larger apartments which include separate bathrooms and other amenities. Residents may choose a care suite to allow an easier transition from their previous home to a new level of care.

TAUPAKI GABLES AND LEXHAM PARK

BROWNFIELD DEVELOPMENTS

With building plans complete and consents almost finalised, we are anticipating construction commencement dates for further development at Taupaki Gables in West Auckland and Lexham Park in Katikati later in 2024.



Authentic Care

Being genuine and authentic is important in fostering honest relationships with friends and families as we care for their loved ones.

Captivating Connections

ADVERTISING

A series of articles appeared in the NZ Herald, which included interviews with a Clinical Nurse Manager, Care Home Manager, Regional Manager and a resident. Showcasing their personal experiences; real people living and working in our real care homes. These were well received by the public.

ORBITER

Our Company magazine, Orbiter, is another an important part of showing what life at a Radius Care home is truly like. A warm-hearted celebration of the diverse lives of residents at our 24 care homes. In an effort to reduce our carbon footprint, we have decreased the print runs of the Orbiter, focusing on promoting the digital format.

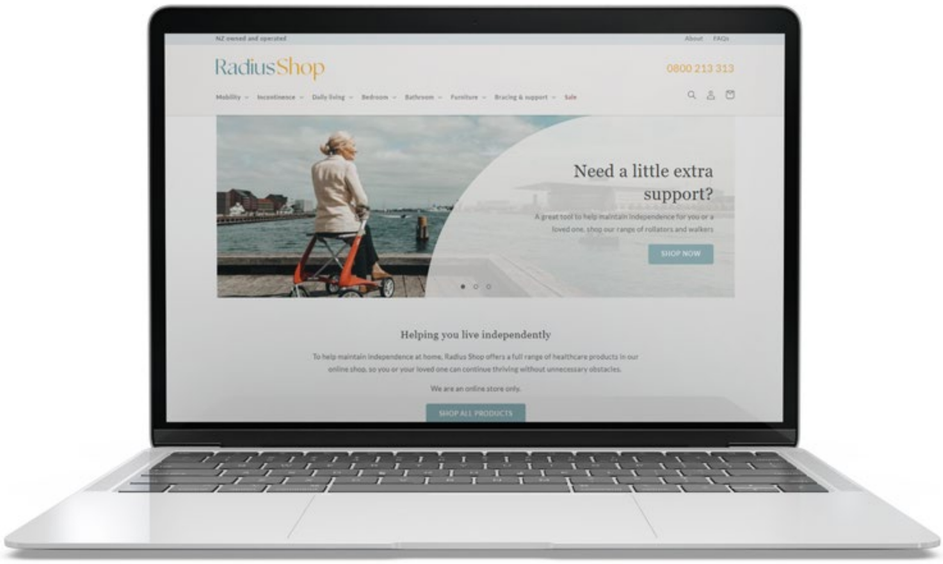
radiuscare.co.nz/
magazine-and-news/

FACEBOOK

Our Facebook page is still a powerhouse in the industry, with over eight thousand likes and growing. New stories are regularly posted celebrating the lives of residents. Posts consistently reach more than 20,000 people and generate fantastic engagement via likes, comments and shares. The audience consists mainly of families and staff, but we also encourage any new enquirers to follow us for an authentic look into life at a Radius Care home.

Offering Support Beyond Aged Care

RADIUS SHOP



In 2016, Radius Shop launched to connect with New Zealanders, stocking a range of healthcare products with the priority of having the same products used in our care homes available for use at home. Website traffic and sales have consistently increased year-on-year, with our most popular ranges being incontinence and mobility products.

The Radius Shop has refreshed its branding, to be more customer friendly. Improvements have been made to the user experience, resulting in improved site speed and enhanced navigation making it easier for customers to find what they need.

A major goal has been mobile compatibility, as most of our traffic comes from mobile users. This update has directly led to higher conversion rates and has received positive feedback from our customers.

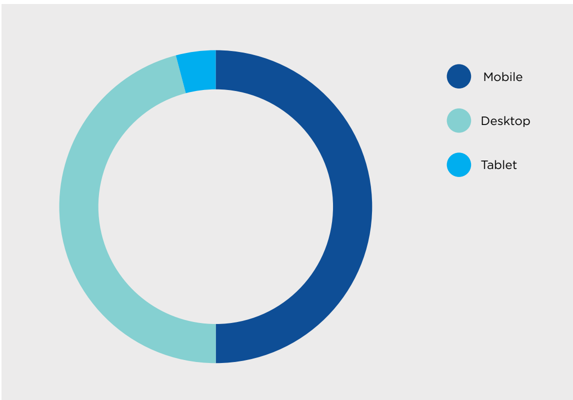
We have streamlined our processes and communication, with a focus on regular email marketing and growing our customer list.

We will be introducing new products in the coming months.

FY23 VS FY22

22K	$1.06M
SITE VISITORS Increase of 38%	TOTAL SALES Increase of 46%

DEVICE USAGE



Embracing Sustainable Practices

Radius Care is committed to ongoing sustainability initiatives that support our residents, our people and the broader community.

Inclusivity and Care

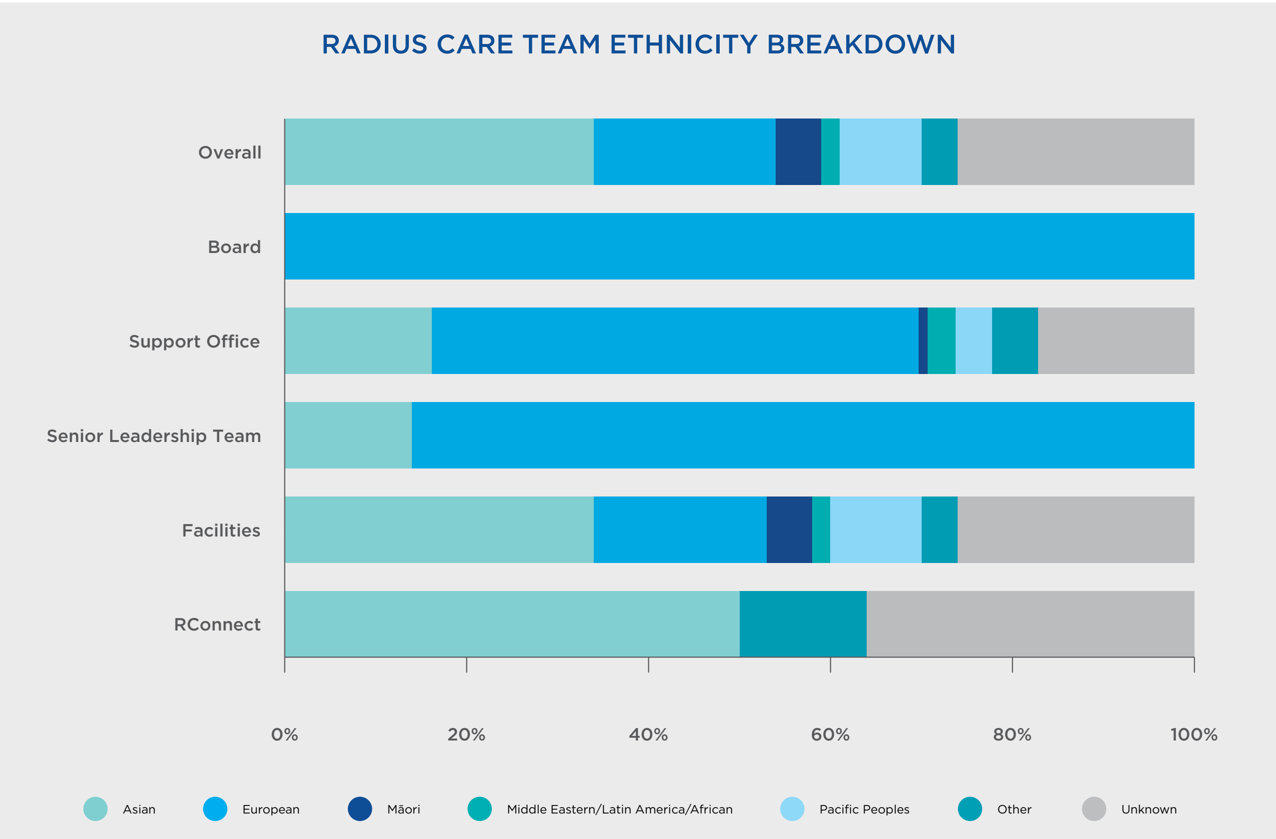
We're excited that in October we will celebrate our 20th year in business and with our team and residents with us, we'll continue to create a lasting difference to the lives of our people.

Our staff continued to work throughout another year of disruptions and we were reassured with the results of our recent Net Promoter Score (NPS) staff engagement survey, showing good improvement. The NPS survey is carried out every six months. We know that high levels of engagement and wellness are critical to being a business that people want to work at.

Employee consultation has resulted in a refinement of our work policies and we have experimented with adding virtual nurses to our employment pool and offering our team members employment opportunities through our new bureau.

Radius Care's commitment to supporting a diverse and inclusive workplace is behind an objective to embed diversity and inclusion into our recruitment strategy. We recognise the value of attracting and retaining people with different backgrounds, knowledge, experiences, and abilities. Residents and staff are proud of their culture and share their festivals, food and national dress. Over the past year residents enjoyed celebrating Matariki, Diwali, Chinese New Year and other cultural events; shared foods from other cultures and enjoyed other activities such as dance performances from cultural groups.

Radius Care understands that diversity not only encompasses gender but extends to age, ethnicity, religious beliefs, cultural background, language, marital or family status, sexual orientation, gender identity, disability, socio-economic background, perspective, and experience.



Caring about Sustainability

Radius Care is rolling out a sustainability plan to all care homes and retirement villages covering waste reduction, recycling, community activities and other sustainability initiatives. A sustainability framework is being developed to cover the whole organisation, including our development activities and support office functions. These initiatives are promoted by the Sustainability Committee.

Sustainability Committee Purpose

Develop policy for sustainable initiatives across Radius Care.

Provide opportunities to improve our sustainable approach, by reducing carbon emissions and costs.

Running a sustainable business improves our brand and competitiveness.

Promote environmentally and socially responsible actions across Radius Care.

Stakeholders

To give the committee a holistic viewpoint and combine perspectives and expertise the committee is made up of representatives from various departments including compliance and risk, quality, finance, operations, development, people, procurement, facility managers and the Board.

Baseline Carbon Footprint

We have recently completed our baseline carbon footprint calculation to measure our carbon emissions for the year 2022.

This baseline will be used to set targets for emissions reduction throughout the business in years to come and is a first step in allowing Radius Care to implement new climate-related disclosure reporting.

Our Compliance and Risk members keep us updated on reporting sustainability measures for the Board.

CARBON EMISSIONS

During the FY23 financial year, Radius Care carried out our first carbon footprint calculation, in collaboration with our sustainability partner, thinkstep-anz. Our inaugural emissions profile has been prepared based on the year to 31 March 2022 being our benchmark (or base) year. Radius Care's scope 1 and 2 emissions are small, particularly when compared to the scale of emissions from our indirect Scope 3 emissions. However, we acknowledge that we need to be mindful of our direct footprint and take steps to reduce it.

For the 12 months to 31 March 2022 we recorded total scope 1, 2 and 3 emissions of 16,620 tCO_2e. From here we will set targets for our carbon emissions and report each year on our key performance indicators.

OUR TOP 3 EMISSION CONTRIBUTORS

62%	14%	10%
Purchased goods and services	Employee commuting	On-site energy use

SUPPLY CHAIN MANAGEMENT

Radius Care has recently developed a Supplier Code of Conduct. The purpose and intent of this Code is to allow Radius Care suppliers to understand and fulfil our sustainability expectations around ethical business, social responsibilities, health and safety, wellbeing, and environment. We expect our suppliers to apply comparable standards downstream in their own supply chains. We aim to use green and recyclable products where possible. Our People team have recently introduced new procedures to minimise risks of modern slavery in our workforce when recruiting internationally.

With the introduction of New Zealand climate-related disclosure standards (CRD), we are actively looking to work with suppliers that provide more sustainable goods and services. At the same time, we have observed that our suppliers are increasingly motivated to show how they can do business in a more sustainable way. CRD has also raised the profile of long-term climate impacts and the subject of adapting to physical risk from climate change.

WASTE MANAGEMENT

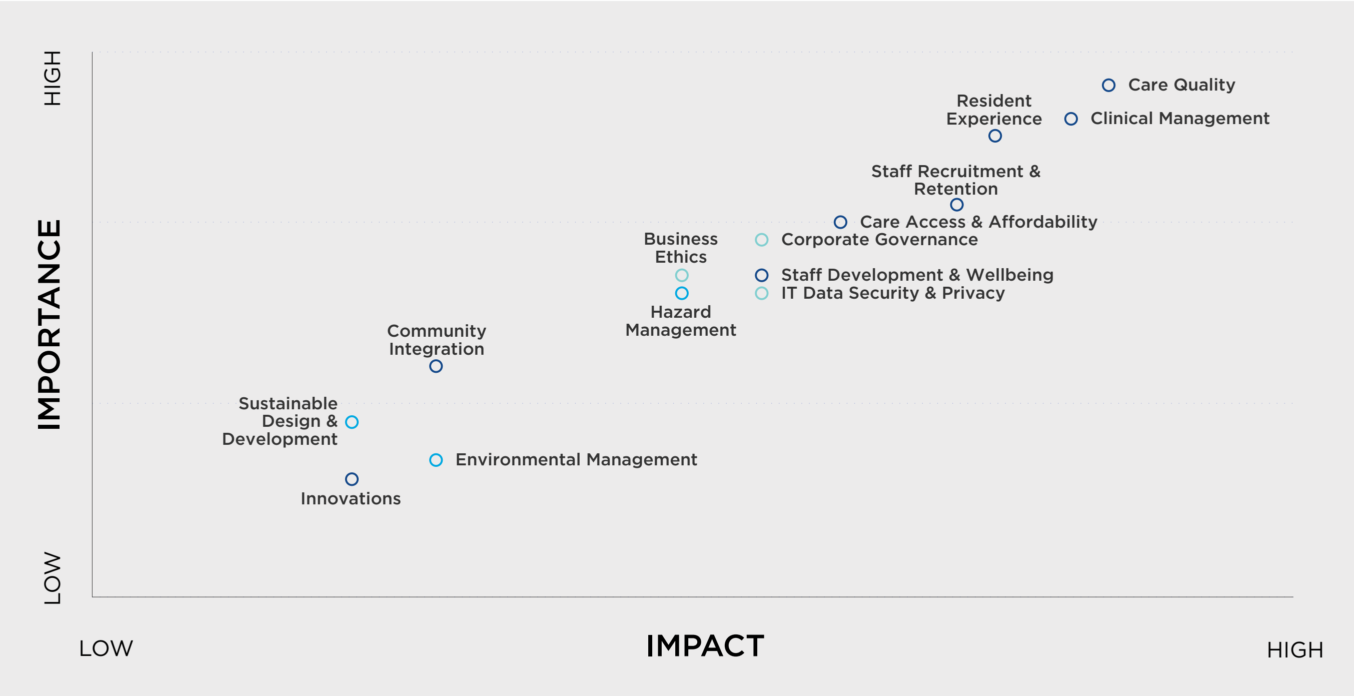
In the process of formulating our Sustainability Framework and our base-line carbon calculation we have considered new ways of approaching waste and recycling. We are aiming for a more streamlined approach across our care homes, and our waste contractor is reviewing our waste collections to ensure we can recycle as much of our waste as possible. Feedback on areas for easy wins includes collection of commonly used products such as hearing aid batteries and pill packets for recycling and timer switches on lights.

INDUSTRY COLLABORATION

We are collaborating with the Retirement Village Association (RVA) Sustainability Committee as we work on our response to the XRB's climate-related disclosure standards.

Our Top Priorities

This year, we undertook a business stakeholder engagement and materiality assessment to identify which topics are regarded as most important and impactful to our business.



Internally we consulted with a range of senior staff to narrow the set of material topics for our survey. We then distributed the survey to a range of interested parties and to the Board. Participants remain anonymous.

The results identified the matters that are most important to stakeholders and help guide our strategy, in order to improve Radius Care's performance. The results did not reveal any surprises as they were consistent with other results from the aged care industry. Our focus on care, health and safety and resident experience was reinforced.

The matrix can also be used to prioritise Radius Care reporting on sustainability topics. We intend to engage and gather insights from a wider group of stakeholders when we run the survey again.

Environment

Environmental Management
Sustainable Design & Development
Hazard Management

Social

Care Quality
Clinical Management
Resident Experience
Staff Recruitment & Retention
Care Access & Affordability
Staff Development & Wellbeing
Community Integration
Innovations

Governance

Corporate Governance
Business Ethics
IT Data Security & Privacy

Making Sustainable Choices Everyday

As stead-fast sustainability heroes, Radius Taupaki Gables in Auckland are making eco-conscious choices every day, and things like collecting rainwater, using old packaging pallets to build gardens, and recycling milk bottle lids as bingo counters are all daily norms for residents and staff.

Laurel Winwood, Taupaki Gables' Facility Manager, says "being rural is a big inspiration to making sustainable choices". As a rural community, Taupaki Gables has always had a use and reuse mindset. Laurel calls it a tendency "to number-8 wire everything," a call to good old Kiwi ingenuity and resourcefulness. "Working with what you've got and re-using everything is a lifestyle. You don't make sustainable choices once; you make them every day."

"Taupaki Gables has always thought in terms of 'what can we do with this?'" says Laurel. As a result, they already have multiple initiatives and are always thinking

"...it has the biggest impact on the local community."

forward. "The swap station is probably my favourite," says Laurel "and it has the biggest impact on the local community." The little stall, built by Taupaki Gables' maintenance man, has a constant flow of loved goods passing through, from children's shoes and jigsaw puzzles to bags of grapefruit from the tree in the back garden. "Our swap station functions like a little opportunity shop, my mum will buy a puzzle and when she's done she'll tape it up and send it to me, I'll put it out for the residents and when they've had a go it gets put into the swap station for someone else" Laurel says. The swap station was started up just before the first lockdown, so it's been running for almost three years.

Taupaki Gables' residents are active contributors to the sustainability efforts of their home and next moves are discussed in the resident meetings. Laurel says the residents are "full of ideas for sustainable initiatives." Having recently discussed how milk bottles used to be delivered and then returned to be reused over and over is how Taupaki Gables found that some milk brands do enable customers to return clean empty milk bottles to reuse them again. Taupaki Gables has adopted this into their routine, collecting and returning their used milk bottles to their dairy company. Adopting a mindset like this, where small actions are seen as accomplishments will result in long-term changes if you are consistent.

Taupaki Gables' next step is gaining access to a soft plastics bin. Soft plastic recycling bins are costly, so Taupaki Gables are considering buying a joint bin or possibly fundraising for one.

Leadership

Board of Directors

Our Board brings many years of experience in aged care, development and commerce alongside broader business experience in New Zealand and internationally. The Directors consider that a Board functions effectively when it is well chaired, the Directors respect all contributions, access to expert advice is available and where the Directors challenge themselves to keep getting better.

BRIEN CREE

Formed Company June 2003

EXECUTIVE CHAIR

Brien Cree is a founding shareholder of Radius Care and was the CEO from the Company's inception in 2003 and the Managing Director from 2010. Brien has built Radius Care's portfolio from nothing to its current 24 aged care facilities and four retirement villages. As Executive Chair, Brien is focused on the formulation and execution of Radius Care's strategic growth objectives.

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

DUNCAN COOK

Joined 2010 (LLB)

EXECUTIVE DIRECTOR

LEGAL COUNSEL

CHAIR OF REMUNERATION AND PEOPLE COMMITTEE

Duncan Cook has worked with Radius Care's founders to establish, structure and grow Radius Care's business. Duncan is a consultant at Sharp Tudhope Lawyers (Tauranga and Auckland) having been a partner in the firm for 31 years.

His key areas of practice are mergers and acquisitions with a focus on consolidating primary and secondary health services. Duncan is a member of the New Zealand Law Society, Institute of Directors New Zealand (Inc) and Restructuring Insolvency & Turnaround Association New Zealand Incorporated.

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

BRET JACKSON

Joined 2014 (BCom (Honours), MBA (Harvard Business School))

INDEPENDENT DIRECTOR

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

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

He is also a past President of the Harvard Business School Alumni Association of New Zealand.

MARY GARDINER

Joined 2020 (BCom, FCA, FCIS, CMInstD)

INDEPENDENT DIRECTOR

Mary Gardiner is Chair of the Audit and Risk Committee of Southern Cross Pet Insurance, Director of Unity Credit Union, Chair of Netball Northern Zone, trustee of Mangere Mountain Education Trust, an Auckland Council-controlled organisation and a Director of Women in Sport Aotearoa.

Mary has previously been Chair of Auckland Netball Centre and Badminton NZ. Her commercial experience includes roles as Chief Financial Officer of Instant Finance and Radius Health Group, and Governance Risk Manager at Air New Zealand, following a career focused primarily in financial services with KPMG in New Zealand, Germany and Australia.

Mary is a Chartered member of the Institute of Directors, Fellow of Governance New Zealand and is a New Zealand Fellow Chartered Accountant.

HAMISH STEVENS

Joined 2020 (MCom (Honours), MBA, CA, CFInstD)

INDEPENDENT DIRECTOR

CHAIR OF AUDIT AND RISK COMMITTEE

Hamish Stevens is an Auckland-based Independent Director having held directorships in both the listed and private company sectors since 2010.

He is also currently Chair of Embark Education Group, East Health Services and Pharmaco and a Director of Marsden Maritime Holdings, Northport and Counties Energy. Prior to his governance career, Hamish held senior finance positions with Heinz Wattie, Tip Top Ice Cream and DB Breweries.

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

Senior Management

Sam Carey

Wendy Jenkins

Richard Callander

Andrew Peskett

Gared Thomas

Trish Evers

ANDREW PESKETT

CHIEF EXECUTIVE OFFICER

(BA (Hons), LLB)

Andrew brings extensive experience in the retirement village and aged care industry, having previously been a senior executive at Metlifecare, a leading New Zealand retirement village operator. Andrew held roles including Acting Chief Executive Officer, GM Corporate Services, Acting GM Operations and General Counsel and Company Secretary.

Andrew enjoys the privilege of leading the team at Radius Care.

WENDY JENKINS

CHIEF FINANCIAL OFFICER

(MCom (Hons), MBA (MGSM), CA)

Wendy joined Radius Care in July 2022 bringing strong finance, property, capital markets and investor relations skills with experience in the UK, Australia and New Zealand.

Most recently Wendy was the GM Management Information at ASB Bank and previously held GM roles at Genesis Energy across its corporate finance, investor relations, customer and technology and digital functions.

RICHARD CALLANDER

CHIEF OPERATIONS OFFICER

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

TRISH EVERS

GENERAL MANAGER PEOPLE

(MSc in Applied Psychology)

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

SAM CAREY

GENERAL MANAGER, SALES, MARKETING AND RETAIL

(Bachelor of Business)

After completing his studies at AUT in 2008, Sam ventured overseas briefly before returning to start a career in marketing with Radius. Coming on board at just 24 years old, he brought a youthful and energetic attitude to an aged industry with an aged mentality.

Twelve years on and while he's not as youthful, he retains the same energy and passion for the Company and the industry as a whole, focusing on helping the New Zealand public understand the complexities of our vital industry. His innovative approach has resulted in several new key revenue drivers for Radius, most notably, the development and implementation of the Radius retail arm, The Radius Shop.

GARED THOMAS

GENERAL MANAGER, PROPERTY & DEVELOPMENT

(Bachelor of Business)

Gared Thomas completed a Bachelor of Business, majoring in Management at AUT in 2010. Gared has extensive experience in the construction sector.

Gared joined Radius Care in 2019 and is passionate about delivering our village and care home residents with high-quality, well designed, and enjoyable spaces to live.

MEET LEE HERON - ACTIVITIES COORDINATOR

When Family Ties Lead to a Passionate Career

Lee Heron's journey to becoming an Activities Coordinator at Radius Elloughton Gardens in Timaru was quite unconventional. She started off working in health and safety management and training at Silver Fern Farms Pareora before joining the aged care industry.

It was her mother's stay at Elloughton Gardens in 2014 that gave her a newfound appreciation for the importance of aged care. Lee recalls spending a lot of time visiting her mother and became familiar with the residents and staff. "By having Mum here, I had the time to sit and talk with everyone. We also came and did activities with her and with residents. I could tell that this was a career path for me," Lee explains.

She started working casually in administration and filled in for the activities team while they were on leave, and this gave her an opportunity to interact with residents and get to know them better. Lee's excellent work ethics and dedication caught the attention of the management, and she was offered a full-time role as an Activities Coordinator in 2016, a role that she enjoys every day.

She feels rewarded when seeing the residents smile, have fun and living their lives to the fullest. For her, being an activities coordinator is about creating special memories for the residents and their families. "I believe that even though some residents have dementia, I can tell by their reactions that there is some still some recollection, and they still feel a strong sense of joy and happiness during activities," Lee explains. But her impact on the residents goes far beyond organising activities. She takes time to listen to their stories, hold their hands and offer a hug when they need it.

"...and they still feel a strong sense of joy and happiness during activities."

Lee's passion for aged care is evident in the way she talks about her work. Her passion for aged care shines through in everything she does, from organising activities to simply sitting down for a chat with the residents. Additionally, Lee's expertise in health and safety has made her an excellent candidate to chair the South Canterbury Diversional Therapy Support Group, a position she has held for four years. She is often asked to speak at various workshops on risk assessments.

Lee is not only a committed and passionate employee but is also known for her contagious energy, and her warm and kind nature. She goes out of her way to make residents feel comfortable, cared for, and loved. Her career transition was driven by her love for her mother, and her passion for providing residents with enjoyable activities has led her to become a valuable staff member at Radius Elloughton Gardens. As she continues to make a positive impact on the lives of the residents, it is clear that she has found her calling in aged care.

Thank you Lee for your passion and commitment.

Financial Statements 2023

CONSOLIDATED

STATEMENT OF COMPREHENSIVE INCOME

For the year ended *In thousands of New Zealand dollars*	NOTE	31 March 2023	31 March 2022
REVENUE			
Revenue	2.1	144,467	132,052
Deferred management fees	2.1	1,801	1,328
Total revenue		**146,268**	**133,380**
Change in fair value of investment property	3.1	765	1,088
Government subsidy received		189	–
Interest income		67	62
Gain on acquisition of previously leased property assets	3.4	1,781	1,403
Gain on business acquisition	5.6	927	–
Total revenue and other income		**149,997**	**135,933**
EXPENSES			
Employee costs		(93,097)	(82,368)
Depreciation expense	2.2	(9,979)	(11,194)
Finance costs	2.2	(12,479)	(9,091)
Loss on revaluation of land and buildings	3.2	(3,028)	–
Other expenses	2.2	(34,398)	(30,199)
Total expenses		**(152,981)**	**(132,852)**
Profit/(Loss) before income tax		**(2,984)**	**3,081**
Income tax refund/(expense)	5.1	878	(408)
Profit/(Loss) for the year		**(2,106)**	**2,673**
OTHER COMPREHENSIVE INCOME FOR THE YEAR			
Items that will not be reclassified subsequently to profit and loss			
Revaluation of land and buildings, net of tax	3.2	3,558	–
Income tax on other comprehensive income	5.1	(874)	–
Other comprehensive income for the year		**2,684**	**–**
Total comprehensive income		**578**	**2,673**
EARNINGS PER SHARE			
Basic and diluted earnings/(loss) per share (cents per share)	4.2	(0.76)	1.13

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 2023 *In thousands of New Zealand dollars*	NOTE	**Contributed Equity**	**Asset Revaluation Reserve**	**Other Reserve**	**Retained Earnings**	**Total**
BALANCE AS AT 1 APRIL 2022		51,732	6,812	–	11,544	70,088
Profit/(Loss) for the year		–	–	–	(2,106)	(2,106)
Share based payments reserve		–	–	33	–	33
Other comprehensive income for the year	3.2	–	2,684	–	–	2,684
Total comprehensive income for the year		–	**2,684**	**33**	**(2,106)**	**611**
Transactions with owners						
Issue of share capital (net of transaction costs and tax)	4.1	5,057	–	–	–	5,057
Dividends paid	4.1	24	–	–	(2,916)	(2,892)
Total transactions with owners	4.1	**5,081**	–	–	**(2,916)**	**2,165**
BALANCE AS AT 31 MARCH 2023		**56,813**	**9,496**	**33**	**6,522**	**72,864**
BALANCE AS AT 1 APRIL 2021		5,932	6,812	–	11,349	24,093
Profit/(Loss) for the year		–	–	–	2,673	2,673
Other comprehensive income for the year	3.2	–	–	–	–	–
Total comprehensive income for the year		–	–	–	**2,673**	**2,673**
Transactions with owners						
Issue of share capital (net of transaction costs and tax)	4.1	45,800	–	–	–	45,800
Dividends paid	4.1	–	–	–	(2,478)	(2,478)
Total transactions with owners		**45,800**	–	–	**(2,478)**	**43,322**
BALANCE AS AT 31 MARCH 2022		**51,732**	**6,812**	**–**	**11,544**	**70,088**

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2023 *In thousands of New Zealand dollars*	NOTE	31 March 2023	31 March 2022
ASSETS			
Cash and cash equivalents		515	2,088
Trade and other receivables	5.3	13,071	9,842
Held for sale assets		891	–
Inventories		753	768
Current tax assets		1,321	–
Investment properties	3.1	70,143	46,014
Property, plant and equipment	3.2	133,870	73,839
Right-of-use assets	3.4	112,464	133,912
Intangible assets	5.2	19,797	19,797
Deferred tax assets	5.1	3,770	3,885
Total assets		**356,595**	**290,145**
LIABILITIES			
Cash and cash equivalents (overdraft)		2,894	–
Trade and other payables	5.4	20,543	16,901
Current tax liabilities		–	444
Borrowings	4.3	97,687	30,000
Deferred management fees	3.3	6,973	1,553
Refundable occupation right agreements	3.3	34,104	28,616
Lease liabilities	3.4	121,530	142,543
Total liabilities		**283,731**	**220,057**
NET ASSETS		**72,864**	**70,088**
EQUITY			
Share capital	4.1	56,813	51,732
Reserves	4.1	9,529	6,812
Retained earnings		6,522	11,544
Total equity		**72,864**	**70,088**

The Board of Directors of the Company authorised these consolidated financial statements for issue on 28 June 2023.

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 31 March 2023 *In thousands of New Zealand dollars*	NOTE	**31 March 2023**	**31 March 2022**
Receipts from residents for care fees and village fees		140,699	129,796
Receipts of government subsidy		1,269	—
Payments to suppliers and employees		(124,697)	(111,696)
Proceeds from the sale of Refundable Occupation Right Agreements		3,715	4,726
Payments for the repurchase of Refundable Occupation Right Agreements		(2,847)	(1,766)
Interest received		67	62
Interest paid - borrowings		(6,506)	(1,436)
Interest paid - lease liabilities		(5,934)	(7,655)
Income tax paid		(1,729)	(2,154)
Net cash provided by operating activities		**4,037**	**9,877**
Proceeds from the sale of property, plant and equipment		7	50
Acquisition of subsidiaries, net of cash acquired	5.6	(500)	(14,000)
Payments for the purchase of property, plant and equipment		(58,681)	(38,431)
Payments for village developments		(53)	(411)
Net cash used in investing activities		**(59,227)**	**(52,792)**
Proceeds from issue of share capital		—	48,229
Share issue transaction costs		—	(2,429)
Proceeds from bank borrowings		56,169	2,788
Principal payments of lease liabilities		(2,554)	(3,868)
Dividends paid		(2,892)	(2,478)
Net cash provided by/(used in) financing activities		**50,723**	**42,242**
Cash and cash equivalents at beginning of the year		2,088	2,761
Net (decrease)/increase in cash and cash equivalents held		(4,467)	(673)
Cash and cash equivalents at end of year		**(2,379)**	**2,088**
COMPRISING OF			
Cash and cash equivalents		*515*	*2,088*
Cash and cash equivalents (overdraft)		*(2,894)*	—
Cash and cash equivalents at end of year		**(2,379)**	**2,088**

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 2023	31 March 2022
RECONCILIATION OF PROFIT/(LOSS) FOR THE YEAR TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Profit/(Loss) for the year	(2,106)	2,673
ADJUSTMENTS FOR NON-CASH ITEMS		
Depreciation	9,979	11,194
Share based payments	88	—
Net loss/(gain) on disposal of property, plant and equipment	(1)	174
Gain on acquisition of previously leased property assets	(1,781)	(1,403)
Fair value adjustment to investment properties	(765)	(1,088)
Movement in deferred tax	(860)	(923)
Gain on business acquisition	(927)	—
Loss on revaluation of land and buildings	3,028	—
CHANGES IN OPERATING ASSETS AND LIABILITIES		
- Trade and other receivables and other assets	(3,157)	(2,414)
- Inventories	15	(180)
- Trade and other payables and other liabilities	7,132	1,172
- Current tax liabilities	(1,759)	(692)
- Refundable Occupation Right Agreements	(4,849)	1,364
Net cash provided by operating activities	**4,037**	**9,877**

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Liabilities arising from financing activities are liabilities for which cash flows are, or will be, classified as 'cash flows from financing activities' in the statement of cash flows.

In thousands of New Zealand dollars	Share Capital	Borrowings	Lease Liabilities	Total
BALANCE AS AT 1 APRIL 2022	51,732	30,000	142,543	224,275
- Proceeds from bank borrowings	—	56,169	—	56,169
- Repayment of bank borrowings and lease liabilities	—	—	(2,554)	(2,554)
Total changes from financing cash flows	—	**56,169**	**(2,554)**	**53,615**
Non-cash changes				
- Financing of the Matamata Business acquisition	5,000	11,518	—	16,518
- Shares issued to employees and service providers	57	—	—	57
- Dividend reinvestment plan	24	—	—	24
- Remeasurements	—	—	18,685	18,685
- Disposals	—	—	(37,144)	(37,144)
Balance as at 31 March 2023	**56,813**	**97,687**	**121,530**	**276,030**
BALANCE AS AT 1 APRIL 2021	5,932	27,212	184,305	217,449
- Proceeds from issue of share capital	48,229	—	—	48,229
- Share issue transaction costs	(2,429)	—	—	(2,429)
- Proceeds from bank borrowings	—	2,788	—	2,788
- Repayment of bank borrowings and lease liabilities	—	—	(3,868)	(3,868)
Total changes from financing cash flows	**45,800**	**2,788**	**(3,868)**	**44,720**
Non-cash changes				
- Remeasurements	—	—	794	794
- Disposals	—	—	(38,688)	(38,688)
Balance as at 31 March 2022	**51,732**	**30,000**	**142,543**	**224,275**

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

Notes

TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

1.1. Basis of Preparation

Reporting Entity

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

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

Statutory Basis and Statement of Compliance

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

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

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

The Statement of Financial Position for the Group is presented on the liquidity basis where the assets and liabilities are presented in the order of their liquidity. The Group has adopted the liquidity basis presentation to be consistent with its listed retirement village and aged care peers.

Functional and Presentation Currency

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

Measurement Basis

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

Material Uncertainty Around Going Concern

The Group has reported a loss of $2.1m for the year ended 31 March 2023 (2022: profit of $2.6m) and a net decrease in cash and cash equivalents held of $4.5m (2022: decrease of $0.7m). As at 31 March 2023, the Group had current liabilities that exceeded current assets by $45.7m[1], had drawn down $2.9m of its $5m overdraft facility (2022: nil) and had total borrowings of $97.7m (2022: $30m). The overdraft facility is expected to decrease from $5m to $2m on 31 July 2023 and $34.5m of borrowings are due for repayment within the next 12 months (refer note 4.3).

On 31 March 2023, a six-month extension was granted by ASB Bank ('ASB') relating to $23m of finance facilities (being the current portions of the Committed Money Market B and E facilities described in note 4.3) that were originally put in place to enable settlement of the four previously leased land and buildings property assets from UCG Investments Limited (described in notes 3.2 and 3.4). These two finance facilities now need to be repaid on or before 6 October 2023. The amendments include a new 'event of review' that requires the Company to have received equity commitments of not less than $30m by 31 July 2023 and to have completed an equity raise and apply at least $25m to repay the ASB facilities by 6 October 2023.

In response to these obligations, the Board and Management have developed a debt management programme.

Given the subdued state of equity markets the Board and Management consider a capital raise would not be in the best interests of the Company and its stakeholders at this time and have looked at other options which would enable repayment of the Group's borrowing commitments.

The Board and Management have reviewed the Group's property asset portfolio with a focus on identifying non-core properties which are not considered essential to achieving the Group's longer term growth strategy. This has seen $0.9m of non-core assets reclassified to held for sale as at 31 March 2023 with settlement expected to be completed on these assets on or before August 2023.

On 19 June 2023, the Board entered into a conditional sale and purchase agreement for one property aged care facility as a going concern. The facility has little to no development opportunity and its sale is not expected to materially impact on the Group's earnings going forward.

The Board and Management have also identified at least two properties where only the land and building assets could be sold while maintaining the aged care facility operations under a long-term lease. These sites are considered profitable, but have little to no development potential and

1.This excludes occupation right agreements ('ORA') 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 disclosed in Note 3.3 'Refundable Occupation Right Agreements'.

could likely be sold with settlement completed prior to the borrowing repayment timelines mentioned above.

The Board and Management estimate that the above programme will generate $30m which would enable repayment of $23m of borrowings with ASB prior to 6 October 2023 and provide sufficient working capital funding for the Group going forward. The Group is currently preparing these assets for sale in anticipation of ASB's consent of the Group's debt management programme. While a sale price has not been agreed, the Group expects that the value achieved through the sale will be materially consistent with the carrying value of the land and building assets as at 31 March 2023.

The debt management programme has been submitted to ASB during June 2023 for their feedback and consent with agreement expected in July 2023. This remains subject to ASB's ongoing review and approval.

The Board and Management anticipate that the debt management programme will provide a greater level of options to enable the repayment of the $11.5m of related party loans currently due for repayment on 21 October 2023. While it is not currently anticipated that these loans can be repaid in full based on current cashflow projections, it will enable other options which include:

- Partial repayment and renegotiation of loan terms
- Refinancing the loan to another lender or the bank with a longer repayment term and more favourable lending terms

While the debt management programme is being actioned, Management is also committed to ongoing actions around increasing revenue and optimising costs across the organisation. Since 31 March 2023, a number of conditional and unconditional agreements have been entered into for unsold/vacant Occupation Right Agreements (ORA) stock (refer note 3.1) which are expected to settle in full prior to 31 July 2023. A minimum of $1.3m of recurrent cost savings have also been identified and are in the process of being implemented. These changes along with reduced interest expense on borrowings are expected to have a positive impact on financial performance over the next 12-18 months. There has been no non-compliance with the Group's banking covenants to date and the Board and Management expect this to remain unchanged over the next 12-18 months subject to adjustments to banking covenants being agreed by ASB as outlined in the debt management programme.

The Board and Management are committed to undertaking all necessary steps to ensure the Group can meet its obligations. Should the Group not be able to successfully implement the above debt management programme or obtain further lending extensions, this would give rise to a material uncertainty in relation to the Group's ability to continue as a going concern. If the Group were unable to continue in operational existence for the foreseeable future, adjustments may have to be made to reflect the situation that assets may need to be realised other than in the amounts at which they are currently recorded in the Statement of Financial Position. In addition, the Group may need to provide for future liabilities that might arise and to reclassify non-current liabilities as current liabilities in the Statement of Financial Position.

The Board and Management have concluded that the adoption of a going concern basis of accounting is appropriate based on reasonable expectations that the above debt management programme and other actions will enable the Group to continue operations at existing levels and meet its debts when they fall due for the foreseeable future and not less than 12 months from the signing of the consolidated financial statements. In making their assessment, Management has considered a range of factors and has made several significant judgments. This includes an evaluation of the Group's budget and forecasts for the 2024 and 2025 financial years, which project a situation where the Group can meet its obligations.

The Board and Management have also assessed that the ASB will not immediately call the facilities due to the existing relationships and understanding of the Group's business model. This assumption, however, is reliant on the success of the Group's strategies and negotiations with ASB.

However, these are material uncertainties and significant judgments. The ability of the Group to continue as a going concern is dependent on successful execution of the aforementioned plans, along with positive economic conditions and sector performance.

Key Estimates and Judgements

The Board of Directors and Management are required to make judgements, estimates and assumptions in applying the accounting policies. The estimates and associated assumptions are based on experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements. 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:

- Material uncertainty around going concern (note 1.1)
- 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 (note 5.1)
- Impairment testing of goodwill (note 5.2)
- Business combinations (note 5.6)
- Impairment of non-financial assets
  At the end of each reporting period, the Group assesses whether there is any indication that a non-financial asset or cash-generating unit's (CGU) may be impaired. If any such indication exists, the Group will estimate the recoverable amount of the asset or CGU. Irrespective of whether there is any indication of impairment, the Group tests its intangible assets with an indefinite useful life, currently comprised of only goodwill, for impairment annually, at the end of the reporting period. In assessing whether there is any indication that an asset may be impaired, the Group considers external and internal sources of information. The recoverable amount of an asset or CGU is the higher of its fair value less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows expected to be derived from the asset or CGU are discounted to their present values. The Group uses a discount rate that the estimated future cash flows are discounted to their present values. This discount rate reflects current market assessments of the time value of money and the risks specific to the assets or CGU, for which the estimates of future cash flows have not been adjusted. In assessing fair value less costs of disposal, the fair value is determined in accordance with the valuation approaches described in notes 3.1 for Investment properties, 3.2 for Land and buildings, and 5.2 for Impairment testing of goodwill, taking into account an allowance for costs of disposal, being direct incremental costs to bring an asset or CGU into condition for sale.

Following on from the disclosures in the Group's annual financial statements for the year ended 31 March 2022 and interim financial statements for the period ended 30 September 2022, regarding the ongoing COVID-19 pandemic, the New Zealand Government continued to maintain a range of public health and economic measures to mitigate the impact of the COVID-19 pandemic through the first half of the year. These measures were gradually removed during the period with the COVID-19 Protection Framework officially ending on 12 September 2022 and vaccine mandates being removed on 26 September 2022.

The pandemic and subsequent health measures imposed did lower overall economic activity across New Zealand. The Group's revenue had not been significantly impacted, but the COVID-19 pandemic did increase the Group's expenditures since the outbreak began. In addition to the COVID-19 pandemic, unfavourable macro and micro economic conditions and adverse global events during the year, which include rapidly rising interest rates and inflation, skill shortages and the flow on effects from the conflict between Ukraine and Russia has had a significant impact on energy and financial markets across the globe which also further impacted the Group's expenditures. The Directors have assessed and taken into consideration the impact of these unfavourable macro and micro economic conditions and adverse global events on these key estimates and judgements.

It is not possible to estimate the short and long-term effects that the above matters will have on operations. As at the date of these financial statements, all reasonably known and available information with respect to these matters has been taken into consideration and all reasonably determinable adjustments have been made in preparing these consolidated financial statements.

New and Amended Accounting Standards and Interpretations

All mandatory new and amended standards and Interpretations have been adopted in the current year. None had a material impact on these financial statements.

The Group has not early adopted any new standards, amendments or interpretations to existing standards that are not yet effective.

Climate Related Disclosures

The External Reporting Board ('XRB') of New Zealand has developed reporting standards to support mandatory reporting on climate risks. The XRB issued a climate-related disclosure framework: *Aotearoa New Zealand Climate Standards* with three Climate Standards being issued that set requirements for: Climate-related Disclosures; First-time adoption; and General Requirements for Disclosures. The disclosure areas are in line with the International Task Force on Climate-related Disclosures ('TCFD'), being Governance, Strategy, Risk Management and Metrics & Targets. The XRB issued these standards in December 2022 and the first climate statement required under these new standards will be as at 31 March 2024, with mandatory assurance required on the Greenhouse Gas emissions included in the climate statements for the 31 March 2025 Annual Report.

The Group has not early adopted this new standard and intends to adopt for the financial reporting period beginning 1 April 2023. The adoption of this new standard is expected to have a material impact on the disclosures included in the Group's financial statements and other information included in the Group's annual reports. Management is yet to fully assess the impact of this new standard.

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

The amendments were issued by the New Zealand Accounting Standards Board (NZASB) as part of the International Accounting Standards Board's (IASB) overall disclosure initiative project which aims to help preparers in deciding which accounting policies to disclose in their financial statements. Entities are now required to disclose their 'material' accounting policies information instead of 'significant' accounting policies. Further amendments to NZ IAS 1 Presentation of Financial Statements are made to explain how an entity can identify a material accounting policy information. Examples of when an accounting policy is likely to be material have been added.

The amendments clarify that accounting policy information is material if users of an entity's financial statements would need it to understand other material information in the financial statements, and that accounting policy information may be material because of its nature, even if the related amounts are immaterial.

To support the amendments, the IASB has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.

The Group has not early adopted this new standard and intends to adopt for the financial reporting period beginning 1 April 2023. The adoption of this new standard is not expected to have a material impact on the accounting policies disclosed in the Group's financial statements. Management is yet to fully assess the impact of this new standard.

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

The definition of "change in accounting estimates" is replaced with a definition of "accounting estimates". Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty".

The amendments also clarify that:

- a change in accounting estimate that results from new information or new developments is not the correction of an error; and
- the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.

The amendments are effective for changes in accounting policies and changes in accounting estimates that occur on or after 1 January 2023. Earlier application is permitted.

The Group has not early adopted this amended standard and intends to adopt for the financial reporting period beginning 1 April 2023. The adoption of this amended standard is not expected to have a material impact on the Group, but may have an impact when there is a change in accounting estimate and its disclosure in the Group's financial statements. Management is yet to fully assess the impact of this amended standard.

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

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.

Other relevant policies are provided as follows:

Goods and Services Tax (GST)

Revenue, expenses and purchased assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Inland Revenue Department. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the consolidated statement of financial position are shown inclusive of GST.

Cash flows are presented in the consolidated statement of cash flows on a net basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

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, 5.6 and 5.7.

Government Grants

Government grants and subsidies to the Group are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating.

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 24 residential care facilities and homes (13 owned and 11 leased) and 4 retirement villages across New Zealand. the Group acknowledges that extreme weather events, such as flooding and storms, can occur in other areas and could impact the value and condition of its owned and leased properties. The Group has appropriate material damage and business interruption insurance coverage in place to mitigate potential risks. Additionally, the effects of climate change, including rising temperatures and increased precipitation, may lead to changes in zoning regulations or building codes, potentially affecting the Company's ability to develop or renovate its properties.

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

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

To address these risks, 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 2023 closing share price, as quoted on the NZX Main Board, multiplied by the number of shares on issue) was below the carrying amount of the Group's net assets and shareholders' funds. In considering the difference, the Group notes that over 85% of total assets at 31 March 2023 are either non-financial property assets carried at fair value (52%) as assessed by the Group's as independent external property valuers or non-financial assets subject to annual impairment assessment (33%). 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.

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. None of the Group's revenue, as defined by NZ IFRS 15, contains significant financing components.

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 are governed by the individual care admission agreement with each care resident. The resident incurs a daily care fee charged per the agreement, as set by the Government each year. Care fees are recognised net of any rebates to residents.

The Group derives care fee revenue in respect of eligible Government subsidised aged care residents who receive rest home, dementia or hospital level care. Government aged care subsidies received from the Ministry of Health included in care fees and village services amounted to $89.7m (2022: $83.9m).

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

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

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

For the year ended *In thousands of New Zealand dollars*	2023	2022
Rest home, hospital and dementia fees	124,364	114,017
Premium accommodation charge	7,931	6,758
Village service fees	793	544
Rental income	116	95
Other services provided to residents	11,263	10,638
	144,467	**132,052**

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 fees 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., 8 years for villas and 3 to 4 years for serviced apartments and villas (2022: 8 years for villas and 3 years for serviced apartments).

2.2. Expenses

Accounting Policy

Operating expenses are recognised on an accrual basis.

Interest expense is measured in accordance with the effective interest method.

For the year ended *In thousands of New Zealand dollars*	NOTE	31 March 2023	31 March 2022
DEPRECIATION OF PROPERTY, PLANT AND EQUIPMENT			
- buildings	3.2	1,286	432
- motor vehicles	3.2	127	133
- furniture, fixtures and fittings	3.2	2,812	3,003
- information technology	3.2	871	758
- medical equipment	3.2	112	101
		5,208	**4,427**
DEPRECIATION OF RIGHT-OF-USE ASSETS			
- buildings	3.4	4,771	6,767
		4,771	**6,767**
Total depreciation		**9,979**	**11,194**
FINANCE COSTS			
- interest - bank and vendor financing		6,505	1,436
- interest - lease liabilities	3.4	5,974	7,655
Total finance costs		**12,479**	**9,091**
OTHER EXPENSES			
Fees paid to Auditors			
Audit and review of consolidated financial statements		271	201
Tax compliance services		23	42
Total fees paid to auditor		294	243
Facility operating expenses		25,012	22,331
Operating rental expenses relating to low value and short-term leases		2	83
Directors' fees		408	494
Donations and sponsorships		25	5
Loss/(gain) on sale of property, plant and equipment		(1)	174
Other expenses (no items of individual significance)		8,658	6,869
Total other expenses		**34,398**	**30,199**

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 (ORAs). 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.

Rental income from investment properties, being deferred management fees, is accounted for as described in note 2.1.

For the year ended *In thousands of New Zealand dollars*	NOTE	31 March 2023	31 March 2022
INVESTMENT PROPERTIES			
Opening carrying amount		46,014	31,675
Acquisition of Matamata Retirement Village and Clare House Retirement Vilage[1]	5.6	23,037	12,840
Net fair value gain		765	1,088
Occupation Right Agreements settled		(2,919)	(2,420)
Occupation Right Agreements entered		2,919	4,490
Purchases		327	67
Unsold/vacant units		—	(1,610)
Other adjustments		—	(116)
Closing carrying amount		**70,143**	**46,014**

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		22,821	15,450
Refundable Occupation Right Agreements	3.3	34,104	28,616
Deferred management fees	3.3	6,973	1,553
Unsold/vacant units		3,850	395
Residential properties		2,395	—
		70,143	**46,014**

[1]On 29 September 2022, the Group acquired investment properties as part of the Matamata Retirement Village business combination, refer to note 5.6. On 1 November 2021, the Group acquired investment properties as part of the Clare House business combination, refer to note 5.6 of the Group's audited consolidated financial statements for the year ended 31 March 2022.

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) (prior year by CBRE Limited (CBRE) and Colliers), independent valuers. 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 is adjusted for cash flows relating to refundable occupation licence payments, residents' share of resale gains and management fees receivable recognised separately on the Consolidated Statement of Financial Position and also reflected in the valuation model.

Unsold/Vacant Units

Any developed but not yet sold units (unsold/vacant units) is 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/vacant 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 2023

As at 31 March 2023, the valuer of all four investment properties has included a valuation uncertainty clause in their valuation reports noting that "The markets experienced strong growth throughout 2021 and much of 2022. However due to recent Government lending controls, global supply issues, abnormally high inflation and rapidly rising interest rates we have seen a slowdown in markets generally with declining asset values, and an economic downturn (recession) is seen as a risk going forward. Sales transaction volumes have decreased significantly as there is a disconnect between vendor expectation and the price purchasers are prepared to pay due to the large increase in interest rates over a short time frame. Therefore, less certainty and a higher degree of caution should be attached to our valuation than would normally be the case". Given the valuation uncertainty, the valuer has recommended in their reports that the valuations of the properties be reviewed periodically.

As at 31 March 2022

As at the 31 March 2022 valuation date, the valuers of two investment properties, CBRE have included a valuation uncertainty clause in their valuation reports as a result of the evolving situation with COVID-19, high and rising inflation and interest rates and its impact on the New Zealand economy, together with global macro events including elevated volatility in global financial markets, surging energy prices, and the current ongoing conflict between Ukraine and Russia and its flow on effects. Given the valuation uncertainty, the valuers have recommended in their reports that the valuations of the properties be reviewed periodically.

The Valuers of one remaining investment property, Colliers, have included a market risk clause noting the ongoing social and economic impact of COVID-19, both domestically and on a global basis, is providing elevated market risk at the current time. In some markets there is more certainty regarding 'post-COVID pricing' than others due to the subsequent transactional evidence, however there is increased latent risk across all asset classes and property sectors due to the impact of the pandemic. They have noted that the current economic conditions and latent potential volatility should be considered and factored into future considerations.

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	2023	2022
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.	13.5% - 17.0%	15.25% - 18.0%
Property price growth rate	Villas	Anticipated annual property price growth over the cash flow period 0 - 4 years	A significant increase/(decrease) in the property price growth rate would result in a significantly higher/(lower) fair value measurement.	0% - 3.0%	0% - 3.0%
	Serviced apartments			0% - 2.5%	0% - 2.5%
	Villas	Anticipated annual property price growth over the cash flow period 5+ years	A significant increase/(decrease) in the property price growth rate would result in a significantly higher/(lower) fair value measurement.	2.25% - 2.50%	3.0%
	Serviced apartments			2.25%	2.25%

Due to the valuation uncertainty (2022: valuation uncertainty) disclosed, the range of reasonably possible changes to key assumptions is uncertain and could be significantly greater than the ranges used in the sensitivity analysis.

Sensitivities

	Adopted Value of Operator's Interest	Discount Rate		Property Growth Rates	
AS AT 31 MARCH 2023		**+0.5%**	**-0.5%**	**+0.25%**	**-0.25%**
Valuation $NZ000's	22,821				
Difference $NZ000's		(900)	1,000	900	(650)
Difference %		-3.3%	3.7%	3.3%	-2.4%
AS AT 31 MARCH 2022		**+0.5%**	**-0.5%**	**+0.5%**	**-0.5%**
Valuation $NZ000's	15,450				
Difference $NZ000's		(545)	575	1,000	(945)
Difference %		-3.5%	3.7%	6.5%	-6.1%

The occupancy period is a significant component of the LVC valuations and is driven from a Monte Carlo simulation. The simulations are dependent on the demographic profile of the village (age and gender of residents) and the reason for departing a unit. The resulting stabilised departing occupancy period is an estimate of the long run occupancy term for residents. 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 for a 20 year period (2022: 20 years) with stabilised departing occupancy assumptions set out below.

SIGNIFICANT INPUT	2023	2022
Stabilised occupancy period - villas	8.0 yrs - 9.0 yrs	8.0 yrs - 8.6 yrs
Stabilised occupancy period - serviced apartments	4 yrs	3 yrs

Current ingoing price, for subsequent resales of ORAs, 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

Property, plant and equipment is measured at cost or fair value less, where applicable, any accumulated depreciation and any accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self constructed assets includes the cost of materials and direct labour and any other costs directly attributable to bringing the asset to a working condition for its intended use. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Subsequent costs are added to the carrying amount of an item of plant and equipment when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the Group and the cost of the item can be measured reliably. All other costs are recognised in the profit or loss as an expense as incurred. The costs of the day to day servicing of property, plant and equipment are recognised in profit or loss as incurred.

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

Increases in the carrying amounts arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in equity. To the extent that the increase reverses a decrease of the same asset previously recognised in profit or loss, the increase is recognised in profit or loss. Decreases that offset previous increases of the same asset are recognised in other comprehensive income; all other decreases are recognised in profit or loss.

Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. When revalued assets are sold, or held for sale, the amounts included in the reserve are transferred to retained earnings.

Land is not depreciated. The depreciable amount of all other property, plant and equipment is depreciated using the straight line method over their estimated useful lives commencing from the time the asset is held available for use, consistent with the estimated consumption of the economic benefits embodied in the asset.

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

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date. No depreciation is charged in the year of sale for all assets other than buildings in which case depreciation is charged to the earlier of the date of classification to held for sale or the date of sale.

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.

Assets Held for Sale

Assets are classified as held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are measured at the lower of carrying amount and fair value less costs to sell, except for investment property assets held for sale which are carried at fair value.

Carrying Value of Assets

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

In thousands of New Zealand dollars	Historical cost 2023	Historical cost 2022
Land and buildings	93,872	41,229
Accumulated Depreciation	(1,633)	(433)
Total	**92,239**	**40,796**

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

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 2022							
Opening net book value	18,326	361	11,336	1,473	256	1,707	33,459
Additions[2]	37,641	65	3,404	1,115	134	3,122	45,481
Transfers	531	—	(516)	290	—	(757)	(452)
Disposals	—	—	(222)	—	—	—	(222)
Depreciation	(432)	(133)	(3,003)	(758)	(101)	—	(4,427)
Closing net book value	**56,066**	**293**	**10,999**	**2,120**	**289**	**4,072**	**73,839**
YEAR ENDED 31 MARCH 2022							
Cost[3]	56,512	1,277	35,902	6,170	782	4,072	104,715
Accumulated Depreciation	(446)	(984)	(24,903)	(4,050)	(493)	—	(30,876)
Net book value	**56,066**	**293**	**10,999**	**2,120**	**289**	**4,072**	**73,839**

1. On 6 May 2022, the Group acquired four properties, previously leased from UCG Investments Limited for consideration of $46.7m. At the same time, a sale and purchase agreement for a fifth property from UCG Investments Limited was also entered into, however the Group entered into a separate nomination agreement to nominate its purchaser rights for the purchase of this one property, to a related party, Warehouse Storage Limited, related by virtue of common shareholder (the Nomination). The Group has also been granted an option to acquire the property back from Warehouse Storage Limited from 24 May 2022 onwards, at a purchase price determined based on an agreed yield, calculated on the current market rent at the time the option is taken up. The Nomination and Option enabled the Group to execute the transaction quickly and efficiently with UCG Investments Limited for the four other properties. The purchase of the four properties was funded from bank borrowings, refer to note 4.3. Subsequently on 29 September 2022, the Group acquired another property as part of the Matamata business combination at a fair value of $6.9m, refer to note 5.6.

2. On 5 August 2021, the Group acquired four properties previously leased from Ohaupo Holdings Limited for consideration of $31.4m. The purchase was funded from the fully underwritten placement and issue of share capital to Ohaupo Holdings Limited, refer to note 4.1. Subsequently on 1 November 2021, the Group acquired another property, a part of the Clare House business combination at a fair value of $6.6m, refer to note 5.6 of the Group's audited consolidated financial statements for the year ended 31 March 2022.

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

Valuations

As at 31 March 2023

The Group's thirteen properties included in land and buildings were revalued on 31 March 2023 to $112.5m from a carrying value immediately prior of $112m, resulting from a revaluation gain of $3.5m in other comprehensive income and a revaluation loss of $3.0m in the profit and loss statement. The fair values of the thirteen revalued land and buildings on freehold land have been determined by reference to independent valuations obtained as at 31 March 2023. These valuations were undertaken by a Property Institute of New Zealand registered valuer, LVC Limited. LVC, an external independent valuation company employing registered valuers, have appropriate recognised professional qualifications.

As at 31 March 2022

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 2022 (including the consideration of the impact of the COVID-19 pandemic). 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 letter 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 2022. Of the eight properties owned by the Group, three were last revalued on 31 March 2021 at $18.3m and the remaining five carried at $37.7m were purchased during the year ended 31 March 2022 (four during August 2021 and one during November 2021). The purchase prices paid were informed by independent external valuation reports from LVC (four properties purchased during August 2021) and Colliers (the property acquired as part of the Clare House business combination per Note 5.6) obtained by Management to inform the purchase price.

Valuation Uncertainty

As at 31 March 2023, the valuer of the all thirteen properties has included a valuation uncertainty clause in their valuation reports noting that "The markets experienced strong growth throughout 2021 and much of 2022. However due to recent Government lending controls, global supply issues, abnormally high inflation and rapidly rising interest rates we have seen a slowdown in markets generally with declining asset values, and an economic downturn (recession) is seen as a risk going forward. Sales transaction volumes have decreased significantly as there is a disconnect between vendor expectation and the price purchasers are prepared to pay due to the large increase in interest rates over a short time frame. Therefore, less certainty and a higher degree of caution should be attached to our valuation than would normally be the case". Given the valuation uncertainty, the valuer has recommended in their reports that the valuations of the properties be reviewed periodically.

As at 31 March 2022, as at the last revaluation date of 31 March 2021 for three properties, the valuer, LVC, had included a valuation uncertainty clause in their valuation reports as a result of the COVID-19 pandemic. This clause highlighted the difficulties in undertaking valuations due to the absence of, or limited relevant transactional evidence that demonstrates current market pricing. Therefore, less certainty and a higher degree of caution should be attached to the point estimate valuation. This represented an increase in the significant estimation uncertainty in the valuation of the properties. Given the valuation uncertainty, the valuers had recommended in their reports that the valuations of the properties be kept under frequent review. As at 31 March 2022, the Group had obtained confirmation from LVC that similar valuation uncertainty clauses would be included if valuation reports were obtained as at 31 March 2022 for all of the Group's eight properties.

Key Accounting Estimates and Judgements

Property measurements are categorised as Level 3 (2022: Level 3) of the fair value measurement hierarchy as the fair value is determined using inputs that are unobservable.

Significant Unobservable Inputs

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

Sensitivities

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

3.3. Refundable Occupation Right Agreements

Accounting Policy

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

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

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

A resident is charged a village contribution fee in consideration for the right to occupy one of the Group's units:

- for Windsor Lifestyle Estate Limited, to a maximum of 30% of the entry payment; and
- for Elloughton Grange Village Limited, to a maximum of 30% of the entry payment; and
- for Clare House Retirement Village Limited, to a maximum of 30% of the entry payment.
- for Matamata Retirement Village Limited, to a maximum of 30% of the entry payment.

A resident is charged an administration fee for the right to occupy one of the Group's units:

- for Clare House Retirement Village Limited, to a maximum of 3.45% 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 fees 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. 8 to 9 years for villas and 3 to 4 years for serviced apartments (2022 : 8 to 8.6 years for villas and 3 to 4 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.

For the year ended *In thousands of New Zealand dollars*	NOTE	31 March 2023	31 March 2022
REFUNDABLE OCCUPATION RIGHT AGREEMENTS			
Refundable occupation licence payments		47,772	34,316
Less: Management fee receivable (per contract)		(13,668)	(5,700)
		34,104	**28,616**
RECONCILIATION OF MANAGEMENT FEES RECOGNISED UNDER NZ IFRS AND PER ORA			
Management fee receivable (per contract)		(13,668)	(5,700)
Deferred management fees	3.1	6,973	1,553
Management fee receivable (per NZ IFRS)		**(6,695)**	**(4,147)**
COMPRISING OF			
Current deferred management fees		*1,900*	*465*
Non-current deferred management fees		*5,073*	*1,088*
Deferred management fees		**6,973**	**1,553**

3.4. Leases

Accounting Policy

At the commencement date of a lease (other than leases of 12-months or less and leases of low value assets), the Group recognises a lease asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

Right-of-use Assets

Right-of-use assets are initially recognised at cost, comprising the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date of the lease, less any lease incentives received, any initial direct costs incurred by the Group, and an estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Subsequent to initial recognition, 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 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.

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. In determining the lease term, Management considers all facts and circumstances that lead to an economic incentive to exercise and extension option or not exercise a termination option. Extension options or periods after termination options are only included in the lease term if the lease is reasonably certain to be exercised. This assessment is reviewed if a significant event or significant change in circumstances occurs which effects this assessment and that is within the Group's control. All extension options have been assumed for the calculations of the Group's lease liabilities.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. The weighted average incremental borrowing rates applied by the Group is 5% (2022: 5%). No new leases were entered into during the year (2022: none) and four leases were cancelled during the year (2022: four leases were cancelled).

For the year ended *In thousands of New Zealand dollars*	31 March 2023	31 March 2022
(A) RIGHT-OF-USE ASSETS		
Land and buildings under lease	130,552	152,980
Accumulated depreciation	(18,088)	(19,068)
Total carrying amount of right-of-use assets	**112,464**	**133,912**
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	133,912	177,170
Depreciation	(4,771)	(6,767)
Remeasurements	10,428	794
Disposals	(27,105)	(37,285)
Closing carrying amount	**112,464**	**133,912**

On 6 May 2022, the Group acquired four properties, previously leased from UCG Investments Limited, refer notes 3.2 and 4.1. On acquisition, the disposal of the related right-of-use assets and lease liabilities resulted in a gain on modification of $1.8m being recognised upon the cancelling lease and derecognition of the related lease liabilities and right-of-use assets (31 March 2022: a gain on modification of $1.4m relating to acquisition of four properties previously leased from Ohaupo Holdings Limited that were purchased on 5 August 2021, refer notes 3.2 and 4.1).

(B) LEASE LIABILITIES		
Current		
Land and buildings	2,428	4,023
Non-current		
Land and buildings	119,102	138,520
	121,530	**142,543**
(C) LEASE EXPENSES AND CASH FLOWS		
Interest expense on lease liabilities	5,974	7,655
Depreciation expense on right-of-use assets	4,771	6,767
Cash outflow in relation to leases	8,488	11,522
(D) MATURITY ANALYSIS - CONTRACTUAL UNDISCOUNTED CASH FLOWS		
- Not later than 1 year	8,536	10,872
- Later than 1 year and not later than 5 years	34,245	43,620
- Later than 5 years	186,242	203,395
	229,023	**257,887**

4. SHAREHOLDER EQUITY AND FUNDING

4.1. Shareholder Equity and Reserves

Accounting Policy

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

The grant date fair value of equity settled share-based payment arrangements granted to employees is recognised as an expense, with a corresponding increase in equity.

		2023		2022
	Shares	$000	Shares	$000
SHARE CAPITAL				
Authorised, issued and fully paid up capital	284,848,644	56,813	269,243,089	51,732
Total contributed equity	**284,848,644**	**56,813**	**269,243,089**	**51,732**
MOVEMENTS				
Opening balance of ordinary shares issued	269,243,089	51,732	176,495,000	5,932
Shares issued to Main Family Trust	15,328,019	5,000	–	–
Shares issued to employees and service providers	188,385	57	–	–
Dividend reinvestment plan	89,151	24	–	–
Fully underwritten placement	–	–	57,692,307	30,000
Shares issued to Ohaupo Holdings Limited	–	–	19,230,768	10,000
Retail offer	–	–	15,825,014	8,229
Share issuance costs	–	–	–	(2,429)
Closing balance of ordinary shares issued	**284,848,644**	**56,813**	**269,243,089**	**51,732**

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 (2022: $2.4m).

Shares Issued to the Main Family Trust

On 28 September 2022, allotment of 15,328,019 ordinary shares were issued at $0.33 per share to the trustees of the Main Family Trust No. 2 as part consideration for the purchase price payable for the acquisition of Matamata Country Lodge business combination as described in note 5.6.

The share issue was authorised in accordance with the Directors' resolution dated 30 August 2022.

Shares Issued to Ohaupo Holdings Limited

On 5 August 2021, allotment of 19,230,768 ordinary shares were issued at $0.52 to Ohaupo Holdings Limited's nominees as part consideration for the purchase price payable for the acquisition of land and buildings from Ohaupo Holdings Limited as described in note 3.2.

The share issue was authorised as per the Shareholders' resolution dated 23 July 2021.

Fully Underwritten Placement

No shares were issued under placement during the period to 31 March 2023.

On 27 July 2021 and 3 August 2021, 34,062,037 and 23,630,270 ordinary shares were issued under a placement, at a final price of $0.52 per share.

The share issue was authorised as per the Shareholders' resolution dated 23 July 2021.

Retail Offer

On 13 August 2021, allotment of 15,825,014 ordinary shares were issued at $0.52 under a retail offer.

The share issue was authorised as per the Shareholders' resolution dated 23 July 2021.

Dividend Reinvestment Plan (DRP)

During the year, the Board implemented a DRP which enabled shareholders to reinvest their dividend in newly issued ordinary shares in Radius Residential Care Limited. A total of 89,151 ordinary shares at $0.27 per share for a total of $24,000 were issued.

Dividends

Dividend distributions to shareholders are recognised as a liability in the period in which dividends are declared.

	2023		2022	
	Cents per share	Total $000	Cents per share	Total $000
RECOGNISED AMOUNTS:				
Prior year final dividend	0.76	1,481	0.89	1,129
Interim dividend	0.70	1,435	0.70	1,349
		2,916		2,478
Final dividend declared	–	–	**0.76**	**1,481**

Asset Revaluation Reserve

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

Other Reserve

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

4.2. Earnings per share

Basic and Diluted

Basic earnings per share is calculated by dividing the profit after tax of the Group by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. As at 31 March 2023, there were no shares with a dilutive effect (31 March 2022: none) and therefore basic and diluted earnings per share were the same.

In thousands of New Zealand dollars	2023	2022
Profit/(Loss) after tax	(2,106)	2,673
Weighted average number of ordinary shares outstanding ('000s)	277,045	237,594
Cents per share	**(0.76)**	**1.13**

4.3. Borrowings

Accounting Policy

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

In thousands of New Zealand dollars	2023	2022
SECURED LIABILITIES		
Current		
Bank Loans	23,000	–
Vendor Loan	11,518	–
Non-current		
Bank Loans	63,169	30,000
	97,687	**30,000**

Terms and Conditions and Assets Pledged as Security

	Current $000	Non-current $000	Facility Limit $000	Effective Interest Rate %	Expiry Date
31 MARCH 2023					
Committed Money Market - A	—	20,000	20,000	5.60%	1 November 2026
Committed Money Market - B	15,000	—	15,000	5.28%	6 October 2023
Committed Money Market - B	—	4,994	5,000	5.28%	1 November 2026
Committed Money Market - C	—	14,500	14,500	4.98%	1 November 2026
Committed Money Market - D	—	23,675	23,675	6.68%	6 May 2027
Committed Money Market - E	8,000	—	8,000	6.70%	6 October 2023
Vendor Loan	11,518	—	11,518	8.00%	21 October 2023
	34,518	**63,169**	**97,693**		
31 MARCH 2022					
Committed Money Market - A	—	15,500	20,000	3.30%	1 November 2026
Committed Money Market - B	—	14,500	20,000	2.80%	1 November 2026
Committed Money Market - C	—	—	20,000	—	1 November 2026
	—	**30,000**	**60,000**		

Vendor Loan

The vendor loan is deferred consideration payable to the Main Family Trust as a result of the Matamata business acquisition (refer note 5.6). The amount represents a payable of $11.5m bearing interest at 8% per annum as at 31 March 2023. On 3 May 2023 the Company agreed to repay $1m of the vendor loan and for the interest rate payable to step up to 18% per annum from 1 April 2023 until an extended maturity date of 21 October 2023. Interest of 12% per annum (of the total 18%) is payable monthly in arrears and 6% per annum is capitalised monthly and repayable in one lump sum on 21 October 2023. The vendor loan is secured by a first ranking security over the land and building assets acquired as part of the Matamata acquisition.

Security

The bank 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 2023 the balance of the bank loans over which the properties are held as security is $86.2m (31 March 2022: $30.0m), the total commitment as at 31 March 2023 is $86.2m (31 March 2022: $30.0m).

Other

As at 31 March 2023, the Group has a Corporate Banking Overdraft Facility Agreement with ASB Bank Limited for $5m (31 March 2022: $2m) of which $3m is due to expire on 31 July 2023 with the remaining $2m due to expire on 31 March 2049 (31 March 2022: 31 March 2049). This facility bears interest at an effective interest rate of 6.28% (31 March 2022: 4.24%) and is secured over the assets of the Group and guaranteed by certain Group entities. At 31 March 2023 there was $2.9m drawn down (31 March 2022: Nil).

Financing Arrangements

Under the Group's bank loan arrangements with ASB Bank Limited, the Group must comply with externally imposed banking covenants. These covenants are tested and reported to the ASB on a quarterly basis. During the year ended 31 March 2023, the Group complied with all externally imposed banking covenant requirements to which it is subject (2022: complied with all). The Group has agreed with its bank that the calculation of Adjusted EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) and Net Interest, for the purposes of the financial covenants, shall continue to be based on the accounting treatment in use before the introduction and adoption of NZ IFRS 16 Leases (2022: The Group has agreed with its banks that the calculation of Adjusted EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) and Net Interest, for the purposes of the financial covenants, shall continue to be based on the accounting treatment in use before the introduction and adoption of NZ IFRS 16 Leases). Following the acquisition of Matamata on 29 September 2022 it was agreed that the assets, liabilities and operating results arising from this acquisition would sit outside of the lending group and would therefore not be included in the calculation of any externally imposed banking covenants by ASB Bank Limited.

On 31 March 2023, a six-month extension was granted by ASB relating to $23m of finance facilities (being the current portions of the Committed Money Market B and E facilities above) that were originally put in place to enable settlement of the four previously leased land and buildings property assets from UCG Investments Limited. These finance facilities now need to be repaid on or before 6 October 2023. The amendments include a new event of review that requires the Company to have received equity commitments of not less than $30m by 31 July 2023 and to have completed an equity raise and apply at least $25m to repay the ASB facilities by 6 October 2023.

Subsequent to 31 March 2023, the Board and Management have developed a debt management programme which sets out the Group's intentions for the repayment of borrowings due for repayment by 6 October 2023. Further information in this can be found within note 1.1.

On 15 May 2023 the trustee of the Providence Trust, a related party of Director Brien Cree, agreed to lend the group subsidiaries that own the Matamata Country Lodge Business $1m at 18% per annum repayable on 21 October 2023.

5. OTHER DISCLOSURE

5.1. Income Tax

Accounting Policy

Current income tax expense or credit is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities.

Deferred tax assets and liabilities are recognised for temporary differences at the applicable tax rates when the assets are expected to be recovered or liabilities are settled. Deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not recognised if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

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 (2022: CBRE and Colliers), 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).

For the year ended *In thousands of New Zealand dollars*	2023	2022
(A) COMPONENTS OF TAX EXPENSE		
Current tax	(18)	1,331
Deferred tax	(860)	(923)
	(878)	**408**
(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%	(836)	863
Permanent differences	(70)	(138)
(Over)/Under provision for income tax in prior year	3	(317)
Other	25	–
Income tax expense attributable to profit	**(878)**	**408**
(C) DEFERRED TAX		
Deferred tax relates to the following:		
Non-current asset		
Deferred tax assets		
The balance comprises:		
Lease liabilities	34,028	39,912
Provisions	2,091	2,444
Deferred management fee income	1,281	1,025
Tax losses	539	–
	37,939	**43,381**
Deferred tax liabilities		
The balance comprises		
Property, plant and equipment	2,679	2,000
Right-of-use assets	31,490	37,496
	34,169	**39,496**
Net deferred tax assets	**3,770**	**3,885**
(D) DEFERRED INCOME TAX REVENUE COMPRISES:		
Through profit included in income tax expense		
Decrease/(Increase) in deferred tax assets	5,442	10,959
Decrease in deferred tax liabilities	(6,202)	(11,209)
Increase in deferred tax liabiliies as a result of acquisition	(100)	(673)
	(860)	**(923)**
Through other comprehensive income		
Increase in deferred tax liabilities	874	–
	874	–

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.

(E) IMPUTATION CREDITS AVAILABLE FOR USE IN SUBSEQUENT PERIODS		
Balance at the beginning of the year	6,735	5,549
Dividends paid	(1,134)	(963)
New Zealand tax payments, net of refunds	415	2,149
Balance at the end of the year	**6,016**	**6,735**

5.2. Intangible Assets

Accounting Policy

Goodwill

Goodwill represents the future economic benefits arising from other assets acquired in a business combination that are not individually identifiable or separately recognised. Goodwill is initially recognised at an amount equal to the excess of: (a) the aggregate of the consideration transferred, the amount of any non controlling interest, and the acquisition date fair value of the acquirer's previously held equity interest (in the case of a step acquisition), over (b) the net fair value of the identifiable assets acquired and liabilities assumed. For accounting purposes, such measurement is treated as the cost of goodwill at that date.

Goodwill is not amortised, but is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired. Subsequent to initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the year ended *In thousands of New Zealand dollars*	**2023**	**2022**
Goodwill at cost	19,797	17,036
Purchase of Clare House companies[1]	–	2,761
	19,797	**19,797**

1. On 1 November 2021, the Group acquired the shares in Clare House Care Limited and Clare House Retirement Village Limited as part of the Clare House business combination, refer to note 5.6 of the Group's audited consolidated financial statements for the year ended 31 March 2022.

Key Accounting Estimates and Judgements

Goodwill has been assessed as having indefinite useful lives, as there is no foreseeable limit to the period over which the asset is expected to generate net cash inflow for the Group.

Goodwill is allocated to twenty one (2022: twenty one) individual CGUs within the residential care business (which are various individual residential care and village businesses acquired by the Group). Corporate office cash flows incurred by the Group is allocated to each CGU based on bed numbers.

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 5 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 1 through 5 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 5 years (2022: 3 years)
- The pre-tax discount rate applied in the calculations was between 11.2% and 12.4% (2022: pre-tax between 11.48% and 13.99%)
- The terminal growth rate applied in the calculations was 2.0% (2022: 2.0%)
- Occupancy projections vary between CGU based on actual and expected occupancy rates.

The recoverable amount as assessed by Management for each of the CGU's are in excess of the carrying value of goodwill for each CGU.

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

Care CGUs Recoverable Amount

The recoverable amount of the individual care sites as at 31 March 2023 has been determined based on fair value less costs of disposal, determined using discounted cash flows . As the recoverable amount of individual care sites was determined using inputs that are significant and unobservable, the Group has categorised these inputs as Level 3 under the fair value hierarchy in accordance with NZ IFRS 13 Fair Value Measurement. The significant unobservable inputs used in the fair value measurement of the recoverable amount of the Group's individual care sites were as described above, year 1 to 5 forecast cash flows, a pre-tax discount rate, a terminal growth rate and occupancy projections based on actual and expected occupancy rates.

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

5.3. Trade and Other Receivables

Accounting Policy

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.

For the year ended *In thousands of New Zealand dollars*	31 March 2023	31 March 2022
CURRENT		
Trade receivables	10,583	9,151
Allowance for credit losses	(489)	(694)
	10,094	**8,457**
NZX listing bond	75	75
Prepayments	2,629	1,104
Accrued Income	273	113
Development costs	—	91
	2,977	**1,383**
NON-CURRENT		
Prepayments	—	2
	—	**2**
	13,071	**9,842**

Recognition, Measurement and Judgements in Applying Accounting Policies

When measuring expected credit losses ('ECL') the Group uses reasonable and supportable forward looking information, which is based on assumptions for future movement of different economic drivers and how these drivers will affect each other. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtors and an analysis of the debtors' current financial positions, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

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

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

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

		12-month Expected Credit Losses Days Past Due			
	Not Past Due	31-60	61-90	91 and Over	Total
2023					
Estimated total gross carrying amount at default ($000)	7,121	760	631	2,071	10,583
Expected credit loss rate (%)	0.2%	0.3%	1.9%	22.3%	5.2%
Expected credit loss rate ($000)	**13**	**2**	**12**	**462**	**489**
2022					
Estimated total gross carrying amount at default ($000)	5,190	860	462	2,639	9,151
Expected credit loss rate (%)	0.3%	0.3%	2.4%	25.2%	7.6%
Expected credit loss rate ($000)	**14**	**3**	**11**	**666**	**694**

5.4. Trade and Other Payables

Accounting Policy

Trade payables are recognised initially at fair value less transaction costs and subsequently measured at amortised costs using the effective interest method.

Employee Benefits

(i) Short-term Employee Benefit Obligations

Liabilities arising in respect of wages and salaries, annual leave and other employee benefits (other than termination benefits) expected to be settled wholly before twelve months after the end of the reporting period are measured at the (undiscounted) amounts based on remuneration rates which are expected to be paid when the liability is settled.

(ii) Long-term Employee Benefit Obligations

The provision for other long-term employee benefits, including obligations for long service leave and annual leave, which are not expected to be settled wholly before twelve months after the end of the reporting period, are measured at the present value of the estimated future cash outflow to be made in respect of the services provided by employees up to the reporting date.

When the Group does not have an unconditional right to defer settlement for at least twelve months after the reporting date, those employee entitlements are presented as current. All other long-term employee benefit obligations are presented as non-current liabilities.

(iii) Retirement Benefit Obligations: Defined Contribution Superannuation Plan

The Group makes superannuation contributions to the employee's defined contribution superannuation plan of choice in respect of employee services rendered during the year. These superannuation contributions are recognised as an expense in the same period when the related employee services are received. The Group's obligation with respect to employee's defined contributions entitlements is limited to its obligation for any unpaid superannuation guarantee contributions at the end of the reporting period.

For the year ended *In thousands of New Zealand dollars*	2023	2022
CURRENT		
Unsecured liabilities		
Trade creditors	4,281	3,937
GST payable	1,228	811
Other payables	309	14
Accrued expenses	2,596	1,397
Annual leave	6,156	6,421
Other employee entitlements	4,920	4,321
Deferred government grants income	1,053	–
	20,543	**16,901**

5.5. Related Party Transactions

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies which may exist.

All intercompany transactions and balances are eliminated. The subsidiaries are consolidated from the date the Group gains control until the date on which control ceases.

Subsidiaries

The following are the Group's subsidiaries.

		Ownership Interests and Voting Rights		
Name of Entity	Principal Activities	2023	2022	Class of Shares
Radius Matamata Retirement Village Limited	Operating entity for Matamata Retirement Village	100%	N/A	Ordinary
Radius SPV Limited	Property owning entity for Matamata Country Lodge and Matamata Retirement Village.	100%	N/A	Ordinary
R Connect Limited	Staff placement company providing short term staffing solutions	100%	N/A	Ordinary
Radius Arran Court Limited	Lessee entity for Radius Arran Court facility	100%	100%	Ordinary
Windsor Lifestyle Estate Limited	Operating entity for Windsor retirement village	100%	100%	Ordinary
Radius Care Limited (non-trading)	Dormant	100%	100%	Ordinary
Elloughton Grange Village Limited	Operating entity for Elloughton retirement village	100%	100%	Ordinary
Radius Care Holdings Limited	Property owning entity for St Helenas, Thornleigh Park, Lexham Park, Elloughton Gardens, Heatherlea, Windsor Court, Taupaki Gables, Peppertree, Arran Court, St Joans and Fulton facilities	100%	100%	Ordinary
Clare House Retirement Village Limited	Operating entity for Clare House Retirement Village and property owning entity for the Clare House care facility	100%	100%	Ordinary
Clare House Care Limited	Operating entity for Clare House Care	100%	100%	Ordinary

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

Radius Matamata Retirement Village Limited, Radius SPV Limited and R Connect Limited were incorporated by the Group during the period.

Key Management Personnel Compensation and Other Related Parties

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

Related Party	Relationship
Brien Cree	Director and Ultimate Shareholder (via Wave Rider Holdings Limited)
Duncan Cook	Director and Shareholder
Bret Jackson	Director and Ultimate Shareholder (via Takatimu Investments Limited)
Timothy Sumner	Director (until 25 February 2022)
Mary Gardiner	Director
Hamish Stevens	Director and Shareholder
Wave Rider Holdings Limited	Shareholder
Takatimu Investments Limited	Shareholder (The shares increased by 1,705,221 due to the distribution of the Knox Fund IV NZD LP and Fund IV AUD LP)
Cibus Catering Limited	Common Director (Brien Cree)
Valhalla Capital Limited	Common Director (Brien Cree)
Ohaupo Holdings Limited	Common Shareholder (Neil Foster)
Neil Foster	Shareholder
Warehouse Storage Limited	Common Shareholder (Neil Foster)
Main Family Trust	Shareholder

For the year ended *In thousands of New Zealand dollars*	**31 March 2023**	**31 March 2022**
Directors' remuneration and expenses	416	494
Dividends to Director related entities	990	1,316
Key management personnel salaries and other short term employee benefits	2,806	1,911
Key management personnel dividends	4	9
	4,216	**3,730**
OTHER RELATED PARTIES		
Trade creditors		
- Cibus Catering Limited	**86**	**54**
Trade debtors		
- Cibus Catering Limited	**14**	**14**
Catering services		
- Cibus Catering Limited	7,084	5,886
Consulting fees		
- Tim Sumner	—	151
- Duncan Cook[1]	451	200
Purchase of property, plant and equipment		
- Ohaupo Holdings Limited[2]	—	31,400
- Additional fees paid to Directors associated with issue of shares	—	60
Rent paid		
- Ohaupo Holdings Limited[2]	—	770
- Warehouse Storage Limited	1,040	—
Rent received and utility recharges		
- Cibus Catering Limited	67	82
Personal Guarantee fee		
- Brien Cree	170	170
Business acquisition		
- Main Family Trust[3]	17,018	—
Vendor loan interest		
- Main Family Trust[3]	461	—

1. Predominately relates to services provided in respect of the UCG transaction and Matamata business acquisition.

2. Ohaupo Holdings Limited only became a related party after the purchase of the properties described in note 3.2 and the issue of share capital described in note 4.1 as part of the consideration paid for these properties.

3. Main Family Trust only became a related party after the purchase of the Matamata business described in note 5.6 and the issue of share capital described in note 4.1 as part of the consideration paid for this business.

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

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

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

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

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 2024.

5.6. Business Combinations

a. Summary of Acquisition

On 29 September 2022 the Company acquired 100% of the assets and liabilities of Matamata Country Lodge Limited and Matamata Retirement Village Limited, provider of rest home and hospital care for the elderly and a retirement village.

The following are the provisional details of the purchase consideration, the net assets acquired and gain on business acquisition:

Purchase consideration (refer to (b) below):	NOTE	2023 $000 Fair values
Cash paid		500
Deferred Consideration - Vendor Loan	4.3	11,518
Ordinary Share capital 15,328,019 share at 32.62 cents per share	4.1	5,000
Total		**17,018**

The assets and liabilities recognised as a result of the acquisition are as follows:	
Property, plant and equipment	6,926
Investment Properties	23,037
Deferred tax asset (liability)	(100)
Provisions	(82)
Refundable Occupation Rights Agreements	(9,779)
Deferred Management fees	(2,057)
Total	**17,945**

Gain on business acquisition	**927**

Revenue and Profit Contribution

The acquired business contributed revenues of $3.9m and profit before tax of $0.8m to the group for the period from 29 September 2022 to 31 March 2023.

If the acquisition had occurred on 1 April 2022, consolidated pro-forma revenue and profit before tax for the period ended 31 March 2023 would have been $7.5m and $1.1m respectively. These amounts have been calculated using the subsidiaries' results and adjusting them for:

- differences in the accounting policies between the group and the subsidiaries, and
- the additional depreciation and amortisation that would have been charged assuming the fair value adjustments to property, plant and equipment had applied from 1 April 2022, together with the consequential tax effects.

b. Purchase Consideration - Cash Outflow

For the year ended *In thousands of New Zealand dollars*	**2023** Fair values
Outflow of cash to acquire subsidiaries, net of cash acquired	
Cash	500
Net outflow of cash - investing activities	**500**

The business combination resulted in a gain on business acquisition as the fair value of assets acquired and liabilities assumed exceeded the total of the fair value of consideration paid.

There was an acquisition of Clare House Care Limited and Clare House Retirement Village Limited in the year ended 31 March 2022.

5.7. Long Term Incentive Plan (LTIP)

On 18 July 2022 the Board approved a new Long Term Incentive Scheme for its senior executives ('LTIP').

The LTIP has been established to:

- provide an incentive to key executives to commit to Radius for the long term; and
- align these executives' interests with the interests of Radius' shareholders.

Participants in the Scheme will be granted Performance Share Rights (PSRs) from time to time which will, on vesting, convert into an entitlement to receive ordinary shares. Vesting will depend on achievement of certain conditions relating to Radius share price.

PSRs become exercisable if the holder remains employed on the vesting date and conditions are met over the period from the commencement date to the measurement date, and in certain other exceptional circumstances.

On becoming exercisable, each PSR will entitle the holder to receive one fully paid ordinary share in Radius Care Limited, less an adjustment for tax paid on the holder's behalf for the benefit received under the Scheme.

The Share Rights have a nil exercise price.

Performance Hurdles

All PSRs will vest into ordinary shares in Radius if the 10-day VWAP, for the 10 trading days immediately prior to (and not including) the 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.

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

5.8. 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:

For the year ended *In thousands of New Zealand dollars*	NOTE	31 March 2023	31 March 2022
FINANCIAL ASSETS			
Amortised cost			
Cash and cash equivalents		515	2,088
Trade and other receivables	5.3	10,094	8,457
Total financial assets		**10,609**	**10,545**
FINANCIAL LIABILITIES			
Amortised cost			
Cash and cash equivalents overdraft		2,894	–
Trade and other payables	5.4	8,414	6,159
Lease liabilities	3.4	121,530	142,543
Borrowings	4.3	97,687	30,000
Refundable Occupation Right Agreements	3.3	34,104	28,616
Total financial liabilities		**264,629**	**207,318**

(a) Credit Risk

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

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

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

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

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

(i) Cash Deposits and Other Receivables

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

(ii) Trade Receivables

Credit risk with respect to trade receivables is limited due to the large number of customers who 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
2023				
Cash and cash equivalents (overdraft)	2,894	—	—	—
Trade and other payables	8,414	—	—	—
Lease liabilities	8,536	8,549	25,695	186,242
Borrowings	34,518	—	63,169	—
Refundable Occupation Right Agreements[1]	34,104	—	—	—
	88,466	**8,549**	**88,864**	**186,242**
2022				
Trade and other payables	6,159	—	—	—
Lease liabilities	10,872	21,794	21,826	203,395
Borrowings	—	—	30,000	—
Refundable Occupation Right Agreements[1]	28,616	—	—	—
	45,647	**21,794**	**51,826**	**203,395**

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 its interest rate risk by maintaining a mix of variable rate and fixed rate borrowings.

Interest rates on cash at bank are subject to market risk in the event of changes 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:

For the year ended 2023 *In thousands of New Zealand dollars*	Interest Bearing	Non-interest Bearing	Total Carrying Amount	Weighted Average Effective Interest Rate
FINANCIAL INSTRUMENTS				
Financial assets				
Cash	515	–	515	0.0% Fixed
Financial liabilities				
Cash and cash equivalents (overdraft)	(2,894)	–	(2,894)	6.28%
Bank and other loans	(97,687)	–	(97,687)	6.08%
Lease liabilities	(121,530)	–	(121,530)	5.0% Fixed
	(221,596)	**–**	**(221,596)**	

For the year ended 2022 *In thousands of New Zealand dollars*				
FINANCIAL INSTRUMENTS				
Financial assets				
Cash	2,088	–	2,088	0.0% Fixed
Financial liabilities				
Bank and other loans	(30,000)	–	(30,000)	3.06% Fixed[1]
Lease liabilities	(142,543)	–	(142,543)	5.0% Fixed
	(172,543)	–	**(172,543)**	

1.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 2023 was 30 days (2022: 90 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 on profit for the year and equity would be as follows:

For the year ended *In thousands of New Zealand dollars*	31 March 2023	31 March 2022
+ / - 100 basis points		
Impact on profit after tax	(977)	(300)
Impact on equity	(274)	(216)

5.9. Contingent Liabilities

Lester Heights Business

On 26 June 2013, the Group entered into an agreement to sell the Lester Heights business. The sale was settled on 31 August 2013. One of the conditions of sale is that in the event that the new business owner defaults on the rental payments, the Group is required to guarantee the rent. For the years ended 31 March 2023 and 2022, no amounts were paid, and 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 per annum until 2029. The Group will likely assume operations at this facility, in the event of a default. At reporting date the Group has assessed the likelihood of the new business owner defaulting on the rental payment as not probable.

Other

There were no other material contingent liabilities at reporting date (2022:Nil).

5.10. Commitments

At 31 March 2023, the Group has a commitment to construct $0.4m of assets (31 March 2022: $4m).

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

5.11. Events Subsequent to Reporting Date

New Banking Arrangements

On 31 May 2023 the Group entered into an extension of its overdraft facilities by $1.25m, taking the total facility limit to $6.25m.

The overdraft facility is expected to reduce down to $5m on 30 June 2023 with a further reduction to $2m on 31 July 2023.

Related Party Transactions

On 3 May 2023 the Group agreed to repay $1m of the vendor loan relating to the September 2022 acquisition of the Matamata Country Lodge business and to a step up in the interest rates on the terms set out in Note 4.3.

Capital Raise

Under the terms of the bridge facility extension entered into on 31 March 2023 the Group is required to have received $30m equity commitments by 31 July 2023 and to have completed an equity raise and apply at least $25m to repay the ASB facilities by 6 October 2023. The Group has developed a debt repayment programme which will enable the repayment of at least $25m of borrowings with ASB. The debt management programme has been submitted to ASB during June 2023 for their feedback and consent with agreement expected in July 2023. Further information on the debt management programme can be found in note 1.1.

Conditional Sale of Facility

Subsequent to reporting date, the Board and Management have formulated a debt management programme described in note 1.1. During April 2023, Management began reviewing the Group's asset portfolio with a focus on identifying non-core assets and properties which are not considered essential to achieving the Group's longer term growth strategy.

On 19 June 2023, the Board entered into a conditional sale and purchase agreement for one property including its aged care business as a going concern. The sale is conditional on the completion of due diligence by the purchaser as well as obtaining the required regulatory approval and contracts for the provision of aged care services. The total purchase price for the property including its aged care business is $5.4m.

The sale of this site is not expected to have a significant impact on the Group's profit in future periods. The Group expects to incur a loss on disposal for the business assets associated with the facility and selling costs of $1.4m.

The Group expects to complete the sale during September 2023.

Dividends

The Board will not pay a final dividend in respect of the FY23 financial year.

Other

There has been no other matter or circumstance which has arisen since 31 March 2023 that has significantly affected or may significantly affect:

a. the operations, in financial years subsequent to 31 March 2023, of the Group or

b. the results of those operations or

c. the state of affairs, in financial years subsequent to 31 March 2023, of the Group.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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Radius Residential Care Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Radius Residential Care Limited and its subsidiaries ('the Group') on pages 48 to 87, which comprise the consolidated statement of financial position as at 31 March 2023, 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 significant accounting policies.

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 2023, 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, our firm carries out other assignments for Radius Residential Care Limited and its subsidiaries in the area of taxation compliance services. The provision of these other services has not impaired our independence.

Material Uncertainty Related to Going Concern Basis of Accounting

We draw attention to Note 1.1 in the consolidated financial statements, which states that the Group incurred a net loss of $2.1m during the year ended 31 March 2023 and, as of that date, the Group's current liabilities exceeded its current assets by $45.7m. As stated in Note 1.1, these events and conditions, along with other matters as set forth in Note 1.1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. If the Group were unable to continue in operational existence for the foreseeable future,

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adjustments may have to be made to reflect the situation that assets may need to be realised other than in the amounts at which they are currently recorded in the Statement of Financial Position. In addition, the Group may need to provide for future liabilities that might arise and to reclassify non-current liabilities as current liabilities in the Statement of Financial Position. Our opinion is not modified in respect of this matter.

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. In addition to the matter described in the *Material Uncertainty Related to Going Concern Basis of Accounting* section, we have determined the matters below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed the key audit matter
Impairment testing of goodwill As disclosed in Note 5.2 of the Group's consolidated financial statements, the Group has goodwill of $19.8m (2022: $19.8m) allocated across 21 (2022: 21) cash-generating units ('CGUs') as at 31 March 2023. 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 2023. This annual impairment test involves complex and subjective estimation and judgement by Management on the future performance of the CGUs, discount rates applied to the future cash flow forecasts, the terminal growth rates, costs of disposal and future market and economic conditions. Management has also engaged an external valuation expert to assist in the annual impairment testing.	Our audit procedures, among others, included: • Understanding and evaluating the Group's internal controls relevant to the accounting estimates used to determine the recoverable value of the Group's CGUs. • Evaluating Management's determination of the Group's CGUs based on our understanding of the nature of the Group's business and the economic environment in which the segments operate. We also analysed the internal reporting of the Group to assess how CGUs are monitored and reported. • Evaluating the competence, capabilities, objectivity and expertise of Management's external valuation expert and the appropriateness of the expert's work as audit evidence for the relevant assertions. • Challenging Management's assumptions and estimates used to determine the recoverable value of the Group's CGUs, including those relating to forecasted revenue, costs, capital expenditure, discount rates, by adjusting for future events and corroborating the key market-related assumptions to external data. Procedures included: ○ 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.

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 2023, the Group has investment properties *(operated by the Group as retirement villages)* totalling $70.1m (2022: $46.0m) (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 2023. The Valuer performed their work in accordance with the International Valuation Standards and the Australia and New Zealand Valuation and Property Standards, NZ IFRS 13 *Fair Value Measurement* and NZ IAS 40 *Investment Property*. The Valuer engaged by the Group has appropriate experience in the sector in which the Group operates.
 	
For each investment property, the Valuer considered property-specific information such as the income generated by departures and the re-sale of independent living units. They then applied assumptions in relation to, the timing of unit re-sale, the length of occupancy of existing residents, the price paid by new residents, price movements, type of Occupancy Right Agreement, discount rate, growth rate and terminal yield. The Valuer also considered the individual characteristics of each village, its location, its nature, its resident profile and the expected future cash flows for that particular village.
 	
The Group has adopted the assessed values determined by the Valuer.
 	
As at the 31 March 2023 valuation date, the Valuer, has included a valuation uncertainty clause in their reports stating that the property markets experienced strong growth throughout 2021 and much of 2022. However, due to recent Government lending controls, global supply issues, abnormally high inflation and rapidly rising interest rates, they have seen a slowdown in markets generally with declining asset values, and an economic downturn (recession) is seen as a risk going forward. Sales transaction volumes have decreased significantly as there is a disconnect between vendor expectation and the price purchasers are prepared to pay due to the large increase in interest rates over a short timeframe. Therefore, less certainty and a higher degree of caution should be attached to their valuation than would normally be the case. The Valuer recommended that the valuations are revisited more frequently. This clause represents an increase in the significant estimation uncertainty in the valuation of investment properties.
	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 2023.
	
	• 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 2023.
	
	• 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 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 2023, the Group has freehold land and buildings *(operated by the Group for provision of care services)* totalling $112.5m (2022: $56.0m) (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. Management has engaged an independent external valuer ('the Valuer') to determine the fair value of the Group's freehold land and buildings as at 31 March 2023. 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 16 *Property, Plant and Equipment*. The Valuer engaged by the Group has appropriate experience in the sector in which the Group operates. For each freehold land and building property, the Valuer considered property-specific information such as capitalisation rates and earnings per care bed. The Valuer also considered the individual characteristics of each property, its location, and its nature. As at the 31 March 2023 valuation date, the Valuer, has included a valuation uncertainty clause in their reports stating that the property markets experienced strong growth throughout 2021 and much of 2022. However due to recent Government lending controls, global supply issues, abnormally high inflation and rapidly rising interest rates they have seen a slowdown in markets generally with declining asset values, and an economic downturn (recession) is seen as a risk going forward. Sales transaction volumes have decreased significantly as there is a disconnect between vendor expectation and the price purchasers are prepared to pay due to the large increase in interest rates over a short timeframe. Therefore, less certainty and a higher degree of caution should be attached to their valuation than would normally be the case. The Valuer recommended that the valuations are revisited more frequently. This clause represents an increase in the significant estimation uncertainty in the valuation of freehold land and buildings.	Our audit procedures, among others, included: • Understanding and evaluating the Group's internal controls relevant to the accounting estimates used to determine the fair value of the Group's freehold land and buildings. • Understanding and evaluating the Group's internal controls relevant to monitoring the progress of land and buildings under development (including understanding and evaluating actual costs incurred to date vs. budgeted at a project milestone level, consideration of cost overruns and estimated project completion timelines and costs). • Reading the external valuation reports for the Group's freehold land and building properties as at 31 March 2023. • Evaluating the recoverability of each development by enquiring with the Group's key development / project personnel, inspecting the Group's internal and external reporting and reading any external valuation reports or advice. • Confirming that the valuation approach for the properties is in accordance with NZ IFRS 13 and NZ IAS 16, and suitable for determining the fair value of the Group's freehold land and building properties as at 31 March 2023. • Evaluating the competence, capabilities, objectivity and expertise of Management's external valuation expert and the appropriateness of the expert's work as audit evidence relevant to the valuation assertion. • Agreeing property-related data provided by Management to the Valuer to the Group's records. • Engaging our own external property valuation expert to assist in understanding and evaluating the following, based on their specialist knowledge from performing and reviewing valuations of similar properties, known relevant transactional evidence and available market data: ○ the work and findings of the Group's external valuation expert engaged by Management; ○ the Group's valuation methods and assumptions to assist us in challenging the appropriateness of valuation methods and assumptions used by Management; and ○ the acceptable range of values considered reasonable to evaluate Management's adopted valuation estimate. This involved discussing and corresponding with Management, the Valuer engaged by the Group and our own external property valuation expert. • Evaluating the selection of valuation methods, inputs and assumptions with a view to identifying Management bias. • Evaluating the disclosures (including the accounting policies and accounting estimates) related to the freehold land and buildings 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

Acquisition accounting for Matamata Country Lodge Limited and Matamata Retirement Village Limited
 	
As disclosed in in Note 5.6 of the Group's consolidated financial statements, the Group acquired the assets, liabilities, and business of Matamata Country Lodge Limited and Matamata Retirement Village Limited ('the Matamata business') during the year ended 31 March 2023.
 	
The acquisition of the Matamata business was significant to our audit due to the size of the acquisition (consideration transferred of $17.0m, in cash, deferred consideration and Radius Residential Care Limited's ordinary share capital) and the subjectivity and complexity inherent in business acquisitions.
 	
Management has completed a process to identify the acquirer, determine the acquisition date, measure the consideration transferred, and allocate the consideration transferred to the identifiable assets acquired and the liabilities assumed at their acquisition-date fair values.
 	
Management ensured that the initial measurement of consideration paid, the assets acquired and liabilities assumed (also known as purchase price allocation process) is recognised at fair value in accordance with NZ IFRS 3 *Business Combinations*.
 	
This process involved complex and subjective estimation and judgement by Management on the following:
• the accounting treatment of the acquisition;
• the determination of the acquisition date;
• identification of the assets acquired and liabilities assumed;
• the valuation of acquired investment properties and freehold land and buildings; and
• the determination of the gain on bargain purchase.
 	
Management has engaged external experts to assist in:
• the determination of the fair values of the investment property and freehold land and building properties acquired; and
• tax due diligence and advice on the current and deferred tax liabilities related to the acquired investment property and freehold land and building properties.
	We reviewed Management's purchase price allocation in respect of the acquisition of the Matamata business at acquisition date and assessed the appropriateness of the fair values attributed to the consideration paid; and the fair values attributed to the assets acquired (including intangible assets) and liabilities assumed.
	
	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 acquired business.
	• Reading the sale and purchase and other agreements relating to the acquisition to understand key terms and conditions and confirming our understanding of the transaction with Management.
	• Evaluating the measurement of the consideration transferred.
	• Evaluating the identified assets and liabilities against the terms of the sale and purchase agreements.
	• For the measurement of the identified assets and liabilities, evaluating:
	  o the fair values of the identified assets and liabilities at acquisition date; and
	  o the competence, capabilities, objectivity and expertise of Management's external accounting and valuation experts and the appropriateness of their work as audit evidence for the relevant assertions.
	• Evaluating the inputs and any underlying assumptions with a view to identifying Management bias.
	• Understanding and evaluating the determination of the gain on bargain purchase.
	• For the investment property and freehold land and building property assets acquired, reading the external valuation reports, and:
	  o Confirming that the valuation approach for the properties is in accordance with NZ IFRS 13, NZ IAS 16 and NZ IAS 40, and suitable for determining the fair value of the Group's investment property and freehold land and building properties as at acquisition date.
	  o 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.
	  o Agreeing property related data provided by Management to the Valuer to the Group's records.
	  o Engaging our own external property valuation expert to assist in understanding and evaluating the following, based on their specialist knowledge from performing and reviewing valuations of similar properties, known relevant transactional evidence and available market data:
	    ▪ the work and findings of the Group's external valuation expert engaged by Management;
	    ▪ the Group's valuation methods and assumptions to assist us in challenging the appropriateness of valuation methods and assumptions used by Management; and
	    ▪ the acceptable range of values considered reasonable to evaluate Management's adopted valuation estimate.
	• Evaluating the disclosures (including the accounting policies and accounting estimates) related to the acquisition of the Matamata business which are included in the Group's consolidated financial statements.

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 $121.5m (2022: $142.5m), and, right-of-use assets of $112.5m (2022: $133.9m) as at 31 March 2023.
 	
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 2023. These calculations required estimates regarding the lease term and the incremental borrowing rates. During the year ended 31 March 2023, no new leases were entered into and, the underlying land and building assets were purchased for four leases.
 	
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:
	    ○ Agreeing key inputs in the lease calculation to the underlying lease agreement(s);
	    ○ 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
	    ○ Checking the appropriateness of the classification of the lease liability between current and non-current based on the remaining term of the lease.
	
	• For all existing leases, evaluating Management's calculations for the subsequent measurement of the leases, including lease modifications and rent revisions.
	
	• For any leases where the underlying asset was purchased, evaluating Management's calculations for the derecognition of the lease liability and right-of-use asset, and the resulting gain / (loss) on derecognition of the lease.
	
	• Evaluating the completeness of identified lease contracts by checking that all leased facilities were included in the calculation.
	
	• Evaluating Management's estimates regarding the terms of the leases and Management's consideration of options to extend or terminate the leases.
	
	• Evaluating Management's assessment of the incremental borrowing rates applied to individual leases or portfolios of leases.
	
	• Evaluating the inputs and any underlying assumptions with a view to identifying Management bias.
	
	• Evaluating Management's assessment of any indicators of impairment for the right-of-use assets in accordance with NZ IAS 36 *Impairment of Assets*.
	
	• Evaluating the disclosures (including the accounting policies and accounting estimates) related to leases which are included in the Group's consolidated financial statements.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 March 2023 (but does not include the consolidated financial statements and our auditor's report thereon).

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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/assurance-standards/auditors-responsibilities/audit-report-1/

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

This audit report relates to the consolidated financial statements of Radius Residential Care Limited and its subsidiaries for the year ended 31 March 2023 included on Radius Residential Care Limited's website. The Directors of Radius Residential Care Limited are responsible for the maintenance and integrity of Radius Residential Care Limited's website. We have not been engaged to report on the integrity of Radius Residential Care Limited's website. We accept no responsibility for any changes that may have occurred to the consolidated financial statements since they were initially presented on the website.

The audit report refers only to the consolidated financial statements named above. It does not provide an opinion on any other information which may have been hyper linked to or from these consolidated financial statements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited consolidated financial statements and related audit report dated 28 June 2023 to confirm the information included in the audited consolidated financial statements presented on this website.

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

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

Baker Tilly Staples Rodway

BAKER TILLY STAPLES RODWAY AUCKLAND

Auckland, New Zealand

28 June 2023

Corporate Governance

This section of the Annual Report provides information on certain aspects of the Company's governance framework. The Company's full Corporate Governance Statement is structured to follow the version of the NZX Corporate Governance Code dated 17 June 2022 (NZX Code) and discloses practices relating to the NZX Code's recommendations.

The Board regularly reviews the Company's corporate governance structures against the recommendations in the NZX Code and considers that during the year ended 31 March 2023 its practices and procedures substantially met NZX Code recommendations.

The documents supporting Radius Care's governance framework are available at: **www.radiuscare.co.nz/investor-centre**

The Company's suite of Governance policies comprises:

CORPORATE GOVERNANCE STATEMENT

CONSTITUTION

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

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

DIVIDEND REINVESTMENT PLAN OFFER DOCUMENT

DIRECTORS INDEPENDENCE

As at 31 March 2023 and the date of this Annual Report, the Board comprised five Directors. The Board has considered which of the Directors are Independent Directors for the purposes of the NZX Listing Rules (the Rules). The factors relevant to determining whether a Director is an Independent Director are the criteria in the Rules for Director independence, having regard to the factors described in the NZX Code that may impact Director independence. The Company's Constitution specifies that the Board shall have a minimum of three Directors; at least two Directors shall be ordinarily resident in New Zealand; and while the Company is listed, it shall have not less than the minimum number of Independent Directors prescribed by the Rules. Brien Cree and Duncan Cook are non-independent Directors. Mary Gardiner, Bret Jackson and Hamish Stevens are Independent Directors. Brien Cree is also the Executive Chair.

During the financial year (until 28 July 2022), Bret Jackson was considered a non-executive Director. At the time of Radius Care's NZX listing in December 2020, Knox Investment Partners, a private equity firm associated with Bret Jackson, held 15.2% of the Company's issued shares through Knox Fund IV NZD LP and Knox Fund IV AUD LP (the "Knox Funds"). Following an in-specie distribution in December 2021 the Knox Funds no longer hold any Radius Care shares and Knox Investment Partners no longer has a relevant interest in any Radius Care shares. Given the Knox Funds ceased to be a Substantial Product Holder of Radius Care in December 2021, and having regard to the definition of "Independent Director" in the NZX Listing Rules, and factors that may impact director independence in the NZX Corporate Governance Code, the Board re-designated Bret Jackson as an Independent Director. This was announced to the NZX on 28 July 2022. Following the re-designation, Radius Care complies with NZX Code Recommendation 2.8.

DIVERSITY AND INCLUSION

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

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

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

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

The following table reports gender composition of the Board and Management team as at 31 March 2023.

	31 March 2023			31 March 2022		
	Male	Female	Gender Diverse	Male	Female	Gender Diverse
Directors	4	1	–	4	1	–
Management	4	2	–	4	4	–

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

BOARD COMMITTEES

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

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

Attendance at Meetings

The table below sets out Director attendance at Board and committee meetings during the year ended 31 March 2023.

	Board		Audit and Risk Committee		Remuneration and People Committee	
	Eligible to Attend	Attended	Eligible to Attend	Attended	Eligible to Attend	Attended
Brien Cree	12	12	–	–	–	–
Duncan Cook	12	12	–	–	6	6
Mary Gardiner	12	12	7	7	6	6
Bret Jackson	12	12	7	7	6	6
Hamish Stevens	12	12	7	7	–	–

Standing Committees of the Board

Audit and Risk Committee

Members: Hamish Stevens (Chair), Mary Gardiner, Bret Jackson

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

Responsibility for:

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

The role of the Audit and Risk Committee is to assist the Board to fulfil its responsibilities in relation to external financial reporting, internal controls, business assurance, internal and external audit functions and risk management. All members of the Committee are Independent Directors. The Committee's Chair, Hamish Stevens, is a qualified accountant and an Independent Director.

The Audit and Risk Committee met on seven occasions during the year to 31 March 2023. The agenda items for each meeting generally relate to financial governance, external financial reporting, external audit, internal audit, risk management, compliance and insurance.

Remuneration and People Committee

Members: Duncan Cook (Chair), Mary Gardiner, Bret Jackson

Composition: At least three members of the Board. Committee Chair appointed by the Board.

Responsibility for:

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

The Remuneration and People Committee assists the Board with the establishment of remuneration policies and practices for the CEO, key management and Directors, as well as discharging the Board's responsibilities relative to remuneration-setting and review; and assisting the Board in overseeing the management of the Company's people. The Remuneration and People Committee Charter can be found at www.radiuscare.co.nz/investors-centre/governance.

The Remuneration and People Committee met on six occasions during the year ended 31 March 2023.

REMUNERATION OVERVIEW

Radius Care aims to reward employees with a level of remuneration commensurate with their position and responsibilities, and to ensure total compensation is competitive by market standards. This overview provides details of Radius Care's approach to remuneration including incentive plans for executives that are in place for the year ended 31 March 2023 and remuneration received by the CEO and the Directors for the year ended 31 March 2023.

Remuneration Principles

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

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

CEO Remuneration

The remuneration of the CEO, Andrew Peskett, currently comprises total fixed remuneration that is based on the scale and complexity of the role, market relativities, qualifications and experience. The CEO's fixed annual salary for FY23 was $400,000 and is now increased to $416,000 for FY24. Other benefits, including KiwiSaver and a car park, are additional to the fixed salary.

CEO Remuneration Summary

		Fixed Remuneration[1]	Benefits[2]	Sub total	Variable Remuneration - STIP	Total Remuneration
FY22	Stuart Bilbrough[3]	$311,389	$13,049	$324,438	$30,000	$354,438
	Andrew Peskett[4]	$60,000	$2,511	$62,511	–	$62,511
FY23	Andrew Peskett	$400,000	$17,000	$417,000	–[5]	$417,000

1. Actual salary paid includes holiday pay paid as per NZ legislation and a car allowance where applicable.

2. Benefits include KiwiSaver and car park.

3. Stuart Bilbrough resigned from the position of CEO effective 19 November 2021. He received a cash bonus of $30,000 as a result of the EBITDA that was achieved for the FY21 year. Salary shown is for the period 1 April 2021 – 19 November 2021.

4. Andrew Peskett was appointed CEO on 1 February 2022. Salary shown is for the period 1 February 2022 – 31 March 2022.

5. The Short Term Incentive Plan (STIP) was introduced in FY23 and incentive payments have not yet been finalised.

CEO Short Term Incentive Plan (STIP) Payment

For the FY23 financial year, the CEO may receive an STIP payment of up to 20% of his base salary (in FY23 the payment may be up to $80,000). This will be dependent on achieving certain targets as follows:

1. 50% is to be due on the Company achieving or exceeding its budgeted pre IFRS 16 EBITDA target for FY23, with scaling to be applied at the discretion of the Board if the result comes within the range of 95% to 100% of the target; and
2. 50% is to be allocated and scaled entirely at the discretion of the Board. Considerations are to be given to a range of factors including but not limited to:
    - Staff engagement and retention;
    - Stakeholder engagement;
    - Board engagement and reporting; and
    - Health and Safety.

CEO Long Term Incentive Plant (LTIP) Payment

The Board has approved a long term incentive plan for the Senior Leadership Team (SLT) including the CEO which aims to provide genuine incentive to achieve the Company's strategy and increase shareholder value. The CEO has been allocated share rights to take up 2,774,563 ordinary shares in Radius Care. The share rights vest if the Radius Care share price is equal to $1.081 before 18 July 2025.

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

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

Key Terms of CEO Employee Contract

The table below sets out the key terms of the CEO's employment contract:

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

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

Director Remuneration

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

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

Fees paid to the Directors of the Company (in their capacity as Director) for the year ended 31 March 2023 were as follows:

Directors	Board Fees	Audit and Risk Committee Fees	Remuneration and People Committee Fees	Total Remuneration
Brien Cree[1]	–	–	–	–
Duncan Cook[2]	$90,000	–	$12,000	$102,000
Mary Gardiner	$90,000	$6,000	$6,000	$102,000
Bret Jackson	$90,000	$6,000	$6,000	$102,000
Hamish Stevens	$90,000	$12,000	–	$102,000

1.Brien Cree was paid a salary of $856,541 and benefits of $91,547 in his executive capacity as Managing Director of Radius Care.

2.Payment of $451k (including GST) to Prasso Consulting, a division of Barefoot Crue Limited (Duncan Cook is a Director and shareholder of Barefoot Crue Limited) for consulting and professional services in connection with the UCG transaction and the Matamata Country Lodge transaction. This amount is not included in his Total Remuneration shown in the table above.

Board Fees

Chair	Nil
Directors (other than the Chair)	$90,000
Committee Chair	$12,000
Committee Members	$6,000

Employee Remuneration

The number of employees and former employees of Radius Care, not being a Director of Radius Care, who received remuneration and other benefits the value of which exceeded $100,000 during the financial year ended 31 March 2023 is set out in the table of remuneration bands below.

The remuneration figures shown in the "Remuneration" column include all monetary payments actually paid during the course of the year ended 31 March 2023. The table does not include amounts paid after 31 March 2023 that relate to the financial year ended 31 March 2024.

Remuneration	Number of Employees
$100,000 to $109,999	8
$110,000 to $119,999	7
$120,000 to $129,999	1
$130,000 to $139,999	6
$140,000 to $149,999	3
$150,000 to $159,999	1
$160,000 to $169,999	2
$170,000 to $179,999	1
$180,000 to $189,999	1
$190,000 to $199,999	1
$210,000 to $219,999	1
$240,000 to $249,999	1
$320,000 to $329.999	1
$400,000 to $419,999	1
TOTAL EMPLOYEES	35

Executive STIP Plan

For the FY23 financial year, each member of the SLT may also receive an STIP payment of up to 20% of their annual base salary. This will be dependent on achieving certain targets as follows:

- 30% (50% for the CFO) is to be due on the Company achieving or exceeding its budgeted pre IFRS 16 EBITDA target for FY23, with scaling to be applied at the discretion of the Board if the result comes within the range of 95% to 100% of the target; and
- 70% (50% for the CFO) is to be allocated and scaled entirely at the discretion of the Board. Considerations are to be given to a range of factors relevant to each executive's key performance indicators.

Executive LTIP Plan

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

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

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

The STIP and the LTIP do not apply to Directors.

Other Disclosures

INTERESTS REGISTER

Disclosure of Directors' Interests

The following are particulars of general disclosures of interest by Directors holding office as at 31 March 2023, pursuant to section 140(2) of the Companies Act 1993. The Director will be regarded as interested in all transactions between Radius Care and the disclosed entity. Changes to entries disclosed during the year to 31 March 2023 are noted for the purposes of section 211(1)(e) of the Companies Act 1993.

Brien Cree

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

Duncan Cook

Entity	Nature of Interest
Purangi Gold Limited	Shareholder as trustee with no beneficial interest
Sharpac Management Limited	Director
Barefoot Crue Limited	Director and Shareholder
KFT International Limited	Shareholder as trustee with no beneficial interest
Barbara Fishing Company Limited	Shareholder as trustee with no beneficial interest
Beaver Fishing Company Limited	Shareholder as trustee with no beneficial interest
Woodland Kiwi Limited	Shareholder as trustee with no beneficial interest
M D C Fishing Limited	Shareholder as trustee with no beneficial interest
Beauty Store Limited	Director and Shareholder
InforME Limited	Director and Shareholder
Compass Homes Limited	Shareholder. Appointed as Director on 1 April 2022 and resigned as Director effective 3 October 2022.

Mary Gardiner

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

Bret Jackson

Entity	Nature of Interest
KIP Nominees Limited	Director
Knox General Partner Limited	Director
Tasman Advisory Limited	Director and Shareholder
Takatimu Holdings Limited	Director and Shareholder
SLP Mag Nation Limited	Director
Takatimu Investments Limited	Director and Shareholder
OPO Holdings Limited	Director and Shareholder
Knox Investment Partners Fund III NZD 2 Limited	Director
Knox Investment Partners Fund III NZD Limited	Director
Knox Investment Partners Limited	Director and Shareholder
Knox Investment Partners Fund III AUD Limited	Director
Knox Investment Partners Fund III Limited	Director
Knox Investment Partners Fund III NZD 5 Limited	Director
Knox Investment Partners Fund III AUD 3 Limited	Director
Knox Investment Partners Fund III AUD 2 Limited	Director
Knox Fund IV Carried Interest Partner Limited	Director
Bret Jackson Trustee Limited	Director and Shareholder

Hamish Stevens

Entity	Nature of Interest
Marsden Maritime Holdings Limited	Director
Pharmaco NZ Limited	Director
Pharmaco House Limited	Director
Pharmaco (Australia) Limited	Director
The Kennedy's Limited	Director
Botany Health Hub Limited	Director
Northport Limited	Director
ECL Group Limited	Director
Counties Energy Limited	Director
Governance and Advisory Limited	Director and Shareholder
East Health Services Limited	Director
Ormiston Health Properties Limited	Director
Health Improvement Group Limited	Director
East Health Clinic Investments Limited	Director
Embark Education Group Limited (previously Evolve Education Group Limited until 18 October 2022, and then Embark Education Limited until 10 February 2023)	Director
Embark NZ Management Group Limited (previously Evolve Management Group Limited until 18 October 2022)	Director
Embark NZ Educare Holdings Limited (previously Lollipops Educare Holdings Limited until 18 October 2022)	Director
Lollipops Educare Centres Limited	Resigned as Director effective 3 October 2022

SUBSIDIARY COMPANY DIRECTORS

Brien Cree and Duncan Cook are Directors of all Radius Care subsidiaries as at 31 March 2023. No extra remuneration is payable for any Directorship of a subsidiary.

SPECIFIC DISCLOSURES

See related party note 5.5 in the consolidated financial statements section for any disclosures made by Directors during the year ended 31 March 2023 of any interests in transactions with Radius Care or any of its subsidiaries.

USE OF COMPANY INFORMATION

During the year ended 31 March 2023, the Board did not receive any notices from Directors requesting use of Radius Care's or any of its subsidiaries' information.

DIRECTORS' INTERESTS

Directors of Radius Care have disclosed the following relevant interests in shares as at 31 March 2023:

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

SECURITIES DEALINGS OF DIRECTORS

Dealings by Directors in relevant interests in Radius Care's ordinary shares in the year ended 31 March 2023 as entered in the Interests Register:

Director	Transaction	No. of Shares	Nature of Relevant Interest	Price per Share	Date of Transaction
Hamish Stevens	Acquired shares under the Dividend Reinvestment Plan	1,292 ordinary shares	Registered holder and beneficial owner	27 cents	13 January 2023

INDEMNITY AND INSURANCE

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

OTHER INFORMATION

Auditor's Fees

Baker Tilly Staples Rodway is the external auditor of Radius Care and its subsidiaries. Total fees paid by Radius Care and its subsidiaries to Baker Tilly Staples Rodway in its capacity as auditor during the financial year ended 31 March 2023 were $271.2k. Total fees paid to Baker Tilly Staples Rodway for other professional services (being taxation compliance services) during the financial year ended 31 March 2023 were $22.7k. No other fees were paid to Baker Tilly Staples Rodway for other professional services.

Donations

For the year ended 31 March 2023, Radius Care and its subsidiaries paid a total of $8.4k in donations. No donations were paid to political parties.

Stock Exchange Listings

Radius Care's shares are listed on the NZX. Radius Care is required to comply with the NZX Listing Rules. Radius Care confirms that it has complied with the NZX Listing Rules for the financial year ended 31 March 2023.

Waivers

Radius Care did not apply for or rely upon any waivers from the requirements of the NZX Listing Rules during the financial year ended 31 March 2023.

Credit Rating

Radius Care has no credit rating.

Shareholder Information

TWENTY LARGEST SHAREHOLDERS

AS AT 1 MAY 2023

Registered Shareholder	Number of shares	% Shares
Wave Rider Holdings Limited	95,312,500	33.46
Neil John Foster	15,595,040	5.47
Jamie Marion Main & Main Trustee Company No 2 Limited	15,328,019	5.38
Aaron Snodgrass & Brian Maltby & Simon Curran & Frances Valintine & Peter Alexander & Jonathan Mason	10,866,430	3.81
Forsyth Barr Custodians Limited	6,646,364	2.33
Perpetual Corporate Trust Limited - Act Private Equity No 3 Fund	5,994,760	2.10
Perpetual Corporate Trust Limited - ROC Alternative Investment a/c VI	5,994,760	2.10
Perpetual Corporate Trust Limited - ROC Asia Pacific Co-investment Fund II	5,994,760	2.10
New Zealand Depository Nominee Limited	5,582,607	1.96
BNP Paribas Nominees (NZ) Limited - NZCSD	5,568,282	1.95
Accident Compensation Corporation - NZCSD	5,097,500	1.79
Glenn Raymond Miller	4,807,692	1.69
Trevor Maxwell Jones	4,807,692	1.69
Leveraged Equities Finance Limited	4,701,435	1.65
Takatimu Investments Limited	4,617,783	1.62
Central Lakes Direct Limited	4,434,102	1.56
Quintin Louis Proctor	4,326,924	1.52
HSBC Nominees (New Zealand) Limited - NZCD	3,885,689	1.36
FNZ Custodians Limited	3,146,409	1.10
Andrew John Clark	3,066,502	1.08
Total	**215,775,250**	**75.75**

SPREAD OF HOLDINGS

AS AT 1 MAY 2023

Size of Holding	Number of Shareholders	%	Number of Shares	%
1 - 1,000	147	10.0	92,787	0.03
1,001 - 5,000	525	35.74	1,365,783	0.48
5,001 - 10,000	210	14.30	1,733,555	0.61
10,001 - 100,000	454	30.91	14,796,023	5.19
100,001 and over	133	9.05	266,860,496	93.69
Total	**1,469**	**100**	**284,848,644**	**100**

SUBSTANTIAL PRODUCT HOLDERS

According to Radius Care's records and notices given under the Financial Markets Conduct Act 2013, the following were substantial product holders of Radius Care as at 31 March 2023. The below shares may not represent the exact amount of shares currently held by these shareholders due to subsequent changes in shareholding after the lodging of the various Substantial Product Holder Notices.

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

The total number of ordinary shares (being the only class of quoted voting products) on issue in Radius Care as at 31 March 2023 was 284,848,644.

Corporate Directory

REGISTERED OFFICE

Radius Residential Care Limited

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Parnell, Auckland 1052

PO Box 450, Shortland Street, Auckland

Phone +64 9 304 1670

Email investor@radiuscare.co.nz

www.radiuscare.co.nz

SHARE REGISTRY

Computershare Investor Services Limited

Level 2, 159 Hurstmere Road
Takapuna, Auckland 0622

Phone +64 (9) 488 8700

Private Bag 92119, Victoria Street West
Auckland 1142

Investor Enquiries:

Phone 09 488 8777

www.computershare.co.nz/investorcentre

BANKERS

ASB

ASB North Wharf
12 Jellicoe Street, Auckland 1010

VALUER

Long Valuation and Consultancy Limited

Moore Markhams Auckland, Floor 1,
103 Carlton Gore Road, Newmarket,
Auckland 1023

AUDITORS

Baker Tilly Staples Rodway

Level 9, Tower Centre
45 Queen Street, Auckland 1010

LEGAL ADVISORS

Chapman Tripp

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

STATUTORY SUPERVISOR

Covenant Trustee Services Limited

Level 6/191 Queen Street, Auckland CBD,
Auckland 1010

radius care

Caring is our calling

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